

# ANNUAL REPORT 2014/15



**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA



# ANNUAL REPORT 2014/15

National Treasury, Private Bag X115,  
Pretoria, 0001, South Africa  
Tel: +27 12 315 5526  
Fax: +27 12 406 9055

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# ANNUAL REPORT 2014/15

Mr N Nene, **Minister of Finance.**

I have the honour of submitting the Annual Report of the National Treasury  
for the period 1 April 2014 to 31 March 2015.



Lungisa Fuzile  
Director-General



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# ANNUAL REPORT 2014/15

MISSION STATEMENT

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ORGANOGRAM



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# MISSION STATEMENT

## VISION

The National Treasury is the custodian of the nation's financial resources. We hold ourselves accountable to the nation to discharge our responsibilities professionally and with humility, with the aim of promoting growth and prosperity for all.

We aspire to excellence in the quality of our analysis and advice and in the execution of our financial management responsibilities. We aim to realise the full potential of South Africa's economy and people and to mobilise the resources of the state, business enterprises and the wider community in a partnership of trust and mutual respect.

## MISSION AND OBJECTIVES

The National Treasury aims to promote economic development, good governance, social progress and rising living standards through accountable, economic, efficient, equitable and sustainable management of South Africa's public finances.

We endeavour to advance economic growth, broad-based empowerment, progressive realisation of human rights and the elimination of poverty. We are responsible for preparing a sound and sustainable national budget and an equitable division of resources among the three spheres of government. We strive to raise fiscal resources equitably and efficiently and to manage the government's financial assets and liabilities soundly. We promote transparency and effective financial management.

## VALUES

As custodian of the nation's financial resources, the National Treasury acknowledges the authority of Parliament through whom we are accountable to the nation. We value teamwork, sound planning and enthusiasm and strive continually to improve the quality, accuracy and reliability of our service delivery.

Our people are our most valued assets. We seek to be an employer of choice, we invest in the education and training of our staff, we cultivate a learning and consultative environment, we make use of the best available technological support and we aim to mobilise the full potential of our people.

In our dealings with the public and with our colleagues, we act transparently and with integrity, showing respect and demonstrating fairness and objectivity. In achieving these things, we will honour the faith that the South African public has placed in us.

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# ORGANOGRAM



1. **NHLANHLA NENE, MINISTER OF FINANCE**
2. **MCEBISI JONES, DEPUTY MINISTER OF FINANCE**
3. **LUNGISA FUZILE, DIRECTOR-GENERAL**
  - Media Liaison & Communications • Legal Services • Legislation • Internal Audit Function • Chief Risk Officer
4. **STADI MNGOMEZULU, HEAD: CORPORATE SERVICES**
  - Strategic Projects & Support • Human Resources Management • Chief Financial Officer
  - Information & Communications Technology
5. **ANTHONY JULIES, HEAD: ASSET & LIABILITY MANAGEMENT**
  - Sectoral Oversight • Liability Management • Financial Operations • Strategy & Risk Management
  - Governance & Financial Analysis
6. **KENNETH BROWN, HEAD: CHIEF PROCUREMENT OFFICE**
  - Transversal Contracting • SCM Policy, Norms and Standards • Strategic Procurement • SCM Client Support
  - SCM Information, Communication and Technology • SCM Governance, Monitoring and Compliance
7. **MATTHEW SIMMONDS, HEAD: PUBLIC FINANCE**
  - Protection Services • Economic Services • Administrative Services • Education & Related Departments & Labour
  - Health & Social Development • Urban Development & Infrastructure • National Capital Projects
  - Project Management Unit
8. **MICHAEL SACHS, HEAD: BUDGET OFFICE**
  - Expenditure Planning • Public Finance Statistics • International Development Coordination • Fiscal Policy
  - Public Entities Governance Unit • Public Sector Remuneration Unit
9. **MALIJENG NGQALENI, HEAD: INTERGOVERNMENTAL RELATIONS**
  - Local Government Budget Analysis • Intergovernmental Policy & Planning • Provincial & Local Government Infrastructure
  - Provincial Budget Analysis • Neighbourhood Development Unit

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# ORGANOGRAM



- 10. ISMAIL MOMONIAT, HEAD: TAX & FINANCIAL SECTOR POLICY**  
• Financial Sector Development • Financial Services • Financial Stability • Economic Tax Analysis • Legal Tax Design
- 11. MMAKGOSHI PHETLA-LEKHETHE, HEAD: INTERNATIONAL & REGIONAL ECONOMIC POLICY**  
• African Economic Integration • International Finance & Development • Global and Emerging Markets  
• Country and Thematic Analysis
- 12. FUNDI TSHAZIBANA, HEAD: ECONOMIC POLICY**  
• Modelling & Forecasting • Microeconomic policy • Macroeconomic policy • Regulatory Impact Assessment
- 13. MICHAEL SASS, HEAD: OFFICE OF THE ACCOUNTANT-GENERAL**  
• Capacity Building • MFMA Implementation • Accounting Support & Integration • Internal Audit Support  
• Risk Management • Technical Support Services • Governance Monitoring & Compliance • Specialised Audit Services  
• Financial Systems • Integrated Financial Management Systems (IFMS)

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LEGISLATIVE MANDATE

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LEGISLATION ENACTED



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## LEGISLATIVE MANDATE

The National Treasury's mandate is to promote the national government's fiscal policy and to coordinate macroeconomic policy, intergovernmental financial and fiscal relations, manage the preparation of the budget, and to ensure that revenue and expenditure, assets and liabilities, public entities and constitutional institutions are managed in a transparent and effective manner.

## PARLIAMENTARY SERVICE

As the political principal of the department, the Minister of Finance regards collaboration and engagement with Parliament as vital. Consequently, National Treasury continued interactions with parliamentary committees during the period under review. These included the Standing Committee on Finance (SCoF); the Standing Committee on Appropriations (SCoA); Select Committee on Finance (SeCoF) and Select Committee on Appropriations (SeCoA). Other committees also include the Standing Committee on Public Accounts and all other relevant portfolio committees in parliament.

The Parliamentary Service Office (PSO) is at the core of maintaining this relationship. The Office is also a vehicle through which financial policies and pieces of legislation are presented to Parliament for consideration and approval. During the period under review the PSO coordinated work processes between policy makers and public representatives. Information continued to flow between the Ministry through Cabinet to Parliament and vice versa.

Other clients of this office include but are not limited to:

- Members of Parliament;
- Parliamentary Committees;
- Parliamentary Administrative Staff;
- Civil society institutions; and
- Members of the public.

The PSO also maintains collegial and cooperative relationships on behalf of the Ministry with all parliamentary political structures as well as offices of the Presiding Officers, the Secretary to Parliament and Leader of Government Business.

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# LEGISLATION ENACTED

## MINISTRY OF FINANCE – LIST OF LEGISLATION ENACTED: 2014/15 FINANCIAL YEAR

- 1. Division of Revenue Act (Act No. 10 of 2014)**  
Bill enacted: Division of Revenue Bill [B 5 – 2014]  
English text signed by the President. Assented to 25 April 2014  
Published in Government Gazette No. 37595, dated 26 April 2014
  
- 2. Customs Duty Act (Act No. 30 of 2014)**  
Bill enacted: Customs Duty Bill [B 43 – 2013]  
English text signed by the President. Assented to 9 July 2014  
Published in Government Gazette No. 37821, dated 10 July 2014
  
- 3. Customs Control Act (Act No. 31 of 2014)**  
Bill enacted: Customs Control Bill [B 45B – 2013]  
English text signed by the President. Assented to 21 July 2014  
Published in Government Gazette No. 37862, dated 23 July 2014
  
- 4. Customs and Excise Amendment Act (Act No. 32 of 2014)**  
Bill enacted: Customs and Excise Amendment Bill [B 44B – 2013]  
English text signed by the President. Assented to 21 July 2014  
Published in Government Gazette No. 37863, dated 23 July 2014
  
- 5. Appropriation Act (Act No. 33 of 2014)**  
Bill enacted: Appropriation Bill [B 4 – 2014]  
English text signed by the President. Assented to 13 August 2014  
Published in Government Gazette No. 37913, dated 14 August 2014
  
- 6. Adjustments Appropriation Act (Act No. 37 of 2014)**  
Bill enacted: Adjustments Appropriation Bill [B 10 – 2014]  
English text signed by the President. Assented to 9 December 2014  
Published in Government Gazette No. 38313, dated 9 December 2014

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# LEGISLATION ENACTED

**7. Division of Revenue Amendment Act (Act No. 38 of 2014)**

Bill enacted: Division of Revenue Amendment Bill [B 11 – 2014]  
English text signed by the President. Assented to 9 December 2014  
Published in Government Gazette No. 38314, dated 9 December 2014

**8. Development Bank of Southern Africa Amendment Act (Act No. 41 of 2014)**

Bill enacted: Development Bank of Southern Africa Bill [B 2B – 2014]  
English text signed by the President. Assented to 16 January 2015  
Published in Government Gazette No. 38403, dated 20 January 2015

**9. Rates and Monetary Amounts and Amendment of Revenue Laws Act (Act No. 42 of 2014)**

Bill enacted: Rates and Monetary Amounts and Amendment of Revenue Laws Bill [B 12 – 2014]  
English text signed by the President. Assented to 16 January 2015  
Published in Government Gazette No. 38404, dated 20 January 2015

**10. Taxation Laws Amendment Act (Act No. 43 of 2014)**

Bill enacted: Taxation Laws Amendment Bill [B 13B – 2014]  
English text signed by the President. Assented to 16 January 2015  
Published in Government Gazette No. 38405, dated 20 January 2015

**11. Tax Administration Laws Amendment Act (Act No. 44 of 2014)**

Bill enacted: Tax Administration Laws Amendment Bill [B 14 – 2014]  
English text signed by the President. Assented to 16 January 2015  
Published in Government Gazette No. 38406, dated 20 January 2015

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MINISTRY



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# MINISTRY

## INTERNATIONAL VISITS UNDERTAKEN BY THE MINISTER OF FINANCE DURING THE 2014/15 FINANCIAL YEAR

DATE	COUNTRY	REASON
<b>2014</b>		
06 to 09 April	Boston, Massachusetts, USA	Harvard-African Development Bank Ministerial Forum on Health Finance
28 to 30 May	Maputo, Mozambique	Africa Arising Conference organised by the International Monetary Fund in collaboration with the Government of Mozambique
13 to 17 July	Fortaleza, Brazil	Sixth BRICS Summit
14 to 19 August	Victoria Falls, Zimbabwe	34th Ordinary Summit of Southern African Development Community (SADC) Heads of State and Government
17 to 22 September	Cairns, Australia	Group of twenty Finance Ministers' and Central Bank Governors Meeting
06 to 16 October	Washington D.C., USA; London, United Kingdom	Annual Meetings of the International Monetary Fund and World Bank (IMF/WB) and the Investor Conference
25 to 30 October	London, United Kingdom; Berlin, Germany	Innovabrics Summit and the African Leaders Roundtable: Global Forum on Transparency and Exchange of Information for Tax Purposes
13 to 17 November	Brisbane, Australia	Group of twenty Leader's Summit
01 to 07 December	Beijing, Peoples Republic of China	State Visit and Closing Ceremony for the Year of South Africa in China
<b>2015</b>		
19 to 25 January	Davos-Klosters, Switzerland	2015 World Economic Forum (WEF) Annual Meetings
08 to 11 February	Istanbul, Turkey	G-20 Finance Ministers' and Central Bank Governors' Meeting
28 to 31 March	Addis Ababa, Ethiopia	Eighth Joint Annual Meetings of the African Union Specialised Technical Committee on Finance, Monetary Affairs, Economic Planning and Integration and the Economic Commission for Africa Conference of African Ministers of Finance, Planning and Economic Development Annual Meeting

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# MINISTRY

## INTERNATIONAL VISITS UNDERTAKEN BY THE DEPUTY MINISTER OF FINANCE DURING THE 2014/15 FINANCIAL YEAR

DATE	COUNTRY	REASON
2014		
26 to 28 June	Dakar, Senegal	22 <sup>nd</sup> Annual Meetings of the African Capacity Building Foundation
17 to 18 July	Gaborone, Botswana	SADC Trade, Industry, Finance And Investment (Tifi) Meetings
4 to 5 September	Khartoum, Sudan	2014 African Caucus Meetings
10 to 12 October	Washington DC, USA	2014 IMF/ WB Annual Meetings
24 to 25 November	London , UK	Marlborough House Summits

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## PUBLIC ENTITIES REPORTING TO THE MINISTER



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# PUBLIC ENTITIES REPORTING TO THE MINISTER

Seventeen entities report to the Minister of Finance through governance arrangements that give them autonomy but also enable them to align their strategies with government policy. Seven of these entities - the South African Revenue Service (SARS), the Office of the Tax Ombud (OTO), the Financial Intelligence Centre (FIC), the Accounting Standards Board (ASB), the Co-operative Banks Development Agency (CBDA), the Financial and Fiscal Commission (FFC) and the Independent Regulatory Board for Auditors (IRBA) – receive transfers from the National Treasury.

The remaining ten are self-funded and generate their own revenue – the Financial Services Board (FSB), the Financial Advisory and Intermediary Services Ombud (FAIS Ombud), the Office of the Pension Fund Adjudicator (OPFA), the Government Pensions Administration Agency (GPAA), the Government Employees Pension Fund (GEPF), the Development Bank of Southern Africa (DBSA), the Public Investment Corporation (PIC), the Land and Agricultural Development Bank of South Africa (Land Bank), South African Airways (SAA) and the South African Special Risks Insurance Association (SASRIA). Each entity develops and reports on its own strategic and corporate plan. The commentary below on the performance of the seventeen entities describes the broad approach of each and how its work relates to the National Treasury's strategic objectives which are in turn aimed at attaining the goals of the National Development Plan.

## SOUTH AFRICAN REVENUE SERVICE (SARS)



(Schedule 3A: National public entity)

The mandate of SARS since its inception, in terms of the South African Revenue Service Act, no. 34 of 1997, is to collect all revenue due to the state and to support Government in meeting its key growth and developmental objectives by facilitating legitimate trade, protecting South African ports of entry and eliminating illegal trade and tax evasion. SARS's achievements in the reporting year included:

- Despite challenging economic conditions, collecting R986.3 billion against the revised estimate of R979 billion, a surplus of R7.3 billion. The successful outcome of the 2014/15 revenue drive lifted the estimated tax to GDP ratio from the 25.2 per cent anticipated in the 2015 Budget to 25.4 per cent.
- Beginning implementation of the required legal changes for the 2015 tax year in preparation for the 2015 filing season. These are changes in the threshold for taxable income derived from interest, foreign dividends and fixed property rentals. This threshold has been raised from R 20 000 to R 30 000 for all natural persons. Also, small businesses will now be exempt from donation tax, dividend tax, capital gains tax and provisional tax.
- Achieving 12.11 per cent audit coverage of registered taxpayers, that is, personal income tax, corporate income tax, value added tax, excise and pay as you earn against the target of 11 per cent; 94.49 per cent of personal income tax compliance against the target of 91.60 per cent; and 98.29 per cent uptake in electronic filing, declaration and payment submissions for all tax products against the target of 98 per cent.

The focus of SARS over the Medium Term Economic Framework period will be on contributing more than 90 per cent of the revenue required by government to meet its objectives. This is in line with the NDP vision of ensuring high quality public services as a result of tax contributions, as well as outcome 12 of government's 2014 - 2019 Medium Term Strategic Framework (MTSF) an efficient, effective and development oriented public service.

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# PUBLIC ENTITIES REPORTING TO THE MINISTER

## OFFICE OF THE TAX OMBUD (OTO)

The OTO was established by, and derives its mandate from, the Tax Administration Act, no. 28 of 2011 (TAA). The appointment of the Tax Ombud is provided for in section 14(1) of the TAA, which states that the Minister of Finance must appoint a Tax Ombud. Section 16(1) of the TAA gives the Tax Ombud a mandate to review and address any complaint by a taxpayer regarding a service, procedural or administrative matter arising from the application of the provision of a tax act by SARS. The Tax Ombud is expected to discharge his/her mandate independently in terms of section 16(2), which provides for fair, free and effective procedures in resolving complaints. In discharging his/her mandate, the Tax Ombud must:

- Review complaints, and if necessary, resolve them through mediation or conciliation
- Act independently in resolving complaints
- Follow informal, fair and expeditious procedures in resolving complaints
- Provide information to taxpayers about the mandate of the Tax Ombud and procedures in pursuing a complaint
- Facilitate access by taxpayers to complaint resolution mechanisms within SARS.

The Office has successfully achieved the following:

- Since its establishment in October 2013, it has significantly enhanced its skills base and made good progress in raising public awareness about its existence and mandate. It is performing well against its targets for resolving taxpayer complaints.
- It has launched its website, complaints guide and complaints form making the office accessible to the public. The complaints guide is available on the website in all 11 official languages. This has resulted in information about OTO's mandate being accessible to all South Africans, resulting in an increase in tax complaints.
- It has attended to more than 6 000 contacts with taxpayers and over 1 200 complaints.
- It has conducted roadshows in all provinces in collaboration with the South African Institute of Chartered Accountants (SAICA), enabling the CEO to share relevant information with tax practitioners about the mandate of the Tax Ombud and how the office operates.
- It has promoted stakeholder engagement with some of the recognised professional bodies, building relationships and collaboration. These included SAICA, the South African Institute of Professional Accountants (SAIPA) and the South African Institute of Tax Professionals (SAIT).

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# PUBLIC ENTITIES REPORTING TO THE MINISTER

## FINANCIAL INTELLIGENCE CENTRE (FIC)



(Schedule 3A: National public entity)

The FIC was created in 2003. It was born out of South Africa's policy of combating money laundering, blocking the proceeds of crime and inhibiting the financing of terrorism. The FIC, its legal mandate, statutory powers and authority were established by the Financial Intelligence Centre Act, no. 38 of 2001.

The FIC primarily exists for three reasons: to gather information and produce financial intelligence concerning proceeds of crime, money laundering and the financing of terrorism; to establish and maintain a robust anti-money laundering and financing of terrorism regime in the private sector; and to evolve domestic policy and legislation to promote our national interest.

The FIC also contributes towards combating crime and protecting national security. This is its main contribution to the achievement of the objectives of the NDP and the MTSE.

The FIC's achievements in the reporting year included:

- 30 461 new accounting/reporting institutions from sectors such as estate agencies, gambling and attorneys were registered in terms of the FIC Act, an increase from 26 316 in 2013/14.
- The value of blocked suspected proceeds of crime increased to R181 million in 2014/15 as compared to R76.9 million in the previous year.
- Increased support to the criminal justice system: the FIC contributed to 1 799 national and international law enforcement episodes (1 661 in 2013/14).
- To ensure supervision and enforcement in terms of the FIC Act, 130 risk-based compliance inspections were performed. These inspections guide businesses towards compiling better information, thus enabling quality reporting to the FIC. To further ensure compliance with the FIC Act, six guidance products were provided to supervisory bodies.

Over the medium term the FIC will be stabilising its analytics capabilities; maintaining its ICT network, systems and solutions, and increasing its capability and reliability; and streamlining information links to clients. This will require a steady increase in the maintenance costs of the ICT systems as well as additional funds for the expansion of the FIC's analytical ability.

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# PUBLIC ENTITIES REPORTING TO THE MINISTER

## ACCOUNTING STANDARDS BOARD (ASB)



(SCHEDULE 3A: NATIONAL PUBLIC ENTITY)

The ASB's legislative mandate is to develop standards of generally recognised accounting practice (GRAP) for all spheres of government in terms of section 216(1)(a) of the Constitution and of the Public Finance Management Act, no.1 of 1999, as amended. A further function of the Board is to promote transparency and effective management of revenue, expenditure, assets and liabilities of the entities to which the standards apply. The Board contributes to the following outcomes as enshrined in the NDP; the achievement of a responsive, accountable, effective and efficient local government system (outcome 9); and an efficient, effective and development oriented public service (outcome 12).

ASB's key achievements during the year under review include the following:

- Issued 13 documents relating to the setting of GRAP standards. These documents include exposure drafts for comments developed locally and those published concurrently with the international standard-setter, discussion papers, consultation papers and final standards of GRAP.
- Submitted comment on four international documents, including the International Public Sector Accounting Standards Board's Strategy and Work Plan Consultation, and gave input to the drafting of three comment letters by the SAICA to the International Accounting Standards Board. Decisions about the work plan influence the activities of the Board over the medium term.
- Consulted stakeholders on an appropriate reporting framework for government business enterprises as a result of the withdrawal of South African Generally Accepted Accounting Principles (GAAP). The Board is proposing a self-assessment mechanism that will enable all public entities to determine whether International Financial Reporting Standards or Standards of GRAP should be used.
- Submitted 2 new standards to the Minister for approval.

The focus over the medium term will be on the development of a comprehensive reporting framework, with a GRAP standard for each material item of revenue, expenses, assets and liabilities. This will contribute to improved decision making in all spheres of government and improved accountability for the financial resources assigned to each reporting entity.

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# PUBLIC ENTITIES REPORTING TO THE MINISTER

## CO-OPERATIVE BANKS DEVELOPMENT AGENCY (CBDA)



(Schedule 3A: National public entity)

The CBDA was established in terms of the Cooperative Banks Act, no. 40 of 2007. The CBDA's mandate is to create a strong and vibrant cooperative banking sector. Its overarching objectives are to support, promote and develop cooperative banking, and to register, supervise and regulate as cooperative banks deposit taking financial services cooperatives, savings and credit cooperatives, community banks and village banks. The CBDA's key achievements during year under review include:

- Conducting 19 onsite inspections and assessing 68 offsite reports on co-operative financial institutions (CFIs), reflecting an increased number of registered CFIs.
- Ensuring 82 per cent of CFIs are in compliance with Basel core principles for effective supervision of deposit taking micro financial institutions.
- Assisting 23 registered CFIs with preparation and submitting of audited annual financial statements compliant with accounting standards.
- Publishing four articles, participating in road shows, making presentations at workshops and to selected stakeholders in a bid to promote the CFI model.
- Ensuring the Stabilization Fund is funded and operational.

The strategic foci of the CBDA over the MTEF period are based on the dictates of the NDP, Government policy objectives and the 2014 MTSF. Strategic focus objectives over the medium term will be on viability and growth to ensure a strong network within the CFI sector; collaboration with the sector to build an integrated National Co-operative Banking System consisting of primary financial co-operatives linked into a network of secondary financial co-operatives; assisting representative bodies to improve their operational capabilities and service offering to the sector; accelerating the establishment of the IT based banking platform; improving CFIs' operational efficiencies; conducting site visits to applicant CFIs to gain insight into their operations as part of the supervisory process.



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# PUBLIC ENTITIES REPORTING TO THE MINISTER

## FINANCIAL AND FISCAL COMMISSION (FFC)



(Schedule 3A: Constitutional entity)

The Commission's legislative mandate is to advise relevant legislative authorities regarding the financial and fiscal requirements for national, provincial and local spheres of government.

The FFC is a permanent statutory body established in terms of Section 220 of the Constitution. It is independent and subject only to the Constitution and the law and must function in terms of acts of Parliament.

The mandate of the Commission is to make recommendations, envisaged in Chapter 13 of the Constitution or in national legislation, to Parliament, provincial legislatures, and any other organs of state determined by national legislation. The enabling legislation is Section 214 (2), 218(2), 228 (2), 229(5), 230(2) and 230A (2) of the Constitution; the FFC Act, no. 99 of 1997; the Intergovernmental Fiscal Relations Act, no. 97 of 1997; Money Bills Amendment Procedure and Related Matters Act, no. 9 of 2009; Provincial Tax Regulation Process Act, no. 53 of 2001; Municipal Fiscal Powers and Functions Act, no. 12 of 2007; Borrowing Powers of Provincial Government Act, no. 48 of 1996; Municipal Finance Management Act, no. 56 of 2003; and the Municipal Systems Act, no. 32 of 2000.

In 2014/15 the FFC successfully conducted research, published findings and briefed, advised and participated in Parliament and other spheres of government. This involved the following:

- The year 2014 marked the FFC's 20th Anniversary. In celebration the Commission organized a successful intergovernmental fiscal relations conference focused on South Africa's experience and the lessons that can be drawn by other African countries embarking on a similar course. The outcome of the conference was a report that has been tabled before Parliament and all the Commission's stakeholders.
- With respect to its mandate and other legislative obligations the Commission has continued to meet all its requirements. It submitted the recommendations for the 2015 division of revenue on time and fulfilled all other related obligations including briefings to the nine provinces and to organized local government. The Commission also finalised and tabled the report on Human Vulnerability to Climate Change Assessment written in collaboration with the Food, Agriculture and Natural Resources Policy Analysis Network (FANRPAN).
- Amongst its ad hoc presentations and briefings, the Commission successfully presented to the Tshwane municipality on the Tshwane merger; presented to Parliament on the local equitable share withdrawal and in June hosted a colloquium on municipal viability at Gallagher Estate.

The FFC sees its primary focus for the medium term as generating and disseminating influential policy recommendations to strengthen the intergovernmental system. This is in order to create the policy impacts necessary for national development, including the progressive realisation of the visions of the Constitution and the NDP. The Commission's contribution to the plan encompasses policy research and briefings on a wide range of topics, such as understanding housing demand; delivery and funding options in South Africa; the impact of government spending on food security; the identification of fiscal levers for national development; and the sustainability of the country's fiscal policy. This is in line with outcome 11 of government's 2014-2019 MTSF (create a better South Africa, a better Africa and a better world).

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# PUBLIC ENTITIES REPORTING TO THE MINISTER

## INDEPENDENT REGULATORY BOARD FOR AUDITORS (IRBA)



(Schedule 3A: National public entity)

The IRBA was established under the Auditing Profession Act, no. 26 of 2005, and became operational in April 2006. The Board is mandated to protect those sections of the public that rely on the services of registered auditors, and to provide support to registered auditors. It is required to ensure that only suitably qualified individuals are admitted to the auditing profession and that registered auditors deliver services of the highest quality and adhere to the highest ethical standards.

The Auditing Profession Amendment Bill was passed in Parliament. The amendments included changes to the IRBA's mandate in respect of providing for the registration and regulation of candidate registered auditors by the IRBA, and updating references to the Companies Act, 2008, in the Act. While the Bill provides for a new development programme for candidate auditors, in response to the changing demands and competencies required for auditors, it also gives the IRBA jurisdiction to regulate candidate registered auditors.

Highlights of the 2014/15 financial year include the following:

- Maintenance of South Africa's number one ranking in 2014/2015 for the fifth consecutive year for the strength of auditing and reporting standards in the World Economic Forum Global Competitiveness Survey.
- The launch of the Audit Development Programme which is a period of specialization undertaken by professional accountants who want to become registered auditors.
- Leading the International Integrated Reporting Council's research on assurance on integrated reporting.
- Introduction of a process of remedial action to support registered auditors' post inspections.
- Obtaining the RA designation for registered auditors from the South African Qualifications Authority.

The World Bank's Report on Observance of Standards and Codes (ROSC) might have a significant impact on the IRBA's mandate and operations. Relevant recommendations include the potential regulation of professional accountancy organisations; strengthening the rigour of inspections and investigations where required; addressing auditor liability; strengthening the independence of the IRBA; strengthening small and medium practices and inspecting compliance with financial reporting frameworks.

The IRBA has prepared strategies and plans to implement these recommendations. Some of them require legislative changes that will require considerable planning and preparation before becoming law, but the processes have been built into the five year strategy and budgeted for to accomplish the objectives of the Board. The remaining recommendations that do not require legislative changes have been implemented to some extent and the IRBA continues in its efforts to strengthen independent regulation.

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# PUBLIC ENTITIES REPORTING TO THE MINISTER

## FINANCIAL SERVICES BOARD (FSB)



(Schedule 3A: National public entity)

The FSB is an independent institution established by the Financial Services Board Act, 97 of 1990, to oversee the South African non-banking financial services industry in the public interest. The FSB is committed to promoting and maintaining a sound financial investment environment in South Africa. It is also responsible for ensuring that the regulated entities comply with the relevant legislation and with capital adequacy requirements, to promote the financial soundness of these entities and to protect the investing community. The FSB also advises the Minister of Finance through various advisory committees comprised of industry experts.

It is recognised that the FSB since its inception has been a sector focused prudential and market conduct regulator. In accordance with the financial reforms envisaged in the Financial Sector Regulation Bill, currently before Parliament, the FSB will cease to exist in its current form, becoming a new entity with a different name and mandate. The Bill covers the first phase of a series of laws to introduce the 'twin peaks' model of financial sector regulation with two authorities, one focusing on prudential supervision and the other on market conduct.

Highlights of the 2014/15 financial year include the following:

- The FSB's Regulatory Strategy Committee has continued work on developing recommendations on a proposed market conduct regulatory strategy, embedding Treating Customers Fairly (TCF) principles, for the future market conduct regulator under the Twin Peaks model.
- The regulatory architecture for hedge funds was finalised and the notice declaring hedge funds as collective investment schemes was gazetted by the Minister of Finance on 25 February 2015, with an effective date of 1 April 2015. The Registrar of Collective Investment Schemes determined the requirements for hedge funds. These regulations were gazetted on 6 March 2015, with effective date of 1 April 2015.
- Through its Consumer Education Department, the FSB continued to utilise a variety of methods in targeting consumers. These included the use of workshops, development of materials, various media, exhibitions and the consumer education website. The number of workshops for the 2014/15 financial year amounted to 289 reaching 19 771 consumers, whilst media engagements totalled 113 reaching over 6 million consumers.

Over the medium term the focus of the new market conduct regulator will be to regulate and supervise the financial services sector's market conduct, ensuring the integrity and efficiency of the formal markets and allied institutions, protecting consumers of financial services and improving access which includes providing financial literacy programmes. The most vulnerable customers are retail clients who often lack the sophistication and information necessary to protect themselves from fraud or market abuse and rely on financial institutions and their representatives to look after their interests. The outcomes-based TCF regulatory and supervisory approach will seek to protect consumers and will form the basis for market regulation into the future.

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# PUBLIC ENTITIES REPORTING TO THE MINISTER

## FINANCIAL ADVISORY AND INTERMEDIARY SERVICES OMBUD (FAIS OMBUD)



(Schedule 3A: National public entity)

The FAIS Ombud was established in terms of Section 20 of the Financial Advisory and Intermediary Services Act, no. 37 of 2002 (FAIS Act). The FAIS Ombud is a Schedule 3A entity in terms of the Public Finance Management Act and reports to the Financial Services Board. Its mandate, to resolve complaints in an economical, informal and expeditious manner, flows directly from section 20 of the FAIS Act. A further mandate is derived from the Financial Services Ombud Schemes Act, no. 37 of 2004.

Key achievements during the year under review include:

- The Ombud's office received 9 003 complaints, a decrease of 4.6 per cent from the previous year; of these, 7 634 were resolved within the same year.
- the quantum of cases settled and determined increased from R30.5 million in 2013/14 to R46.6 million in 2014/15.
- the number of justiciable complaints increased by 15.9 per cent to 3 699 from the previous year.

The Ombud's strategic goals over the medium term are: to serve customers by achieving excellent levels of customer satisfaction; facilitate the communication process with stakeholders to enhance performance, accountability and public confidence; and ensure long term sustainability by strengthening the office's organisational capacity to deliver on its mandate in an economically efficient and effective manner, in accordance with the relevant regulatory framework. The FAIS Ombud has achieved all of its strategic objectives for the 2014/15 financial year.

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# PUBLIC ENTITIES REPORTING TO THE MINISTER

## OFFICE OF THE PENSION FUNDS ADJUDICATOR (OPFA)



(Schedule 3A: National public entity)

The OPFA was established in 1998, mandated to investigate and determine complaints lodged in terms of the Pension Funds Act, no. 24 of 1956, as amended. In order to deliver on its mandate, it must ensure a procedurally fair, economical and expeditious resolution of complaints in terms of the act by ensuring that its services are accessible to all; investigate complaints in a procedurally fair manner; reach a just and expeditious resolution in accordance with the law; incorporate innovation and proactive thought and action in its activities; and support, encourage and provide opportunities for individual growth. The Office has jurisdiction only over funds that are registered under the Pension Funds Act. Its strategic goals over the medium term are to tackle complaints received; achieve operational excellence; and maintain effective stakeholder relationships.

In line with the OPFA strategic objective to dispose of complaints in a procedurally fair, economical and expeditious manner, during the 2014/15 financial year, 7 010 new complaints were received, 1 000 matters were settled, one complaint was settled through conciliation, 2 879 complaints were formally determined, and 2 417 complaints reported were out of the OPFA's jurisdiction. A total of 15 appeals were lodged against the determinations of the OPFA in terms of section 30P of the Pension Funds Act.

The OPFA's strategic focus over the medium term will be on increasing the efficacy of the investigations to resolve complaints more expeditiously. Other areas of focus will be to achieve excellence through the development of staff and to implement required systems and resources to improve the operating environment.

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# PUBLIC ENTITIES REPORTING TO THE MINISTER

## GOVERNMENT PENSIONS ADMINISTRATION AGENCY (GPAA)



(Schedule 3A: National public entity)

The GPAA provides administration services to the GEPP and National Treasury. The provision of services is regulated by service level agreements (SLAs).

The GPAA was established in terms of the Government Employees Pension Law, 1996, as amended; the Temporary Employees Pension Fund Act, no. 75 of 1979; the Associated Institutions Pension Fund Act, no. 41 of 1963; post-retirement medical subsidies as provided for and regulated by Public Service Coordinating Bargaining Council resolutions; military pensions in terms of the Military Pensions Act, no. 84 of 1976; injury on duty payments in terms of the Compensation for Occupational Injuries and Diseases Act, no. 130 of 1993; and special pensions in terms of the Special Pensions Act, no. 69 of 1996. The Agency also provides pension administration services on behalf of National Treasury. It is mandated to ensure that benefits are paid on time, to maintain accurate information on benefits paid and payable pension benefits, to communicate with members, and to build relationships with employer government departments.

The GPAA's achievements during the year under review included the following:

- eChannel (online submission of exit documentation) and Benefits Payment Automation (BPA). This has resulted in a reduction of turnaround time of payment (case received to case paid). This is primarily due to the elimination of the time taken to courier documents from the employer to the GPAA and the reduction of errors in exit documentation due to online validation. Currently employers, representing 87 per cent of membership, have adopted eChannel. The first phase of BPA is about to be re-launched on the re-architected portal.
- Outreach and Customer Liaison Officers (CLOs): 11 specialised vehicles to support the mobile units have been operational since the first quarter of the 2014/2015 financial year. Two satellite offices were established in Thohoyandou and Phuthaditjhaba and one is being established in Rustenburg. Twenty-five new CLOs have been appointed and deployed to the regions and all CLOs have been assessed and provided with further training and capacitation. There has already been a 100 per cent increase in the number of claims addressed per month by Outreach since the deployment of the vehicles, but the satellite offices are too new to reflect any service improvements to date.
- Call Centre optimisation: In an effort to ensure that GPAA is accessible to customers, a hosted solution for the Call Centre was established to replace out of date technology. The Pretoria Customer Service Centre and Call Centre were relocated from Head Office to the Kingsley Centre in Arcadia, Pretoria. The relocation and introduction of new technology has seen an increase in the number of customers and improved customer satisfaction levels.
- Technology enhancements: Key ICT infrastructure investments were made this financial year on hardware, software and core processing systems, to support the core pension administration platform. The technology team has finalised the design of the technical solution and completed three key functional designs for customer relationship management (CRM), enterprise content management (ECM) and identity access management (IAM) systems - all of which place the GPAA on the path to significant improvements in output and delivery of services.

The agency's focus over the medium term will continue to be on the modernisation project in the business enablement programme until its final stages during 2017/18 and 2018/19. The project aims to improve service delivery by enhancing the agency's IT infrastructure, optimising its office space, and employing new personnel as client service agents. The agency aims to replace outdated and obsolete systems and applications in order to enhance staff productivity, speed up the processing of claims, and effectively manage pension queries.

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# PUBLIC ENTITIES REPORTING TO THE MINISTER

## GOVERNMENT EMPLOYEES PENSION FUND



(Juristic Entity, governed by the Government Employees Pensions Law of 1996)

GEPF is a defined benefit pension fund established in May 1996 when various public sector funds were consolidated. The core business, which is governed by the Government Employees Pension Law, 1996, as amended, is to manage and administer pensions and other benefits for government employees in South Africa.

The GEPF accounts for the majority of the PIC's assets under management, about R1.8 trillion rand. The GPAA provides the GEPF with administration services. These include admitting new members, collecting contributions, maintaining beneficiaries, and processing member benefits.

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# PUBLIC ENTITIES REPORTING TO THE MINISTER

## DEVELOPMENT BANK OF SOUTHERN AFRICA (DBSA)



(Schedule 2: Major public entity)

The DBSA was established in 1983 to perform a broad economic development function within the homeland constitutional dispensation that prevailed at the time. In 1994, the new constitutional and economic dispensation of South Africa resulted in the transformation of the role and function of the DBSA.

Thus, in 1997, the DBSA was reconstituted in terms of the Development Bank of Southern Africa Act, no. 13 of 1997, as a Development Funding Institute. Its primary purpose is to promote economic development and growth, human resource development and institutional capacity building by mobilising financial and other resources from the national and international private and public sectors for sustainable development projects and programmes in South Africa and the wider African region. Its regulations provide for a sharp focus on infrastructure development, especially in South Africa, where it is located in a development finance system in which various DFIs have been given specific areas of focus to limit duplication and unnecessary overlaps.

Key achievements during the year under review include:

- The Bank recorded disbursements of R13 billion (2013/14: R12.7 billion) during the 2014/15 year. As an infrastructure bank that is committed to supporting government's priorities, disbursements to projects to support energy generation capacity constituted a significant part of its total disbursements. R5.4 billion was disbursed to this sector, with R2.4 billion disbursed as part of the Bank's support to the Renewable Energy Independent Power Producers Procurement Programme.
- Within the municipal sphere, an important market for the DBSA, the Bank disbursed R5.4 billion for the year, of which R1.8 billion was allocated to municipalities other than metropolitan cities. It is estimated that the contribution to the various programmes will develop capacity in water, sanitation and electricity services.
- The DBSA continued actively to seek infrastructure development opportunities in the region beyond South Africa with total disbursements of R618 million during the 2014/15 year.
- The balance sheet of the company remains in good shape with net equity of R23.6 billion as at 31 March 2015. The DBSA posted a R1.2 billion profit for the financial year ended March 31, 2015. This is a significant improvement when compared to the previous year's profit of R787 million. The increase in profit is an indication that the bank is starting to reap the benefits of the new strategic direction.
- The DBSA and the Gautrain Management Agency have signed a memorandum of understanding aimed at assisting the agency with finalisation of the feasibility study of the expansion of the Gautrain system (Phase 2).
- The gross loan book grew by 13 per cent over the financial year from R54.7 billion to R61.8 billion, whilst development bonds grew by 63 per cent from R772.7 million to R1.3 billion.

DBSA's future focus is on social and economic infrastructure development, with an emphasis on driving financial and non-financial investments in the primary sectors of energy, transport, water and communications, while also to a lesser extent providing support to various social sectors such as health, education, and housing. The Bank aims to accelerate infrastructure financing in South Africa that targets municipalities, state owned companies, independent power producers, and public private partnerships. Infrastructure support for the rest of Africa targets state owned enterprises and public private partnerships. This is in line with the NDP's vision of strengthened financial services, and outcome 12 of government's 2014-2019 MTSF (an efficient, effective and development oriented public service).



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# PUBLIC ENTITIES REPORTING TO THE MINISTER

## PUBLIC INVESTMENT CORPORATION LIMITED (PIC)

(Schedule 3B: National government business enterprise)



The PIC is a registered financial services provider in terms of the Financial Advisory and Intermediary Services Act, no. 37 of 2002. It is wholly owned by the South African Government, with the Minister of Finance as shareholder representative. The PIC manages assets for clients, all of which are public sector entities. The PIC operates principally in South Africa, while also investing offshore and in the rest of the African continent.

As at 31 March 2015 the asset management value was R1.8 trillion, which represents a growth of 12.5 per cent in assets under management from 2013/14. This figure represents almost one third of the South African GDP, thus making the PIC the most influential organisation in the South African economy. Over and above the creation of wealth in the form of asset growth, PIC has had a significant social impact through the assets in which it invests, i.e.:

- 38 376 permanent employment opportunities created in various sectors of the economy
- 28 194 affordable houses built
- 1 062 megawatt of electricity contributed through participation in the government's renewable energy programme
- 445 hospital beds provided through health care investments
- 25 463 community groups and 14 community trusts supported.

Over the medium term, the PIC intends to grow revenue and control costs to continue running a financially sustainable investment management operation; to generate returns in excess of over the benchmark and comply with client risk parameters; to facilitate B-BBEE and skills development through investment activities; to grow the economy through developmental investments (isibaya). With regards to human capital, the PIC has targeted staff demographics, aiming that they should be reflective of the economically active population, i.e. at least 86 per cent of the PIC staff black in 2015/16 as defined by the Employment Equity Act. The PIC anticipates an increase of 2 per cent year on year in black staff, with 88 per cent in 2016/17 and 90 per cent in 2017/18.

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# PUBLIC ENTITIES REPORTING TO THE MINISTER

## THE LAND AND AGRICULTURAL DEVELOPMENT BANK OF SOUTH AFRICA (LAND BANK)



(Schedule 2: Major public entity)

The Land Bank's mandate is derived from the Land and Agricultural Development Bank Act, no. 15 of 2002. It is aligned with government's developmental objectives which promote, amongst others, rural development and job creation; provision of food security; equitable ownership of agricultural land, in particular by historically disadvantaged people; agrarian reform, land redistribution and development programmes aimed at historically disadvantaged individuals; land access for agricultural purposes, and agricultural entrepreneurship.

Key highlights during the year under review include:

- The Bank disbursed R769.1 million to development clients which is below the target of R919.3 million to keep in line with curtailed growth.
- The Bank's capital adequacy ratio improved to 37.1 per cent, above the 20 per cent target, and cost-to-income ratio was kept at 54.9 per cent.
- The loan-book quality was healthy at 3.72 per cent which is below the targeted limit of 6.3 per cent.
- The Bank recorded a net interest income of R1 059.9 million, 13.7 per cent higher than the R931.9 million net interest income generated in the 2013/14 financial year.
- The Bank managed to reduce operating expenses by 2.9 per cent while increasing the comprehensive income to R420.5 million, 61.3 per cent above the R260.7 million target.

It must be emphasised that the Bank is currently going through an organisational review. This review seeks to optimise performance and redirect effort into the development mandate which has lagged for a few two years as the Bank focused more on stabilising its balance sheet. The organisational review is on-going at this stage and hence no attempt has been made to capture the effect of the benefits it is anticipated will flow from implementation of the potential recommendations. Growth in the loan book has been kept moderate in the light of maintaining a healthy capital adequacy ratio as well as managing liquidity levels given the stringency recently experienced on the local market.

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# PUBLIC ENTITIES REPORTING TO THE MINISTER

## SASRIA SOC LIMITED



(Schedule 3B: National government business enterprise)

SASRIA is a short-term insurance company wholly owned by the state (Schedule 3B Public Entity) which is represented by the Minister of Finance. SASRIA also reports to the FSB, the non-banking financial services industry regulator of South Africa. As a state-owned company, it has a specific strategic mandate that is prescribed and further informed by the Reinsurance of Damages and Losses Act, no. 56 of 1989, the Conversion of SASRIA Act, no. 134 of 1998, and continual engagement with National Treasury.

Key achievements during the year under review include:

- Gross written premium income increased to R1.52 billion from R1.39 billion in 2013/14, a 9.5 per cent increase.
- Net investment income increased to R389.7 million in 2014/2015, representing a 7.1 per cent increase.
- SASRIA's capital and solvency positions remain strong, underpinned by continued focus on risk management in its disciplined investment and underwriting strategies. Shareholders' equity increased to R5.8 billion in 31 March 2015.
- SASRIA delivered solid results and generated strong cash flows while maintaining its strong capital position. This enabled the Board of Directors to declare and pay an attractive dividend of R205.7 million during the year under review, demonstrating the Group's sustained commitment to shareholder value.

SASRIA delivered solid results and generated strong cash flows while maintaining its strong capital position. This enabled the Board of Directors to declare and pay of an attractive dividend of R205.7 million during the year under review, demonstrating the Group's sustained commitment to shareholder value.

SASRIA's strategic objectives over the next five years will, amongst others, include continued growth in sustainable revenue; adherence to the regulatory environment by proactively managing compliance; provision of superior customer services by focusing on customer-centricity, thus reducing the number of insurance claims; attraction, retention and development of skills which will support SASRIA's aspirations by focusing on people's capacity and capabilities; and creation of a trusted brand through emphasis on brand development.

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# PUBLIC ENTITIES REPORTING TO THE MINISTER

## SOUTH AFRICAN AIRWAYS



(Schedule 2: Major public entity)

Since the transfer of its shares from Transnet to the State, SAA has been governed by the South African Airways Act, no. 5 of 2007. This act provides that SAA is a public company which will support the State's policy of promoting air links with the Republic's main business and tourism markets within the African continent and internationally. The State has a developmental orientation and regards SAA as the national carrier and a strategic asset that will enable it to contribute to key domestic, intra-regional and international air linkages.

The airline developed a Long Term Turnaround Strategy (LTTs) in 2013 which translated the State's rationale for the existence of SAA into an organizational vision and mission. SAA's vision is to be 'Africa's leading World-Class Airline' while its mission is 'to deliver commercially sustainable passenger and air cargo transportation services in South Africa, Africa and internationally'.

SAA, like most of its industry peers, provides passenger transportation and cargo carriage. It pursues its mandate through a corporate structure that encompasses a vertically integrated aviation group, adopting dual-brand operations consisting of:

- **South African Airways (SOC) Ltd**, a full service network carrier with operational focus on the African continent and inter-continental services
- **Mango Airlines (SOC) Ltd**, a low cost carrier with an operational focus on the domestic market
- **SAA Technical (SOC) Ltd**, Africa's largest aircraft maintenance and repair organisation, supplying line and heavy maintenance services to more than 75 per cent of South Africa's commercial airlift
- **Air Chefs (SOC) Ltd**, which provides in-flight catering services to SAA, SA Express and Mango along with a small number of other airlines
- **South African Travel Centre (SOC) Ltd**, a franchise based retail travel agency. The franchise currently consists of 54 franchisees.

SAA continues to be an entity in financial distress and several key LTTs initiatives have still not been implemented. In October 2014, the state intervened and the board of the airline was reconstituted. The newly reconstituted board proposed a 90 Day Action Plan to return the company to relative stability and to begin implementing key aspects of a refined LTTs. Implementation of the 90 Day Plan began in mid-November 2014 and concluded on 24 March 2015.

The key achievement of the 90 Day Action Plan is that decisions have been taken that will enable SAA to achieve the targeted R1.25 billion in savings. The savings are made up of R440 million through network changes; R290 million relating to fleet refinancing and composition changes (extension of the wide-body leases; A330 for A320 swap); R100 million through recovering stalled LTTs implementation measures; and R425 million from reviewing onerous agreements including over 150 procurement contracts. A synopsis of the achievements against each of the six areas of intervention from the 90 Day Action Plan follows.

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## PUBLIC ENTITIES REPORTING TO THE MINISTER

- **Immediately address the liquidity position, on-going and medium term funding requirements:** An additional perpetual guarantee of R6.488 billion was provided to address SAA's liquidity and solvency position. This also allowed SAA to finalise its 2013/14 Annual Financial Statements, which were subsequently approved at its Annual General Meeting (AGM) on 30 January 2015. In addition, significant network changes were effected as the airline's loss making Beijing and Mumbai routes were closed, whilst operations commenced on the Abu Dhabi route.
- **Resolve the ownership model and the state's equity investment intent:** SAA has developed a Strategic Equity Partner (SEP) concept note that provides an overview of SAA for potential investors. However, this remains a shareholder decision.
- **Correct immediate governance defects:** SAA's Board resolved the structures and membership of Board committees and the composition of the subsidiary boards. The Interim Board's term was extended on 28 March 2015 for a further six months until 30 September 2015.
- **Review the legal and high level governance framework:** SAA's Memorandum of Incorporation (incorporating Articles of Association and Memorandum of Understanding) and Significance and Materiality Framework were jointly reviewed by National Treasury and SAA.
- **Reorganise assets:** SAA has shared proposals with National Treasury on its corporate structure and the state's other aviation assets. SAA is in the process of addressing the network overlap between SA Express and SA Airlink.
- **Implement an effective 90 Day Communication Plan:** SAA has proactively engaged the media which has changed the tone of the coverage

Over the next three years SAA will make a sustained effort to enhance revenues, reduce costs and improve accountability and performance management within the airline. This will include the following specific initiatives:

- **Implementation of a new Network Plan:** this should result in significant earnings improvements through the assessment of SAA's loss-making international network, adjustment of existing hub operations in terms of schedule and timing and optimising the brands in the SAA group. This plan was developed during implementation of the 90 Day Action Plan.
- **Further emphasis on cost compression:** plans are in place to reduce costs by an additional 25 per cent over the next three years.
- **Performance management and accountability:** performance targets as set in the Shareholder's Compact will be cascaded down to the Group balanced scorecard and to the individual performance contracts of employees.

# ANNUAL REPORT 2014/15

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## MINISTER'S STATEMENT ON POLICY AND COMMITMENT



**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA

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## MINISTER'S STATEMENT ON POLICY AND COMMITMENT



Nhlanhla Nene

**Minister of Finance**

South Africa, like many countries, is experiencing difficult challenges; forecasts of global growth have been revised downwards; while the recovery in the United States economy has gained some momentum, growth in most of our trading partners has been weaker than previously expected. The slowdown in emerging economies is particularly concerning, with China's economic deceleration having far-reaching consequences for South Africa. In summary, countries have to get used to a 'new normal' of lower economic growth.

It is that much more important, in these circumstances, that we implement our growth and development plans with vigour. While faltering global growth impacts on South Africa's economy, some of our challenges arise from domestic constraints. The 1.5 per cent economic growth in 2014, the weakest since we emerged from the 2009 recession, was also due to local factors such as the electricity shortage.

These constraints have put pressure on revenue, as tax capacity depends substantially on GDP levels. As custodian of the country's finances, with the support of Cabinet, the National Treasury has done well in steering the fiscal ship since the onset of the global economic crisis. Revenue performance has meant that we have had to do more with less. We no longer have the room to manoeuvre which allowed us to counter the effects of the global recession by expanding expenditure. We need to prioritise investment, seek better value for money in public service delivery and adopt economic competitiveness as the national lodestar.

In 2012 we introduced expenditure ceilings as a means to manage government spending. We have adhered to these limits while at the same time protecting social spending that targets the poor. Since the dawn of

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## MINISTER'S STATEMENT ON POLICY AND COMMITMENT

democracy 21 years ago, South Africa has built a reputation for sound economic and budget management. The challenges that we face remind us of the gains we have made through this approach and the importance of staying the course. As a country, we cannot claim true sovereignty without macro-economic stability and robust public finances. These are essential in enabling us to accomplish the goals of the (NDP).

The NDP has guided our approach to budgeting and planning. Government is very aware of the need to accelerate its implementation, particularly those initiatives that will stimulate economic growth, broaden employment and economic opportunities and progressively address poverty and inequality.

We have to protect our resources and use them efficiently and effectively. We have to fast-track reforms that facilitate the ease of doing business and that cut red-tape. This is a precondition for the boost in business confidence that is required. Unemployment, poverty and inequality are the three scourges that we have to fight in our society. We are most likely to succeed if government, business and labour work together to tackle these challenges.

My first year as Minister of Finance has been both challenging and rewarding. I thank Director-General Fuzile and Treasury staff for their support and hard work. The advice and support of the Deputy Minister has also been invaluable and it has been a pleasure to work together. What we have accomplished would not have been possible without each person's contribution.



Nhlanhla Nene  
**Minister of Finance**



# ANNUAL REPORT 2014/15

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## DEPUTY MINISTER'S OVERVIEW



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Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA

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## DEPUTY MINISTER'S OVERVIEW



Mcebisi Jonas

**Deputy Minister of Finance**

In the past 21 years South Africa has established various institutions to support its democracy and developmental objectives. The stability and strength of these institutions are key ingredients in ensuring that these objectives are consistently pursued.

Our 'finance family' of institutions that report to the Ministry of Finance includes the South African Revenue Service (SARS), the Development Bank of Southern Africa (DBSA), the Land Bank, the Public Investment Corporation (PIC), the Financial Services Board (FSB), the Accounting Standards Board (ASB), the Financial Intelligence Centre (FIC), the Government Pensions Administration Agency (GPAA) and the South African Special Risks Insurance Association (Sasria). In the past year, responsibility for South African Airways (SAA) has been added. I would like to foreground some of these.

SARS contributes to the economic and social development of the country by collecting the resources needed by government to meet its policy and delivery priorities. Despite a challenging economic environment in the year under review, SARS collected R986.3 billion, an outcome that lifted the tax-to-GDP ratio slightly to 25.4 per cent. The DBSA is central to South Africa's efforts to close the infrastructure gap that has been identified as a constraint to higher growth, domestically and on the rest of the continent. The DBSA continues actively to seek infrastructure development opportunities beyond South Africa which will facilitate regional integration.

The Land Bank contributes to government's agenda of promoting the agricultural sector and ensuring food security. Government has expanded the Land Bank's capital base, enhancing its capacity to partner with other institutions in financing agricultural development, in a sector that has considerable job-creation potential.

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## DEPUTY MINISTER'S OVERVIEW

The PIC continues to make a significant contribution to the transformation of the national economy through its investments in strategic sectors and increased shareholder activism. The cornerstone of this approach is to ensure that GEPP members' contributions are invested properly and grow.

The FIC contributes towards combating crime and protecting the integrity of our financial system. In the year under review the FIC blocked R181 million suspected to have been the proceeds of crime, thanks to its intelligence-gathering activities.

I have enjoyed interacting with officials serving the country at the various 'finance family' entities during the past year. I truly appreciate the role each plays in ensuring that South Africa remains a stable country with sound institutions.

I wish to thank the Finance Minister for his support in my first year as Deputy Minister. I am also grateful to the Director General and the staff of National Treasury for welcoming and supporting me in my duties.



Mcebisi Jonas  
Deputy Minister of Finance

# ANNUAL REPORT 2014/15

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## ACCOUNTING OFFICER'S OVERVIEW



**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA

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## ACCOUNTING OFFICER'S OVERVIEW



Lungisa Fuzile

**Director-General**

The year under review was difficult. Global growth remained subdued, particularly in a number of South Africa's key trading partners. Domestic energy and logistics constraints and a protracted strike which affected much of the platinum sector also contributed to muted growth in gross domestic product of just 1.5 per cent. The country's credit rating was downgraded owing largely to sluggish economic growth and its impact on fiscal and debt ratios.

This background underscores the need to expedite the disciplined and diligent implementation of our plans, aimed at removing domestic impediments to growth and supporting long-term investment and employment creation. Simultaneously, we must maintain our sound fiscal stance and stay on course for long-term debt sustainability.

Notwithstanding credit rating issues, the National Treasury successfully launched its debut sharia-compliant sukuk bond. This is a milestone that sees us diversifying our sources of funding while creating benchmarks for corporates that might choose to explore these opportunities.

In the past financial year National Treasury also focused on measures aimed at obtaining better value for money, especially in non-essential spending areas. Government saved billions through cost containment measures. We will continue to explore ways of making savings, in a manner that does not compromise service delivery to the most vulnerable members of our society.

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## ACCOUNTING OFFICER'S OVERVIEW

Ensuring that public finances are managed well at all levels of government is a key priority for National Treasury. Efforts by the Office of the Accountant General to build capacity across the public service are bearing fruit and work is under way to introduce a public finance management qualification and a range of short learning courses for officials.

Work by the Office of the Chief Procurement Officer (OCPO) has progressed well. It has developed a price reference system, piloted by the North West and Gauteng provincial treasuries, that contains some 650 items per province. This will help curb overcharging of government for services. The OCPO has also developed a supply chain management curriculum to be offered by higher education institutions, which will improve the skills level of procurement officials coming into the public service. All these efforts demonstrate government's commitment to procurement systems that are fair, equitable, competitive and cost-effective.

National Treasury's work contributes to achieving the aims of the MTSF, which directs government to invest in infrastructure development, create jobs and bring about social transformation and unity. One of the National Treasury's job-creation initiatives was the introduction of the Employment Tax Incentive in January 2014, which makes it possible for government and employers to share the cost of employing young workers. While it is too early to quantify its precise impacts, initial results indicate that take-up of the incentive has been high.

The achievements set out in this Annual Report are the outcome of tireless effort by the National Treasury staff. I am pleased to acknowledge their devoted contribution. I am also grateful for the support of the Minister and Deputy Minister, who have provided strong leadership during a challenging period.



Lungisa Fuzile

**Director-General**

# ANNUAL REPORT 2014/15

## PROGRAMME 1: — ADMINISTRATION



**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA

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# PROGRAMME 1: ADMINISTRATION

**Purpose:** Provide leadership, strategic management and administrative support to the department.

**Measurable objective:** Ensure effective leadership, management and administrative support to National Treasury through continuous refinement of organisational strategy and structure in compliance with appropriate legislation and in alignment with best practice.

The programme is divided into four subprogrammes:

- The Ministry subprogramme incorporates the Office of the Minister of Finance and includes parliamentary and ministerial support services.
- The Deputy Minister subprogramme incorporates the Office of the Deputy Minister of Finance and related support services.
- The Management subprogramme incorporates the Office of the Director-General and related support services (the Communications, Legal Services, Legislation Drafting, Internal Audit and Enterprise Risk and Security Management units).
- The Corporate Services subprogramme incorporates all other support functions for the administration and effective operation of the department.

## SERVICE DELIVERY OBJECTIVES AND INDICATORS

### RECENT OUTPUTS

**Internal Audit (IA)** implemented its annual risk-based audit plan for 2014/15 as part of the three-year rolling plan as approved by the National Treasury Audit Committee.

There were 62 planned and ad hoc management request reviews for the 2014/15 financial year. Forty-six planned and 16 ad hoc reviews were completed within the predetermined timeframes, representing 100 per cent completion of the approved 2014/15 audit plan. All reviews were conducted in accordance with International Standards for the Professional Practice of Internal Audit, issued by the Institute of Internal Auditors (IIA).

An independent External Quality Assurance Review was conducted in IA during the financial year and was awarded the highest possible rating of General Conformance to the International Standards for the Professional Practice of Internal Auditing. IA was found to perform consistently above the average as measured against leading global internal audit functions.

National Treasury's operations are subject to various continually evolving risks and uncertainties. To implement effective risk mitigation strategies, enterprise risk management (ERM) and security management processes must also continue to evolve. In the 2014/15 financial year, attention was given to business continuity processes to ensure that critical operations continue in the event of disruptions such as load shedding. A business continuity site was set up and another is being established.

In order to ensure that National Treasury is best positioned to deal with emerging risks and is focused on those that are most critical, key risk indicators (KRIs) and risk management dashboards that highlight the most critical were



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# PROGRAMME 1: ADMINISTRATION

introduced. Various technologies are being investigated that will provide real time notification to ensure that such emerging and critical risks are dealt with adequately and speedily.

Corruption remains a major risk in government and has a negative impact on its reputation and on service delivery. In the 2014/15 financial period, National Treasury initiated the development of a database to assist in identifying potential corruption. Risks are being managed effectively under the guidance of the Risk Management Committee. Meetings of the committee were held quarterly.

In the 2014/15 financial year only 36 per cent of identified employees were vetted from the 100 per cent set target. The main reason for the deviation remains capacity challenges within the National Treasury Vetting Unit, given the onerous processes that must be followed to produce a vetting file that can be submitted to the State Security Agency. An additional official has been appointed to increase the output of vetting files. The Security Management Unit will continue to find solutions to capacitating the Vetting Unit, ensuring that all identified employees are vetted and that the production of vetting files is accelerated.

**Facilities Management (FM)** continued to ensure that it meets all office accommodation needs as the department's staff complement continues to grow. In the year under review, challenges were experienced in obtaining sufficient and safe parking for National Treasury employees.

**Human Resources (HR)** has provided an integrated approach to attracting, engaging and developing talent across the department, leading to a highly skilled workforce with a strong performance culture. There has been continued focus on the need to develop a strong talent pool with 74 interns employed through the Graduate Development Programme and an additional eight external bursaries being provided to students. With increased focus on staff retention, aligned to government's revolving door policy, the department has achieved its target with an 86 per cent retention rate. The vacancy rate significantly reduced due to prioritized recruitment activities and the need to align the funded establishment with the allocated budget in the MTEF. With female representation at Senior Management Service (SMS) level at 43 per cent, further emphasis is required on achieving the required equity targets. The Siyaphila Lifestyle Programme, which contributes to a healthy work environment, continued to be well received during the year, with employees taking an active role in ensuring a balanced work life.

**Financial Management.** On 2 April 2015 National Treasury became the first department, national or provincial, to close its financial records. The unit implemented strategic sourcing effectively and efficiently with a 3 per cent saving on goods and services for the year. The unit processed 97 per cent of supplier payments in an average of 11 days from receipt of an invoice. Accurate semi-annual and annual tax reconciliations were submitted to the SARS seven weeks before the closing date.

**Information and Communication Technology (ICT)** continued with the formalisation of ICT governance in line with the public finance Corporate Governance of ICT Policy Framework (CGICTPF). In terms of ICT acquisition and implementation policy, the unit continued with its programme of replacing and upgrading core infrastructure such as networks, servers, storage devices, data lines and security systems to provide the necessary platform to support and enhance the effectiveness of ICT systems. It also successfully completed and deployed a number of business enabling solutions. A formal service level management function was established. This reviews and monitors ICT service delivery and enhances support to National Treasury business.

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## PROGRAMME 1: ADMINISTRATION

**Strategic Projects and Support (SP&S)** continued to promote the culture of learning and knowledge sharing. The Knowledge Management Framework, knowledge operations policy and the relevant procedures were finalised during the year under review.

**The Public Entity Oversight Unit (PEOU)** initiated oversight visits to public entities during the year under review. This was to deliberate on the entities' strategic and annual performance plans to ensure that they were consistent with government policy objectives as enshrined in the NDP. Strategic and annual performance plans were reviewed for public entities reporting to the Minister, and quarterly performance reports were submitted for his approval. The Ministry convened stakeholder engagement meetings to discuss the strategic direction of the entities; and officials attended meetings to discuss the role of state owned companies (SOCs) and public entities (PEs) in stimulating economic growth.

# PROGRAMME 1: ADMINISTRATION

ANNUAL PERFORMANCE INFORMATION REPORT		2014/15
OBJECTIVE	INDICATOR	INDICATOR PERFORMANCE ANALYSIS
Ensure good governance and a robust control environment	Compliance with regulatory reporting requirements	<p><b>Target</b></p> <ul style="list-style-type: none"> <li>100% compliance with regulatory reporting requirements</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>Submitted monthly section 40 reports</li> <li>All bids complied with the SCM processes</li> <li>97% of payments were finalised within 30 days (on average within 11 days from receipt of invoice). This relates to the months to February 2015. (As soon as the information is available for March 2015, it will be consolidated and updated)</li> <li>Internal Audit: 100% compliance with regulatory reporting requirements</li> </ul>
	Implement enterprise risk management strategy and vetting of identified employees	<p><b>Target</b></p> <ul style="list-style-type: none"> <li>100% implementation of enterprise risk management strategy</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>100% of the Enterprise Risk Management Strategy implemented</li> </ul> <p><b>Target</b></p> <ul style="list-style-type: none"> <li>100% vetting of identified employees</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>36% of identified employees were vetted for the year</li> </ul> <p><b>Deviation</b></p> <ul style="list-style-type: none"> <li>64% of identified employees were not vetted</li> <li>The vetting unit established within the National Treasury is still relatively small and as such cannot process the required number of vetting files per month</li> <li>In addition, reviews of vetting files submitted by the NT to the State Security Agency have taken longer than anticipated</li> </ul>

# PROGRAMME 1: ADMINISTRATION

ANNUAL PERFORMANCE INFORMATION REPORT		2014/15	INDICATOR PERFORMANCE ANALYSIS
OBJECTIVE	INDICATOR		
Ensure good governance and a robust control environment	Retention of intellectual capital and institutional memory – Knowledge Management (KM)	<p><b>Target</b></p> <ul style="list-style-type: none"> <li>• Policies and frameworks reviewed and developed</li> <li>• Implementation strategy developed</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>• Policies and frameworks approved</li> <li>• Complete implementation plan</li> </ul>	
Provide integrated business solutions	Agreed percentage of positions filled	<p><b>Target</b></p> <ul style="list-style-type: none"> <li>• 92% of positions filled</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>• 93.3% of positions filled</li> </ul> <p><b>Deviation</b></p> <ul style="list-style-type: none"> <li>• Reduction in funded posts, and subsequent higher percentage of filled positions, based on prioritisation of posts, extended re-structuring processes and future budgetary constraints</li> </ul>	
	Agreed percentage of positions retained	<p><b>Target</b></p> <ul style="list-style-type: none"> <li>• 85% retention rate</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>• 90.2% retention rate</li> </ul> <p><b>Deviation</b></p> <ul style="list-style-type: none"> <li>• Retention processes implemented, including secondments, rotation of staff and promotional opportunities resulting in improved retention of staff</li> </ul>	
	Business Continuity Management (BCM) facility established and fully functional (people, systems and assets)	<p><b>Target</b></p> <ul style="list-style-type: none"> <li>• Provide a temporary life recovery solution for Assets and Liabilities Management Unit's new back-office system</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>• Temporary life recovery solution provided</li> </ul>	

# PROGRAMME 1: ADMINISTRATION

ANNUAL PERFORMANCE INFORMATION REPORT		2014/15
OBJECTIVE	INDICATOR	INDICATOR PERFORMANCE ANALYSIS
	Reduction in goods and services prices	<p><b>Target</b></p> <ul style="list-style-type: none"> <li>Implement bulk buying to reduce cost</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>A saving of R18 175 304.73 against expenditure of R215 455 978.44 was attained, resulting in a saving of 8% for the 4th quarter. A saving of R22 million against expenditure of R643 million was attained. This resulted in a saving of 3% on goods and services for 2014/15</li> </ul> <p><b>Deviation</b></p> <ul style="list-style-type: none"> <li>The 2% deviation is due to lack of savings and high expenditure in May 2014 and March 2015 which impacted on overall saving for 2014/15. Note that the savings for March 2015 excludes that from the travel agencies as reports are not yet available</li> </ul>

# ANNUAL REPORT 2014/15

## PROGRAMME 2:

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ECONOMIC POLICY, TAX, FINANCIAL  
REGULATION AND RESEARCH



**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA

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## PROGRAMME 2: ECONOMIC POLICY, TAX, FINANCIAL REGULATION AND RESEARCH

**Purpose:** Provide specialist policy research, analysis and advisory services on macroeconomics, microeconomics, taxation, the financial sector and regulatory reform.

**Measurable objectives:** Advise on policies to promote growth, employment and macroeconomic stability and on the development of tax and financial sector policy; conduct macroeconomic and revenue forecasts for the annual Budget Review and the Medium Term Budget Policy Statement (MTBPS).

The programme is divided into the following sub-programmes:

- Management advises on policies that will promote economic growth, employment, macroeconomic stability and regional integration.
- Research funds the department's economic research programmes and promotes the research capacity of academic researchers in the areas of economic growth, job creation, macroeconomic stability, taxation, financial sector development, regulations, retirement reform and poverty alleviation.
- Financial Sector Policy advises on financial sector policies in relation to the regulatory framework and supporting legislation. The current focus is on modernising the financial regulatory framework in response to the global financial crisis and facilitating a stable financial sector, retirement reform, improved access to financial services and the transformation of the financial sector.
- Tax Policy provides advice on tax policy, drafts the annual tax legislation and carries out tax revenue analysis and revenue forecasting.
- Economic Policy provides macroeconomic and microeconomic analysis, policy advice, economic forecasts, regulatory assessments and policy reviews for the annual Budget and other government processes.

The Economic Policy, Tax Policy and Financial Sector Policy divisions coordinate the National Treasury's interaction with:

- The South African Reserve Bank on the framework and conduct of macroeconomic policy, supervision and regulation of banking and management of exchange controls.
- The FSB on the regulation of non-banking financial services.
- The FIC on anti-money laundering and combating the financing of terrorism.
- The CBDA on the development of cooperative financial institutions and the regulation and supervision of cooperative banks.
- Three committees on macroeconomics, financial regulation and financial markets. These committees are co-chaired with the South African Reserve Bank by the National Treasury's Asset and Liability Management, Economic Policy, Tax Policy, and Financial Sector Policy divisions. They also prepare recommendations for bilateral meetings between the Minister of Finance and the Governor of the Reserve Bank.

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# PROGRAMME 2: ECONOMIC POLICY, TAX, FINANCIAL REGULATION AND RESEARCH

## SERVICE DELIVERY OBJECTIVES AND INDICATORS

### RECENT OUTPUTS

#### Economic Policy

In addition to the research conducted by Economic Policy during the reporting year, the division also advised on growth enhancing policies. Areas of work included:

- Analysis of exchange rate trends, their impact on the economy and the policy options for achieving a stable and competitive exchange rate
- Research into the extent of exchange rate misalignment in South Africa via the estimation of a rand-dollar equilibrium exchange rate
- Analysis and monitoring of capital flows and capital account management issues and of global trends in capital flows and policy. Analysis of the optimal level of foreign exchange reserves for the South African economy
- Inputs to the Economic and Employment clusters on decent employment through inclusive growth
- Assessment of policies to achieve higher sustainable economic growth and job creation
- Supporting South Africa's G20 inputs through briefings and speaking notes
- Research into the economic impacts of carbon taxation, the Integrated Energy Plan and electricity pricing policy
- Research into the economic drivers of tax revenue
- Research into total factor productivity growth in South Africa's manufacturing sector during the democratic era, 1994-2013
- Assessing the economic impacts of possible climate change outcomes on the South African economy
- Assessing the economic impacts of alternative electricity options: An assessment of the Integrated Resource Plan (IRP) update
- Research and inputs into trade and industrial policy, including inputs into the review of the schedule 12i tax incentive, and the Automotive Investment Scheme
- Research into the theory, global use and potential application of an export tax
- Research into electricity demand and supply options and general support for Treasury engagements with the War Room
- Research into the economic opportunity cost of capital for the Integrated Energy Plan (IEP) steering committee
- Research on regulation in network industries
- Research on enhancing the export competitiveness of South African firms through a reform of the port and rail network
- A research programme with the Centre for Competition, Regulation and Economic Development (CCRED) on barriers to entry in different sectors of the economy and the link between these barriers and inclusive growth
- Daily, weekly, monthly and quarterly monitoring and reporting on economic developments. The division also engaged with a number of international organisations including the IMF, the World Bank and the Organisation for Economic Cooperation and Development (OECD). Together with the Public Finance, Tax Policy and Asset and Liability divisions, Economic Policy assessed and advised on departmental policy proposals and the initiatives of state owned enterprises.



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## PROGRAMME 2: ECONOMIC POLICY, TAX, FINANCIAL REGULATION AND RESEARCH

The Modelling and Forecasting unit contributed to the Budget framework, economic growth scenarios and analysis of the impact on the economy of commodity price shocks and fuel levy increases. The unit has also embarked on a comprehensive backcasting exercise to estimate and validate the parameters used in the National Treasury's Computable General Equilibrium (CGE) model. In addition to managing the tax administrative database, the unit continues to build capacity in tax analysis, climate change and energy modelling as well as in Dynamic Stochastic General Equilibrium (DSGE) modeling, a macroeconomic policy analysis tool.

### Tax and Financial Sector Policy

Tax Policy conducted research and developed policy which culminated in the revenue forecasts and tax proposals made in the 2015 Budget. Legislation and regulations providing for tax free savings were completed. Work to deal with base erosion and profit shifting, in line with work being undertaken by the OECD at the request of the G20, has been ongoing. There has been a particular emphasis on transfer pricing and the limitation of certain deductions. A number of bilateral tax treaties have been revised and ratified. Consultation on the tax treatment of hedge funds and taxes related to the financial sector broadly, especially the insurance industry, have been undertaken.

Financial Sector Policy is responsible for policies and legislation to ensure that South Africa enjoys the benefits of an advanced, stable, fair and accessible financial sector. The unit was extensively engaged in implementing proposals to strengthen the financial regulatory system, as contained in the National Treasury document 'A safer financial sector to serve South Africa better'. During the year under review, the unit tabled the Banks Amendment Bill (which later became Act 3 of 2015) in Parliament. The Act amends the Banks Act (1990) to strengthen the framework for the resolution of banks. A second draft Financial Sector Regulation Bill was approved by Cabinet and released on 11 December 2014 for public comment. This Bill aims to implement the 'Twin Peaks' approach to financial sector regulation, giving new responsibilities to the South African Reserve Bank and converting the FSB into a dedicated market conduct regulator. Public comments have been received on the second draft bill, and the revised bill is due for tabling during the second half of 2015. In collaboration with the Reserve Bank and FSB, draft regulations under the Financial Markets Act were released on 4 July 2014 to regulate over-the-counter derivatives. Public comments have been received on the draft regulations, and a second draft will be released for further consultation during the first quarter of 2015/6.

The unit, working jointly with the FSB, finalised a regulatory framework for hedge funds. This made South Africa the first country to regulate hedge funds at a fund level, thereby complying with international commitments and standards. In its role of supporting a culture of saving, the unit assisted with the finalisation of the regulations for tax free savings accounts, which became available from 1 March 2015.

# PROGRAMME 2: ECONOMIC POLICY, TAX, FINANCIAL REGULATION AND RESEARCH

ANNUAL PERFORMANCE INFORMATION REPORT		2014/15
OBJECTIVE	INDICATOR	INDICATOR PERFORMANCE ANALYSIS
Building economic research capacity in academic/research institutions, with the broad objective of promoting economic research relevant to South Africa.	Number of papers published by research institutions and internally.	<p><b>Target</b></p> <ul style="list-style-type: none"> <li>Academic and research institutions publish 40 papers and department publishes four papers each year</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>Eighty-five Economic Research Southern Africa (ERSA) and 6 department papers were published</li> </ul> <p><b>Deviation</b></p> <ul style="list-style-type: none"> <li>The targets of 40 and 4 for ERSA and department were estimates targeted for the 2014/15 financial year but the demand for papers led to more being produced than were targeted with 45 extra published by ERSA and 2 extra by the department</li> </ul>
Providing policy advice on the financial sector in relation to the regulatory framework and supporting legislation	A stable financial sector	<p><b>Target</b></p> <ul style="list-style-type: none"> <li>Implement legislation to establish Twin Peaks regulators</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>Arranged a series of stakeholder consultation engagements on the Financial Sector Regulation Bill (published in December 2014) during the comment period. This included three public workshops (Pretoria, Johannesburg, Cape Town), industry engagements: Banking Association of South Africa (BASA), South African Insurance Association (SAIA), Johannesburg Stock Exchange (JSE), Strate, Microfinance South Africa), and engagements with financial sector ombuds and with the regulators (FSB) and South African Reserve Bank (SARB)</li> <li>Collated comments received on FSR Bill. Twenty-eight separate submissions were made, totaling over 400 pages of comments</li> <li>Began considering comments with the aim of finalizing the FSR Bill for submission to Parliament in the first half of 2015</li> <li>Stage 1 - A second draft of the Financial Sector Regulation Bill was published in December 2014</li> <li>Stage 2 - A draft Market Conduct Policy Framework for South Africa was published in December 2014, for public comment</li> </ul>
	Savings and retirement policies that lead to increased levels of national savings	<p><b>Target</b></p> <ul style="list-style-type: none"> <li>Implement regulatory reforms</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>20 February 2015 - final regulations for the tax free savings account issued</li> <li>1 March 2015 - tax free savings accounts offered by financial institutions</li> </ul>

# PROGRAMME 2: ECONOMIC POLICY, TAX, FINANCIAL REGULATION AND RESEARCH

ANNUAL PERFORMANCE INFORMATION REPORT		2014/15
OBJECTIVE	INDICATOR	INDICATOR PERFORMANCE ANALYSIS
Providing tax policy advice, tax revenue analysis, tax revenue forecasting and drafting the annual tax legislation	Tax proposals published in annual Budget Review	<p><b>Target</b></p> <ul style="list-style-type: none"> <li>Publish on Budget day each year</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>January &amp; February – Drafting Chapter 4 and Annexure C and compiling the tables for Annexure C and the statistics annexure of the Budget Review on 25 February 2015</li> <li>25 February – Government notice in terms of section 12T of the Income Tax Act, 1962, in respect of persons or entities that may administer financial instruments or policies as tax free investments published</li> <li>25 February – Government amendment of regulations made under section 72 to the Long-term Insurance Act, 1998, published</li> <li>25 February – Government regulations in terms of section 12T(8) of the Income Tax Act, 1962, on the requirements for tax free investment published</li> <li>6 March – Tax treaty signed with Qatar</li> </ul>
	Tax reforms towards environmental sustainability	<p><b>Target</b></p> <ul style="list-style-type: none"> <li>Implement, monitor and evaluate legislation</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>6 March – Regulations in terms of section 12L of the Income Tax Act, 1962, on the allowance for energy efficiency savings published</li> <li>10 March – Delivered a presentation on implementation of the carbon tax policy package at the World Bank's Partnership for Market Readiness meeting, London</li> </ul>
Advice on macro and microeconomic policy, macroeconomic projections and modelling, monetary policy framework and economic sector strategies	Economic policy analysis, research, assessment and advice on real exchange rate.	<p><b>Target</b></p> <ul style="list-style-type: none"> <li>Monitor exchange rate developments and risks</li> <li>Continue investigation into policy options that will achieve a more stable and competitive exchange rate</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>Sector analysis of foreign equity investment in JSE</li> <li>Macro-monitor global liquidity changes</li> <li>Briefing note on reserve sterilisation options</li> <li>Optimal level of reserves</li> </ul>

# PROGRAMME 2: ECONOMIC POLICY, TAX, FINANCIAL REGULATION AND RESEARCH

ANNUAL PERFORMANCE INFORMATION REPORT		2014/15
OBJECTIVE	INDICATOR	INDICATOR PERFORMANCE ANALYSIS
Advice on macro and microeconomic policy, macroeconomic projections and modelling, monetary policy framework and economic sector strategies	Maintenance and development of well-specified and up-to-date economic models	<p><b>Target</b></p> <ul style="list-style-type: none"> <li>Quarterly updates to various models as required</li> <li>Economic models that facilitate policy-making through sound economic analysis</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>Utilized LSTARMAX model to estimate asymmetric tax elasticities</li> <li>Identified sectors with the highest multipliers</li> <li>Estimated impact of additional fuel levy increases</li> <li>Update of Quarterly Forecasting model</li> </ul>
	Quality policy memoranda and economic assessment of policy proposals with appropriate turnaround times	<p><b>Target</b></p> <ul style="list-style-type: none"> <li>Reports on and analysis of key macroeconomic trends and variables</li> <li>Reviews and economic assessment of government policy proposals</li> <li>Economic advice based on reports and analysis</li> <li>Reports on key sectors and growth related microeconomic constraints</li> <li>Inter-departmental and private stakeholder consultation on economic policy related issues</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>SADC Macroeconomic Convergence Review report</li> <li>Memorandum for the DG on spectrum allocation</li> <li>Export taxes literature review document</li> <li>Impact of electricity supply shocks to ferrous vs non-ferrous activities</li> <li>Revised position paper on a national minimum wage (an input into a Nedlac task team process. Primary document drafted Q4 2014. This document will be updated as the social dialogue unfolds)</li> <li>Compilation of a database of local and key international data as well as drafting a presentation of key developments in these data</li> <li>Analysis of trends in FTE employment, 2008-2012</li> <li>Analysis of trends in gross profitability</li> <li>Role of SMEs in job creation</li> <li>Estimates of sector prices in South Africa, 2000-2013</li> <li>Transnet Freight Rail (TFR) performance research - input for Rail and Ports Research Paper</li> </ul>

# PROGRAMME 2: ECONOMIC POLICY, TAX, FINANCIAL REGULATION AND RESEARCH

ANNUAL PERFORMANCE INFORMATION REPORT		2014/15
OBJECTIVE	INDICATOR	INDICATOR PERFORMANCE ANALYSIS
	Quarterly economic forecasts and high-quality policy and scenario modelling	<p><b>Target</b></p> <ul style="list-style-type: none"> <li>Comprehensive in-house macroeconomic analysis and forecasting</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>Budget 2015 Q&amp;A</li> <li>Budget 2015 number checking</li> <li>Inputs into the Budget Review</li> <li>Quarterly GDP report</li> <li>Budget forecast and forecast memorandum</li> <li>Long-run forecast</li> <li>Tax revenue forecast and analysis</li> </ul>

# ANNUAL REPORT 2014/15

## PROGRAMME 3:

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## PUBLIC FINANCE AND BUDGET MANAGEMENT



**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA

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## PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT

**Purpose:** Provide analysis and advice on fiscal policy and public finances, intergovernmental financial relations, and expenditure planning and priorities. Manage the annual budget process and provide public finance management support.

**Measurable objective:** To promote growth, social development and poverty reduction through sound fiscal and financial policies and the effective, efficient and appropriate allocation of public funds.

Specific aims are to:

- Prepare a national budget that gives effect to the government's economic, fiscal, social and developmental goals under the umbrella of the outcomes approach
- Produce and publish the National Budget, the Budget Review, the Estimates of National Expenditure (ENE), the MTBPS and appropriation legislation containing relevant, accurate and clear financial information and associated indicators of service delivery and performance
- Contribute to public policy and programme development through support for planning, policy and programme analysis, budgeting and project management including support for public finance reform in provinces and municipalities
- Promote public and private investment in infrastructure and public services by providing technical support for capital expenditure planning and project analysis, advice on financing alternatives, support for municipal development and financial assistance for neighbourhood development projects. These activities are complemented by Programme 8 activities (Technical and Management Support, and Development Finance).
- Monitor and analyse public expenditure and service delivery, and support improved monitoring and analysis of public expenditure and service delivery and the appropriate use of public and private financial resources for social and economic development and infrastructure investment.

## SERVICE DELIVERY OBJECTIVES AND INDICATORS

### RECENT OUTPUTS

#### Budget Office

The Budget Office is responsible for the national budget process including the publication of the Budget Review, the MTBPS and the ENE. The division oversees expenditure planning; provides fiscal advice; leads the budget reform programme; manages official development assistance; and compiles public finance statistics.

The Fiscal Policy unit manages and develops the fiscal framework which is used to advise the Minister of Finance on policy options available in setting the budget framework. The unit also regulates, analyses and reports on public sector infrastructure spending. In 2014/15, the unit produced a revised long-term fiscal outlook and made it available on the National Treasury website. It also introduced a new annexure in the Budget Review that gives extensive information on government infrastructure spending and strengthened the regulation of public-private partnerships (PPPs); and established a Fiscal Risks Committee which considers risks to government finances across the public sector.

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## PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT

The Expenditure Planning unit is responsible for designing a budget process that incorporates government's priorities into the fiscal framework. The annual process for budget allocation decision-making was determined and executed in consultation with the Minister of Finance and his colleagues on the Ministers' Committee on the Budget. The unit issued various guidelines to government institutions on the budget process input requirements, and administered the process of budget consultations involving all spheres of government. Cabinet approval was obtained for the budget allocations to government institutions.

The unit also coordinated the production of the Appropriation Bill, required for parliamentary approval of these budgets, as well as of the accompanying Estimates of National Expenditure publications, tabled with the 2015 Budget in February.

In addition, the unit managed the 2014/15 financial year budget adjustments process and the production of the Adjustments Appropriation Bill, and the accompanying Adjusted Estimates of National Expenditure, published in October 2014.

The unit is also responsible for budget reform, and leads or participates in interdepartmental forums as well as representing South Africa internationally in this capacity. As one of the participant countries in the Overseas Development Institute's (ODI's) international study of what makes capable finance ministries, South Africa co-hosted an international conference with the ODI and the Collaborative Africa Budget Reform Initiative. The Africa Budget Practices and Procedures Survey and the Public Expenditure and Financial Accountability Survey are international assessment instruments that South Africa submitted in 2014. Nine Public Expenditure Management Peer Assisted Learning (PEMPAL) representative-country Heads of Budget, from the Europe and Central Asia Region, undertook a study tour of South Africa's national budget system in March 2014. South Africa has started participating in the Global Initiative on Fiscal Transparency and within the first year has had a country case study. South Africa was the main venue of the unit's 2014/15 international engagements.

The Public Finance Statistics (PFS) unit provides public sector financial statistics classified according to international and national standards, inputting into the budget process and other processes of the department. The PFS compiled the consolidated government accounts for the 2014 MTBPS and the 2015 Budget Review, economically and functionally classified; and provided the tables of the operating account, the capital account and the consolidated financing position. The consolidation was extended by including all newly listed public entities and identifying more inter-entity transactions for elimination.

In terms of reporting, the unit input data for the estimation of the preliminary spending numbers and calculation of the preliminary budget balance for 2014/15. The public entities quarterly reporting system was updated and workshops were held for the entities' finance officials and departments' oversight units. Data was also provided to various clients within National Treasury outside the Budget Office. Significant progress was made on database management. Budget and in-year reporting data were moved to the Structured Query Language Server and the unit started setting up data dimensions for further development of the database.

The unit co-manages the Standard Chart of Accounts (SCOA) committee with the Technical Assistance Unit in the



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## PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT

Office of the Accountant General (OAG). The committee published a number of classification circulars, assisted the OAG with provincial visits regarding the asset inventories and participated in Basic Accounting System (BAS) user forums. The draft Reference Guide to the Economic Reporting Format was revised to bring it into line with the SCOA updates.

The unit also updated training material and rolled out the National Treasury-funded practitioners' training sessions through the National School of Government. One hundred and fifty-two national and provincial practitioners were trained. Mapping of Vulindlela National Revenue Fund (NRF) data onto the Government Financial Statistics framework was done to assist Statistics South Africa (Stats SA) and the Reserve Bank to ensure that the data they published is correctly classified. The unit also continued with the process of ensuring that programme descriptions in BAS and Personal and Salary system are aligned.

The International Development Cooperation (IDC) unit is responsible for the mobilisation, effective management and coordination of official development assistance (ODA) flows from international donors to South Africa in the form of grants, technical co-operation and concessionary loans. The unit supports ODA coordination through engagement with development partners at events such as annual consultations, high level bilateral meetings and official visits. Within departments, coordination is enhanced through national and provincial ODA coordinators' forums. The unit also provides ODA programming support to lead sector line departments.

Two joint national and provincial coordination forums, and over ten bilateral development partner consultations and high-level meetings, were held during the 2014/15 financial year. These included meetings of the SA-European Union Joint Cooperation Council; Switzerland, Flanders and USAID respective annual consultations with SA as well as the Germany – SA Bi-National Commission.

In a subdued global economic environment and a changing development cooperation landscape, bilateral ODA grants to South Africa fell by 21% to R1.9 billion in 2014/15 compared with the previous financial year, with the European Commission accounting for the largest share. This was earmarked for the General Budget Support programme.

A number of bilateral financing agreements were concluded and signed. These included the SA-EU 2014-2020 Multiannual Indicative Programme (EUR242m) and the SA-German Technical and Financing Cooperation Agreements (EUR287m). Several new ODA programmes were designed and executed, including the Teaching and Learning Programme within the Department of Higher Education and Training (EUR26m); the Socio-economic Justice for All programme at the Department of Justice and Constitutional Development (EUR25m); the Expansion of Social Enterprise Fund at the Industrial Development Corporation (EUR4m); the KwaZulu-Natal iLembe Local Economic Development (LED) programme (CHF7.5m) and the Infrastructure Investment Programme for South Africa (IIPSA) (EUR100m) managed by the DBSA.

Several programme evaluations and reviews were also commissioned and undertaken during the reporting period. These include the Public Expenditure and Financial Accountability (PEFA) country assessment; the SA-EU Trade, Development and Cooperation Agreement (TDCA) Dialogue Facility mid-term review; and the Innovation for Poverty Alleviation, Access to Justice and Sustainable Rural Development in the Eastern Cape programme final evaluations.

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## PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT

The Public Entities Governance unit implements the recommendations of the public entities governance review framework. It provides institutional support on a range of issues to various national and provincial public entities. During the reporting year, the unit assisted with preparing consolidated financial accounts, and maintaining budget databases and administrative records, of the general government sector including public entities. It also assisted with developing remuneration frameworks. The unit provided public entities with advice on legislative, financial, human resources and other issues and thus continued to support an enhanced regulatory and governance environment. It also provided support to various departmental review committees on public entities reporting to ministers, and consulted with departments on budgets and on policy-related matters concerning public entities.

The purpose of the Public Sector Remuneration Analysis and Forecasting unit is to provide timely analysis and policy advice about the fiscal impact of government compensation spending and changes in policy. The existing Cost of Living Adjustment model was analysed during 2014/15 and reviewed by a joint team made up of representatives of National Treasury and the Department of Public Service and Administration (DPSA). The model was used to assess the costing implications of the 2015/16 wage negotiations.

Consideration of the implications of amalgamating the Temporary Employees Pension Fund (TEPF) with the GEPF is taking place; the amalgamation will be effective following the date of implementation, to be approved by the Minister of Finance. Among the issues under discussion is the change in the employment status of Supported Employment Enterprises (SEE) employees of the Department of Labour who are members of the TEPF. Following Proclamation 37539 of 7 April 2014, they have been declared public servants with effect from 1 April 2014. The change in their employment status to that of public servants makes it mandatory for them to be members of the GEPF. They therefore fall under the overall amalgamation process.

The amalgamation of the Associated Institutions Pension Fund (AIPF) with the GEPF still awaits amendments to the AIPF Act (No. 41 of 1963); these have been submitted for consideration within the parliamentary legal processes. The development of pre-funding options to address post-retirement medical liabilities in the public service is still under consideration. National Treasury will continue to hold discussions with the relevant departments in order to arrive at appropriate proposals.

### PUBLIC FINANCE

The Public Finance division oversees budgetary planning and execution in national departments, provides advice and analysis on sectoral policies and programmes, monitors public expenditure and advises on financial and budgetary aspects of public policy and spending proposals. The division provides advice to the Director-General, the Deputy Minister and the Minister on cabinet memoranda and public finance issues that require ministerial concurrence or National Treasury approval. It is the primary link between National Treasury and other national departments and government agencies.

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## PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT

The Administrative Services unit oversees the finances and budgets of a number of central government departments and entities. Departments and other key structures with which the unit worked in 2014/15 included:

- The Presidency: the unit worked closely with the department on its budget programme structure and on managing spending.
- Department of Planning, Monitoring and Evaluation: the unit worked closely with the department on its budget programme structure and on the establishment of a planning programme in the department. The unit is assisting the National Youth Development Agency (NYDA) with its restructuring process and with implementing a new organisational structure.
- Department of International Relations and Cooperation: the unit provided advice and technical support to the department on the acquisition strategy and the implications of various financing arrangements for constructing the Pan African Parliament and affiliated structures; contributed to the review of the foreign exchange management framework; and participated in expenditure and performance reviews of foreign missions. A review committee consisting of the Department of International Relations and Cooperation (DIRCO), National Treasury and the DPSA will develop recommendations to reform and reduce foreign service spending.
- Department of Home Affairs: the unit assisted the department to roll out the live capture system for personal particulars and biometric information for Smart ID card applicants to 140 district offices. As a result, the department has been able to issue more than 2.3 million Smart ID cards since July 2013. This roll-out will continue over the next 5 years.
- Statistics South Africa: the unit assisted with monitoring spending on household surveys, and with the organisation's PPP project to obtain new head office accommodation. Construction of this started in 2014/15; the division will continue to provide guidance on procurement and other expenditure issues until the project is completed in 2016/17.
- Department of Public Works: the unit reviewed the department's draft turn-around plan and provided extensive comment on the conceptualisation and resourcing of various stabilisation and transformation projects; provided guidance on the operationalisation of the Property Management Trading Entity; coordinated processes that led to the signing of a funding agreement between the South African government and the African Development Bank for the development of a one-stop policy for South African border-posts; participated in reviewing the performance of the Expanded Public Works programme and the development of a plan for the third phase of the programme; advised the Independent Development Trust on an appropriate long-term business and funding model; advised the department and relevant stakeholders on processes that need to be followed for transferring custodial responsibilities for endowment properties to the Department of Defence; and advised on adjustments to the department's baseline needed to bring its budget in line with its spending capacity.
- National School of Government: the unit provided technical support for transforming the Public Administration Leadership and Management Academy into the National School of Government (NSG), and provided extensive comments and technical advice on the NSG's strategy and its business and funding models.
- Department of Public Service and Administration: the unit provided extensive feedback on proposals for the establishment of the Office on Standards and Compliance and the Anti-Corruption Bureau; advised the department on the need to bring spending in the Administration programme in line with its budget; and coordinated the derivation of a more realistic budget for the Presidential Remuneration Review Committee.

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## PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT

The Justice and Protection Services unit oversees planning, expenditure and service delivery by departments in this sector. Departments and other key structures with which the unit worked in 2014/15 included:

- Department of Correctional Services: the unit provided guidance to the department on proposals to amend its approved budget programme structure and on the inclusion of the Judicial Inspectorate for Correctional Services in the departmental strategic and annual performance plans; and advised on requests by the department for additional funding for case management committees and Phase 2 of the Occupation Specific Dispensation for Correctional Officials.
- Departments of Defence and Military Veterans: the unit provided guidance and advice on draft military veterans pension benefits regulations and with drafting the department's Annual Report; and assisted the department to reprioritise funds towards South African Air Force operations and Military Health Services.
- Independent Police Investigative Directorate (IPID): the unit provided detailed inputs to IPID's 2015/16 annual performance plan, and carried out baseline analysis which formed the basis of the unit's recommendations to the Medium Term Expenditure Committee and the Minister's Committee on the Budget during the 2015 MTEF.
- Department of Justice and Constitutional Development: in collaboration with the Public Entities Governance Unit and Legislation, the unit provided detailed comments and inputs to the Department of Justice and Constitutional Development on the Justice Administered Funds Bill. It also facilitated the amendment of the Financial Intelligence Act (2001) to enable administrative fines to be deposited into the National Revenue Fund and not into the Criminal Asset Recovery Account.
- Department of Police: the unit conducted desktop research on public order policing and its related financial implications for the South African Police Service (SAPS). It also analysed SAPS' personnel structure and its implications for expenditure, and the funding pressures arising from compensation of employees. The findings from both studies were used to inform reprioritisation recommendations to the Medium Term Expenditure Committee and the Minister's Committee on the Budget during the 2015 MTEF. The unit also provided comments on various sector-related policies and reports including the crime prevention section of the US Securities and Exchange Commission's due diligence form 18K Report, Border Management Agency (BMA) establishment priorities for 2015/16 and the BMA business case, and briefings to the Minister on the proposed amendments to the Private Security Industry Regulation Amendment Bill.
- Civilian Secretariat for the Police Service: the unit provided comments on a number of Cabinet memoranda prepared by the Civilian Secretariat on policing-related matters including the Firearms Control Amendment Bill, the Draft White Paper on Safety and Security, the National Critical Infrastructure Protection Policy, the Draft White Paper on the Police and the National Critical Infrastructure Protection Bill.
- Integrated Justice Cluster: the unit coordinated the compilation of Annexure A (Report of the Minister of Finance to Parliament) of the 2015 Budget Review, and the compilation of responses to the 2015 Budget Review and Recommendation Report (BRRR). It also drafted expenditure review papers for the Justice and Protection Services departments; recommendations from these reviews were used as part of the 2015 sub-functional budget group Medium Term Expenditure Committee (MTEC) discussions. The unit produced a comprehensive report, linking non-financial with financial information, on the performance of the criminal justice system departments. Comments were also provided on quarterly progress reports on the MTSF programme of action for Outcome 3: 'All people in South Africa are and feel safe.'

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## PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT

The Education and Related Departments unit monitors and advises on a number of functions implemented largely by provinces and public entities. During the year, the unit assisted with improved monitoring of expenditure and service delivery, and with reviews of current departmental policy and implementation approaches. Departments with which work was carried out included:

- Department of Basic Education: the unit served on the Steering Committee for the Performance and Expenditure Review of School Infrastructure; assisted the department and provinces to use the costing tool developed as part of the Performance and Expenditure Review on In-Service Training (INSET) for teachers as a meaningful planning tool; provided assistance and guidance with the development of a centralised procurement strategy for learner and teacher support material; supported the conceptualisation and development of a maths, science and technology conditional grant; organised and coordinated a basic education sector budget benchmark to identify systemic and organisational issues limiting credible budgeting and sound planning; and assisted and advised the department on improving the provision of school infrastructure.
- Department of Higher Education and Training: the unit participated in discussions on the funding of university student accommodation; advised on developing a feasibility study for the new universities in Mpumalanga and the Northern Cape and the new Sefako Makgatho Health Sciences University; convened the Inter-Departmental Task Team on the Financing of the White Paper on Post-School Education and Training; advised on the Teaching and Learning Development Sector Reform contract between the European Union and the Department of Higher Education and Training; and assisted and advised on transferring responsibility for the adult education and training function and Further Education and Training Colleges function from the provincial education departments to the national Department of Higher Education and Training.
- Department of Sport and Recreation: the unit advised the department and Cabinet on plans to bid to host the 2022 Commonwealth Games; assisted the department and the Department of Planning, Monitoring and Evaluation with finalising the medium term strategic framework related to this sector; and commented and advised on the impact of the planned legislation to ban alcohol advertising and sponsorship of sport and the arts.
- Department of Labour: the unit commented on the Unemployment Insurance Amendment Bill, 2015, and is in discussion with the department on the inclusion of public servants; advised the Unemployment Insurance Fund (UIF) on funding poverty alleviation schemes, and especially on process and evaluation criteria; assisted and advised Productivity South Africa on its turnaround strategy; and commented on Public Employment Services' concept document for funding key interventions, and advised the programme on prioritisation of projects in the context of funding pressures.
- Department of Arts and Culture: the unit assisted the department with the economic classification of Mzansi Golden Economy Strategy (MGE) projects; advised the MGE programme on procurement and supply chain issues; advised The Playhouse Company on how to deal with funding pressures; assisted and advised the Gauteng Department of Arts and Culture on a business plan for the Library Services Conditional Grant; advised the Robben Island Museum on funding for diesel for electricity generation, and the Capital Works programme director on the classification of municipal charges and office accommodation for cultural institutions.

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## PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT

The Health and Social Development unit oversees budgets, expenditure and service delivery of the Department of Health and Department of Social Development. It is also closely involved in a number of policy areas for these sectors. Key work carried out in 2014/15 included:

- Department of Health: the unit facilitated two major funding shifts from the provincial to the national sphere: (1) the Port Health Services function and (2) funding for the national institutes and research and training functions of the National Health Laboratory Service (NHLS), with funds shifting from April 2015. Support and additional funding were provided for the Office of Health Standards Compliance to prepare for launching the new public entity in April 2015/16. A new component of the National Health Grant was started in 2014/15; this provides for the introduction of the new human papilloma virus (HPV) vaccine which protects against cervical cancer. Additional funding was provided for continued expansion of the antiretroviral treatment (ART) programme. The unit had a number of engagements with the Department of Health to discuss national health insurance (NHI) policy proposals, including the establishment of NHI workstreams to address key policy areas and refining the draft NHI Financing and White Papers. Four workstreams will be established in 2015/16. Various monitoring and oversight discussions were held with the Department on the National Health Insurance and Health Facility Revitalisation conditional grant components. The unit participated in the budget benchmarking process with provincial treasuries and departments of health; there is evidence of protection of important non-negotiable areas such as medicines despite the fiscal limitations. Levy increases were approved for Medical Schemes Council, taking into account the new demarcation regulations.
- The unit continued to refine the projection model for social grants and used it to inform the 2015 social grant increases and budgets. Research on welfare services financing has progressed well, with the first phase focusing on improving the administration of transfers to non-profit organisations (NPOs). A draft NPO transfer payment framework was developed and consulted on. Analysis was undertaken on policies and legislation governing transfer payments to NGOs. Analysis was conducted on the National Welfare Organisations & NGOs (NAWONGO) judgment and its potential implications for NGO funding. Discussions were held with the department on taking forward the recommendations from the NPO expenditure and performance review. Key issues relate to improving the NPO database and the early childhood development (ECD) registration process. The unit supported the implementation of the revised programme structure for provincial departments of social development (DSDs) through the development of an implementation guide. To improve budgeting for social workers salaries at a cost centre level, analysis was conducted for provincial DSDs on the interface between BAS and PERSAL. The unit carried out a comprehensive analysis of provincial budgets to assess adequacy of funding. It provided information for Cabinet on the Early Childhood Development policy and on its costing. It discussed with the national DSD the outcome of the review of the National Development Agency and how its mandate should be focused.

The Economic Services unit works with government departments and agencies and analyses policy proposals, strategies, funding requests and expenditure plans of departments and state entities responsible for regulatory oversight, economic development, employment, growth, science and technology, tourism, environmental protection, land reform, rural development, agriculture, forestry, fisheries, trade and industrial development.

Departments with which the unit worked during the reporting year included:

- Department of Rural Development and Land Reform: the unit is assisting the department with the implementation of agri-parks in 27 priority districts. It continued its work towards ensuring that the department is not carrying out agricultural work. It supported the department with its National Rural Youth Services Corps programme; this has trained over 13 800 rural young people to date.

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## PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT

- Department of Tourism: the unit assisted with drafting the Tourism Incentives Programme policy. This aims to stimulate the growth, development and transformation in the country's tourism sector; the pilot phase will be rolled-out in 2015/16. Starting on a small scale, over the MTEF the project will be implemented on a larger scale depending on the outcome of the pilot phase.
- Department of Science and Technology: the directorate is working closely with the department on developing a mechanism to align research, development and innovation (RDI) activities across all sectors of government with national priorities; to allocate RDI budgets efficiently; and to increase the productivity of publicly funded RDI investment. The unit also worked closely with the department to promote industrial development through the design of an effective Economic Competitiveness Support Programme.
- Department of Environmental Affairs: the unit is a member of the Green Fund Management Committee that supports green initiatives to assist South Africa's transition to a low carbon, resource efficient and climate resilient economy which provides high impact economic, environmental and social benefits. It is also a member of the project management team that assesses progress on the Expanded Public Works Environmental and Tourism Sector programmes in terms of job creation and spending progress.

The unit was also part of the Operation Phakisa initiative. This deals with the ocean economy development strategy for South Africa. This has the potential to contribute up to R26 billion to GDP and, initially through aquaculture, marine transport, offshore oil and gas exploration, to create 55 000 direct jobs by 2019.

The team discussed with the department how best to implement the recommendations of the Secondary Asbestos Remediation Plan (SARP) and how to align the plan with regulations prohibiting the use, manufacturing, import and export of asbestos and asbestos-containing materials. Forty areas, in the provinces of Limpopo, Mpumalanga, North West and Northern Cape, are contaminated with asbestos.

The team engaged and consulted with the department on the tyre levy tabled in the 2015 Budget Review. With effect from the last quarter of 2015, the levy will be implemented through the Customs and Excise Act and collected by South African Revenue Services (SARS). The provisional date is set for 1 October 2015.

The unit is part of Ministerial Technical Committee Working Group 10. This focusses on climate change mitigation and adaptation strategies. In collaboration with key national departments including National Treasury, the Department of Environmental Affairs leads the process of implementing the National Climate Change Response Policy (NCCRP).

- Department of Agriculture, Forestry and Fisheries: the unit participated in and provided inputs to the Operation Phakisa: Aquaculture strategy; commented on and provided inputs to the Agriculture, Forestry and Fisheries Strategic Framework and the Agricultural Policy Action Plan (APAP); and assessed and provided inputs to the Comprehensive Agricultural Support Programme and the Micro-Agricultural Financial Institutions of South Africa (MAFISA) impact studies.
- It also supported the Land Bank with its Retail Emerging Markets Programme to fast track support to over 5 590 emerging black farmers and subsistence food producers, and to expand the role and productivity of smallholder farming.
- Department of Mineral Resources: the unit commented on the amended Mineral Beneficiation Strategy. It continued to support the department with its research into the exploration of shale gas and hydraulic fracturing; and on the project to manage and implement the rehabilitation of derelict and ownerless mines.

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## PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT

- Department of Economic Development: the unit supported small business financing through the Economic Competitiveness Support Programme to the Small Enterprise Finance Agency; and provided financial support to the Competition Commission in carrying out the market inquiry into the private health care sector.
- Department of Public Enterprises: the unit supported the department with the National Macro Organisation of the State project (NMOS) transfer of Broadband Infracore SOC to the Department of Telecommunications and Postal Services. It also helped with the transfer of the department's oversight role of SAA to National Treasury.
- Department of Small Business Development: during the NMOS, the unit continued to provide guidance and support to the newly established department with the transfer of functions from the Department of Trade and Industry, and provided inputs to the department's approved programme structure.
- Department of Trade and Industry: during the NMOS, the unit supported the department with the transfer of functions to the newly established Department of Small Business Development. In support of the country's manufacturing competitiveness, the unit is currently taking part in the review of the performance and expenditure of the Economic Competitiveness Support Programme. During the reporting year, it provided comments on the Special Economic Zones Regulations; and it continues to serve on the adjudication committees of various incentive schemes.

The Urban Development and Infrastructure unit provides budget, policy and expenditure management and support to national departments and public entities involved in infrastructure investment including transport, energy, water and sanitation, telecommunications and postal services, municipal infrastructure, cooperative governance and human settlements.

Work carried out by the unit in 2014/15 included:

- Support for the Department of Human Settlements in improving its performance management system and its budget reporting on programmes as required in terms of the Housing Code; and analysis to improve allocative efficiency and transparency in funding public transport.
- Support for the Department of Telecommunications and Postal Services to fund the Broadband Digital Development programme.
- Review of the Department of Energy's approach to funding its biofuel and cleaner fuel programmes.
- Review of the feasibility and financing of toll roads and road accident benefits, and the feasibility of large water and public transport infrastructure programmes.

The unit completed the update of the liquid fuels sector investment study and several studies of the feasibility of gas, nuclear and regional hydro for electricity generation; continued to monitor the electricity sector and particularly the Eskom build programme; reviewed the feasibility of projects in the transport sector; started a comprehensive review of environmental expenditure in the Budget; completed a review of the impact on delivery of various procurement regulations, and an analysis of funding and pricing mechanisms for various projects and sectors; and drafted a new chapter in the Budget Review of Infrastructure.

A project appraisal methodology for capital projects was finalised and was supported by training in cost-benefit analysis, studies in various aspects of project costing and the development of a framework for financing public infrastructure.



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## PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT

The National Capital Projects unit conducts in-depth assessments of feasibility studies for major national infrastructure reports. Other responsibilities include monitoring the progress of large projects and programme builds; analysing and helping to resolve issues relating to infrastructure delivery; and developing frameworks for financing public infrastructure investment. During the 2014/15 financial year, the unit completed several in-depth studies on short- and long-term energy generation options for South Africa; analysed funding and pricing issues relating to the electricity sector; participated in and advised on a number of project steering committees looking at developing large energy projects; continued with a study to update investment options in the liquid fuels sector, and completed a first iteration; internally delivered quarterly updates on the progress of large projects; and assisted with analysing the feasibility of a number of transport projects.

### Intergovernmental Relations

The IGR division coordinates fiscal and financial relations between the national, provincial and local spheres of government. This is an important function given that R567.9 billion or 52 per cent of non-interest expenditure in 2014/15 was allocated to provinces and municipalities. The bulk of this expenditure went to priority programmes such as education, health care and the provision of free basic services.

The division coordinates inputs to the division of revenue, the annual Division of Revenue Bill and the development of the framework for managing conditional grants. The 2015 Division of Revenue Bill was tabled in February 2015 and included new clauses requiring plans for provincial infrastructure grants for health and education to be submitted to national departments as a condition for future grant allocations to those plans. The Bill also included a first round of reforms emerging from the ongoing review of local government infrastructure grants. These reforms include allowing Municipal Infrastructure Grant funds to be used for refurbishment if the infrastructure has been appropriately maintained over its useful life. In line with the objective of reducing the number of grants in the system, two public transport grants were merged. Led by National Treasury, the Local Government Infrastructure Review is a collaboration involving the Department of Cooperative Governance, the Department of Planning, Monitoring and Evaluation, the South African Local Government Association and the Financial and Fiscal Commission.

To support urban transformation and economic growth, the division began a process to reform municipal revenue raising powers. This included developing a national policy framework on development charges to improve their regulation and ensure that they are applied uniformly across municipalities; reforms to municipal borrowing to explore municipalities' options for expanding their scope for borrowing, and tools to leverage debt; and a review of metropolitan municipalities' own revenue sources for improving municipal revenue capacity.

The division coordinates the implementation of the City Support Programme (CSP). This assists metropolitan municipalities with an integrated programme to deal with inclusive economic growth and poverty reduction. During the 2014/15 reporting period, a number of activities including the Capacity Support Implementation Plans and the identification of integration zones were finalised. The completion of these activities triggered a number of implementation activities, with associated technical support to the cities. The effectiveness of the implementation support to cities assumes consensus-building among city leadership about municipal decision-making. Strategic development reviews (SDRs) help to promote good governance and support leadership in cities. An SDR for Nelson Mandela Bay Metropolitan Municipality was finalised and is being aligned with the city's strategy.

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## PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT

From 3-5 November 2014, the CSP hosted a workshop titled 'Maximising the Value of Public Real Estate: Catalysing Urban (Re) Development'. The aim was to assist municipal officials to conceptualise and apply lessons learned to their own catalytic projects. The workshop helped to start a dialogue between city planning officials and private sector developers/ investors aimed at increasing private sector investment in the urban core, and at building opportunities for collaborative partnerships. Through an agreement with the World Bank, the workshop drew on international expertise on building sustainable local capacity. In partnership with the South African Cities Network, the CSP has initiated a project on the fiscal impacts of spatial form. This reviews current practices or tools available to metros to inform development approval decisions and assess their long term fiscal impacts. Based on initial findings, a model has been developed which can be used to determine the fiscal impact of development applications in municipalities. The model has been piloted in eThekweni municipality and other metros are encouraged to utilise and improve the tool.

The Integrated City Development Grant (ICDG) was established in 2013/14 to provide incentives for metropolitan municipalities to integrate and focus their infrastructure investments within identified integration zones (areas identified for targeted investment). Metropolitan municipalities will be assisted to plan and programme catalytic investments within these zones. During the 2014/15 financial year, R255 million was allocated to metropolitan municipalities based on a number of indicators of performance on governance. In their Built Environment Performance Plans (BEPP), the metropolitan municipalities identified 14 integration zones, with 12 projects for planning and three under implementation in the zones.

The Infrastructure Delivery Improvement Programme has developed, tested and implemented an Infrastructure Delivery Management System (IDMS) across the provinces. This clarifies and defines public sector infrastructure delivery processes and sub-processes that support standardised infrastructure delivery throughout the country. Opportunities to expand the IDMS to local government are also being explored.

The Infrastructure Skills Development Grant (ISDG) is a conditional grant to municipalities to expand their built environment management skills pipeline. Sixteen municipalities are currently participating in the programme, with three partnering with Water Boards in training graduates. Over 420 are being trained in various skills, in line with the statutory councils' professionalisation requirements. During the financial year, five graduates completed training and have been registered as professionals with the statutory councils; and forty process controllers completed training in line with the requirement of the Water Institute of Southern Africa (WISA). Thirty apprentices are ready for trade tests and will qualify as artisans.

During the reporting period, IGR continued to roll out the municipal budget and reporting regulations. These aim to improve the quality of information received from municipalities. Key to this is improving national and provincial treasuries' oversight over local government budget legislative requirements. All 278 municipalities have compiled their 2015/16 Medium Term Review Expenditure Frameworks in line with the Municipal Budget Reporting Regulations (MBRR). There has been a particular focus on ensuring that all municipalities complete the MBRR supporting schedules and ensure that their budget documents align with the strategic and service delivery objectives of the Integrated Development Plan (IDP). This has enabled quarterly publication of consolidated municipal financial performance reports, in line with Section 71 of the Municipal Finance Management Act (MFMA). National Treasury publishes an annual consolidated set of budget information for all municipalities. This practice is aligned with the MFMA and has been institutionalised over the past eight years. It improves transparency and better in-year management and oversight of budgets; the reports become management tools and early warning mechanisms enabling councils to improve their oversight role.

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## PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT

IGR continued to improve the conditional grant monitoring framework for local government. National Treasury has concluded the 2013/14 unspent conditional grants process and all 278 municipalities' unspent conditional grants were reconciled and verified. Section 21 of the Division of Revenue Act (DoRA) was invoked in offsetting previous years' unspent conditional grants against the 2014/15 equitable shares from underperforming municipalities, with R1.2 billion returning to the National Revenue Fund. An additional R280.4 million was offset from the 2014/15 equitable share allocation resulting from municipalities requesting repayment arrangements against their historical unspent conditional grants between the 2010/11 and 2012/13 financial years. DoRA enables municipalities to repay unspent funds in installments. This avoids their having to offset the entire amount from their equitable share at once, which could cripple their financial status. To date, National Treasury has approved 34 repayment arrangements relating to the 2010/11 and 2013/14 financial years. National Treasury continues to help low performing municipalities to improve spending and the management of their conditional grants.

The Municipal Infrastructure Grant (MIG) is the main unspent conditional grant. During the 2014/15 financial year, the Department of Cooperative Governance and Traditional Affairs which administers the MIG started withholding funds from municipalities with under-spending of 40 per cent or more. National Treasury reallocated R956.8 million against the grant to fast-spending municipalities.

During the reporting period, two engagements with the 17 non-delegated municipalities were undertaken as planned; these were the Municipal Budget and Benchmark Engagement (MBBE) and the Mid-year Budget and Performance Assessment. The MBBE was the sixth in the series. To ensure good quality and sufficient reporting and in line with the Batho Pele principles, analysis and feedback were provided to the 17 municipalities. Annual improvements can be seen in municipalities' understanding of how to apply the funding compliance methodology and the requirements for funded municipal budgets. IGR facilitated the replication of the MBBE exercise to be conducted, via the provincial Treasuries, with the 261 non-delegated municipalities. The aim is to help these municipalities to improve their financial management and strategic planning functions and to align these with service delivery objectives. As a step towards this, the metropolitan municipalities' mid-year performance assessment included an assessment of their 2015/16 BEPPs.

During the reporting period, a regulation on a Standard Chart of Accounts (SCOA) for local government was published and was followed by the commencement of change management and piloting. The IGR division established the SCOA Integrated Consultative Forum (ICF) made up of provincial treasuries, piloting municipalities and service providers. The aims of the ICF include ensuring that all vendors are within the project scope and ready to pilot, ensuring collective discussion and resolution of issues that might impede progress, providing regular updates on any changes to the SCOA classification framework, ensuring a provincial perspective on the issues and challenges relates to non-piloting municipalities and managing the project milestones and risk register. The division held one-day information sessions on demystifying SCOA for municipal senior managers in all provinces. MFMA circulars No. 74 and 75 were circulated and were published on National Treasury's website. These provide municipalities with guidance on preparing their 2015/16 municipal Medium-Term Revenue and Expenditure Framework (MTREF) budgets.

During the 2014/15 financial year, IGR continued to rollout support and capacity building initiatives. 392 provincial officials were trained on budget formulation and budget analysis by the division; and all nine provinces were trained

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## PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT

on in-year monitoring of departmental expenditure. A significant step in support of public finance reporting was the completion of the first ever sub-national assessment of public finance management using the PEFA methodology in all nine provincial governments. The results will help to improve provinces' financial management practices.

With respect to provincial budgets and financial outcomes, the budget benchmarking process was extended during the financial year with each province being subject to two rounds of benchmark assessments. This has significantly improved the credibility of provincial budgets and reduced the impact of fiscal consolidation on provinces' ability to provide services. Provincial expenditure outcomes amounted to 98.6 per cent of budgets; this is a very good level of performance. Transparency continued to be a hallmark of the division. All provincial financial information is published quarterly and within the timelines stipulated in the PFMA.

Among the innovations and projects introduced and concluded in 2014/15 were a personnel costing and forecasting model rolled out to all nine provinces; a monthly provincial financial dashboard; and induction manuals for MECs of Finance, Accounting Officers and Heads of Provincial Treasuries.

# PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT

ANNUAL PERFORMANCE INFORMATION REPORT		2014/15
OBJECTIVE	INDICATOR	INDICATOR PERFORMANCE ANALYSIS
Monitoring and analysis of public expenditure and service delivery	ENE and Adjusted Estimates of National Expenditure (AENE) are compiled	<p><b>Target</b></p> <ul style="list-style-type: none"> <li>Inputs delivered as per the dates in MTEC guidelines</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>Facilitated the compilation of AENE and ENE chapters for all national departments. Chapters were finalised and signed-off within the parliamentary timeframes, to be delivered in Parliament in October and February</li> <li>Finalised the compilation of ENE and Budget Review chapters and responses to the budget review recommendations reports as per parliamentary timelines to be delivered to Parliament in October and February</li> </ul>
	Monthly expenditure feedback to departments	<p><b>Target</b></p> <ul style="list-style-type: none"> <li>Within 30 days of the end of the previous month</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>Most directorates compiled monthly expenditure feedback reports for January and February 2015 within 30 days</li> </ul> <p><b>Deviation</b></p> <ul style="list-style-type: none"> <li>Although the majority of directorates provided monthly feedback to departments on a regular basis, some directorates only provided feedback when they felt there was a need for clarity on certain issues</li> </ul>
	Quarterly expenditure reports to the Standing Committee on Appropriations	<p><b>Target</b></p> <ul style="list-style-type: none"> <li>Within six weeks of the end of the previous quarter</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>Three out of four quarterly expenditure reports were submitted to the Standing Committee on Appropriations (Q4 2013/14, Q1, Q2 and Q3 2014/15) within the 6 week period</li> </ul> <p><b>Deviation</b></p> <ul style="list-style-type: none"> <li>During January and February 2015, the focus was mainly on finalising ENE chapters, Budget Review and responses to the budget review recommendation reports</li> </ul>

# PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT

ANNUAL PERFORMANCE INFORMATION REPORT		2014/15
OBJECTIVE	INDICATOR	INDICATOR PERFORMANCE ANALYSIS
Monitoring and analysis of public expenditure and service delivery	Selected expenditure reviews	<p><b>Target</b></p> <ul style="list-style-type: none"> <li>• Six per year</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>• Performance and Expenditure Reviews initiated in the third quarter and still underway:               <ul style="list-style-type: none"> <li>• National Student Financial Aid Scheme</li> <li>• Technical vocational education and training</li> <li>• School Infrastructure Delivery</li> <li>• Provincial roads</li> <li>• Review of the funding model for social housing</li> <li>• Water services</li> <li>• Nutrition and food security for children under 5 years old</li> <li>• Border Management Administration</li> <li>• Government accommodation – leases</li> </ul> </li> <li>• Expenditure reviews completed during 2014/15:               <ul style="list-style-type: none"> <li>• Public transport infrastructure and systems</li> <li>• Micro Agricultural Financial Institutions of South Africa</li> <li>• Pan South African Language Board, and the cultural, religious and Linguistic services of the Department of Arts and Culture</li> <li>• Land restitution</li> <li>• Artisan development programme</li> <li>• Small Enterprise Development Agency</li> <li>• Effective partnering of Science Councils with the private sector</li> <li>• National Skills Funds</li> <li>• Critical scarce skills immigration policy</li> <li>• Assessment of biofuels</li> </ul> </li> </ul> <p><b>Deviation</b></p> <ul style="list-style-type: none"> <li>• The number of expenditure reviews depends on the topic, whether GTAC can find consultants, and accessibility of data. It is easy to under- or over-estimate. Copies of all Expenditure Reviews are with GTAC</li> </ul>

# PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT

ANNUAL PERFORMANCE INFORMATION REPORT		2014/15
OBJECTIVE	INDICATOR	INDICATOR PERFORMANCE ANALYSIS
	<p>Timely inputs on departmental budget submissions to MTEC and the Ministers' Committee on the Budget (MinComBud)</p> <p>Timely sectoral analysis, compliance monitoring and advice</p>	<p><b>Target</b></p> <ul style="list-style-type: none"> <li>Inputs delivered as per the dates in MTEC guidelines</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>The baseline allocations have been amended throughout the various phases of the budget process and these have been approved by MTEC, MinComBud and ultimately Cabinet.</li> <li>Final budget allocations to departments were determined in November</li> </ul> <p><b>Target</b></p> <ul style="list-style-type: none"> <li>Comments on Cabinet memoranda to reach the Ministry the day before the relevant Cabinet meeting</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>Comments on Cabinet memoranda were provided timeously by all Chief Directorates</li> </ul> <p><b>Target</b></p> <ul style="list-style-type: none"> <li>Responses to departmental requests within four weeks of receipt of request for administrative submissions and within 12 weeks for Ministerial concurrence/policy feedback</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>Departmental correspondence, submissions and reports have been dealt with timeously by all Chief Directorates</li> </ul> <p><b>Deviation</b></p> <ul style="list-style-type: none"> <li>Delays were mainly due to internal consultations</li> </ul>

# PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT

ANNUAL PERFORMANCE INFORMATION REPORT		2014/15
OBJECTIVE	INDICATOR	INDICATOR PERFORMANCE ANALYSIS
Contribute to the South African economy by developing, ensuring Cabinet authorisation of and implementing South Africa's fiscal policy and related frameworks	Enhanced alignment of budget documentation with fiscal guidelines based on principles of countercyclicality, debt sustainability and intergenerational equity	<p><b>Target</b></p> <ul style="list-style-type: none"> <li>Develop measures of fiscal risk, in line with international best practice that covers the public sector</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>Produced a risk report with emphasis on growth outlook and public entity balance sheets.</li> <li>Main results incorporated into 2015 Budget Review. Invited IMF technical assistance specialists to review current balance sheet reporting, and designed work-plan for addressing gaps in risk reporting</li> </ul>
	In line with the MTEF, the expenditure proposed in the Budget tabled does not exceed the main budget non-interest expenditure level determined	<p><b>Target</b></p> <ul style="list-style-type: none"> <li>2015 MTEF: R3.32 trillion main budget non-interest expenditure announced in 2014 MTEF + R214 billion in terms of the fiscal policy stance = R3.53 trillion</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>Planned expenditure for the 2015 MTEF period is in line with expenditure ceiling requirements</li> <li>2015 MTEF: R3.32 trillion main budget non-interest expenditure announced in the 2014 MTEF + R214 billion in terms of the fiscal policy stance = R3.53 trillion. This includes a preliminary unallocated reserve of R40 billion and further resources over baseline of R25 billion</li> </ul>
Monitoring and analysis of public expenditure and service delivery	A cost-of-living adjustment (COLA) costing model is developed to improve National Treasury's understanding of the implications of the remuneration policy and wage settlements for the public sector wage bill	<p><b>Target</b></p> <ul style="list-style-type: none"> <li>Review, improve and continue to implement the COLA costing model</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>The existing costing model has been analysed and continuous review of it is undertaken by a joint team composed of representatives of National Treasury and DPSA. The model is being used for costing implications of the 2015/16 wage negotiations currently in progress. Supplementary costing estimation templates for speedy on-the-spot assessment of wage agreement costs are developed from the main costing model. Work has started on the development of sector-specific costing models</li> </ul> <p><b>Deviation</b></p> <ul style="list-style-type: none"> <li>Attention and priority was given to the salary negotiations process. A new model for quick costing of salary demands and offers has been developed. The detailed model will be improved in the following financial years</li> </ul>



# PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT

ANNUAL PERFORMANCE INFORMATION REPORT		2014/15
OBJECTIVE	INDICATOR	INDICATOR PERFORMANCE ANALYSIS
	A governance and financial management monitoring and compliance system in public entities is implemented	<p><b>Target</b></p> <ul style="list-style-type: none"> <li>Continue institutional budgeting reforms and support to national and provincial public entities</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>A framework on Board and CEO executive remuneration has been proposed; this considers various aspects, such as the expertise required, size of board, number of meetings held, decision-making powers, discretionary powers, problem solving, impact of decisions, external factors and financial responsibility. This is in line with the Public Service's Equate/Evaluate job evaluation system</li> </ul> <p><b>Target</b></p> <ul style="list-style-type: none"> <li>Assist entities with implementation of change management and improved business processes</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>Reviewed the classification/institutional framework of public entities</li> </ul>

# PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT

ANNUAL PERFORMANCE INFORMATION REPORT		2014/15
OBJECTIVE	INDICATOR	INDICATOR PERFORMANCE ANALYSIS
Monitoring and analysis of public expenditure and service delivery	A governance and financial management monitoring and compliance system in public entities is implemented	<p><b>Target</b></p> <ul style="list-style-type: none"> <li>Review financial human resource and administrative frameworks in public entities, including Treasury regulations</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>Finalised Treasury Regulation inputs related to public entities</li> </ul> <p><b>Target</b></p> <ul style="list-style-type: none"> <li>Submit recommendations to Cabinet on frameworks and memoranda applicable to public entities</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>Submission of recommendations on Cabinet memoranda</li> </ul> <p><b>Target</b></p> <ul style="list-style-type: none"> <li>Assist public entities to improve compliance and governance</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>Provided assistance and support to various public entities regarding governance and compliance related matters</li> </ul>
ODA resources aligned with and mobilised for	Aid is aligned with Budget	<p><b>Target</b></p> <ul style="list-style-type: none"> <li>Manage General Budget Support (GBS) allocation process for National Treasury</li> <li>Monitor GBS programme delivery</li> <li>Administer all ODA programmes that fall outside the GBS process</li> <li>Monitor and evaluate ODA programmes</li> </ul>

# PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT

ANNUAL PERFORMANCE INFORMATION REPORT OBJECTIVE	INDICATOR	2014/15 INDICATOR PERFORMANCE ANALYSIS
		<p><b>Actual</b></p> <ul style="list-style-type: none"> <li>• ODA information incorporated into the MTEC guidelines. ODA internal report produced and submitted to Budget Committee</li> <li>• From a total budget of R2.5 billion GBS-EU budget, a total of R1.3 billion has been fully committed or allocated to various government ODA programmes alongside budget processes</li> <li>• During 4th quarter of 2014/15, a total of R689 million was received from the EU: 3rd variable tranche and 2nd fixed tranche</li> </ul> <p><b>Deviation</b></p> <ul style="list-style-type: none"> <li>• No call for proposals during FY 2014/15 due to a large number of proposals approved (front loading) during the previous calls in FY 2013/14</li> </ul> <p><b>Target</b></p> <ul style="list-style-type: none"> <li>• Administer all ODA programmes that fall outside the GBS process</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>• New programmes designed and programmed during FY 2014/15:             <ul style="list-style-type: none"> <li>• DHET- EU: Teaching and Learning Development programme, €26m</li> <li>• DOJ-EU</li> <li>• IDC-Flanders: Social Enterprise Fund</li> <li>• Tirelo Boshu - Belgium capacity building programme</li> </ul> </li> <li>• IPSA programme operationalized</li> <li>• Development Cooperation Management Information System officially launched</li> </ul> <p><b>Target</b></p> <ul style="list-style-type: none"> <li>• Monitor and evaluate ODA programmes</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>• Programme evaluations undertaken during the FY 2014/15:             <ul style="list-style-type: none"> <li>• TDCA Dialogue Facility Mid-term Review (MTR)</li> <li>• DST MTR</li> <li>• DOJ final evaluation</li> <li>• DRDLR-Belgium-PSPD Mid Term Evaluation Report</li> <li>• SURUDEEC LED programme final evaluation</li> </ul> </li> </ul>

# PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT

ANNUAL PERFORMANCE INFORMATION REPORT	2014/15	INDICATOR PERFORMANCE ANALYSIS
<p><b>OBJECTIVE</b></p> <p>Official development assistance (ODA) resources aligned with and mobilised for</p>	<p><b>INDICATOR</b></p> <p>Aid is aligned with Budget</p>	<ul style="list-style-type: none"> <li>• Other reviews and studies undertaken during FY 2014/15:               <ul style="list-style-type: none"> <li>• Public Expenditure and Financial Accountability (PEFA) Country Assessment 2014</li> <li>• Review of Technical Assistance models in SA</li> <li>• Review of philanthropy in SA</li> <li>• Review of trilateral development programmes in SA</li> </ul> </li> <li>• During FY 2014/15, a total of R1.9 billion was received into the RDP fund, with the European Commission accounting for the largest amount, earmarked for the GBS programme. R2.3b was received in 2013/14</li> </ul>
<p>ODA into South Africa is coordinated</p>	<p><b>Target</b></p> <p>Manage the development partner ODA engagements for South Africa</p> <p><b>Actual</b></p> <p>Development Partners Consultation forums and high level meetings held:</p> <ul style="list-style-type: none"> <li>• SA-US AID bilateral forum, June 2014</li> <li>• SA-Flanders Annual Consultation held in SA, 3 March</li> <li>• SA-Swiss high level meeting in SA, 3 February</li> <li>• SA-China Joint Working Group meeting in China, Beijing, 3-4 September</li> <li>• SA-EU JCC in Belgium, Brussels, November</li> <li>• SA-Canada AC</li> <li>• SA-Belgium, Pretoria</li> <li>• Flanders Delegation visit, 5 March</li> <li>• AFD Head Quarters visit, 18 February and 25 March</li> <li>• EU Head Quarters visit, 2-6 February re: employment programming</li> <li>• SA-Germany DevCop - Green Economy Focal Area, 10 February</li> </ul> <p><b>Target</b></p> <ul style="list-style-type: none"> <li>• Finalise ODA programming with development partners</li> </ul>	

# PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT

ANNUAL PERFORMANCE INFORMATION REPORT OBJECTIVE	INDICATOR	2014/15 INDICATOR PERFORMANCE ANALYSIS
Preparation of the national budget	Timely completion of a well-coordinated and communicated budget process, culminating in Cabinet's endorsement of expenditure allocations	<p><b>Actual</b></p> <ul style="list-style-type: none"> <li>• Programme bilateral agreement facilitated and signed during the FY 2014/15:</li> <li>• SA-German Technical and Financial Cooperation Agreement</li> <li>• SA-EU Multiannual Indicative Programme valued EUR242m for the period 2014-2020</li> <li>• VPUU German Agreement</li> <li>• SA-Swiss – KZN eLembe LED Programme agreement signed on 21st Jan</li> <li>• SA-Australia – DAFF-ACIAR Memorandum of Subsidiary Agreement signed re: Grass-fed markets and value chains programme</li> <li>• Endorsement of SA-China Training of DTI officials under Protocol on Economic &amp; Technical Cooperation</li> <li>• Participation in other partners' international forums:             <ul style="list-style-type: none"> <li>• International CSO Task team meeting in Ireland 24-25 Sept</li> <li>• International Aid Transparency Initiative, Ghana 18-19 March</li> <li>• Financing for Development (FFD3 prep), Ghana 16-17 March</li> </ul> </li> </ul> <p><b>Target</b></p> <ul style="list-style-type: none"> <li>• Provide support to ODA programmes with implementation challenges</li> </ul>
		<p><b>Target</b></p> <ul style="list-style-type: none"> <li>• MTEF guidelines in July</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>• Completion dates are in accordance with the target period or ahead of the target date</li> <li>• MTEF guidelines issued on 19 June 2014</li> </ul> <p><b>Deviation</b></p> <ul style="list-style-type: none"> <li>• Issuance of the MTEF guidelines and Cabinet endorsement of national government expenditure allocation both happened a month earlier</li> </ul> <p><b>Target</b></p> <ul style="list-style-type: none"> <li>• Scheduling of committees' meeting process in July</li> </ul>

# PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT

ANNUAL PERFORMANCE INFORMATION REPORT		2014/15
OBJECTIVE	INDICATOR	INDICATOR PERFORMANCE ANALYSIS
Preparation of the national budget	Timely completion of a well-coordinated and communicated budget process, culminating in Cabinet's endorsement of expenditure allocations	<p><b>Actual</b></p> <ul style="list-style-type: none"> <li>Committees' meeting process scheduled and workflow planned, the first MITEC meeting was on 1 August 2014</li> </ul> <p><b>Deviation</b></p> <ul style="list-style-type: none"> <li>Cabinet meetings for prior endorsement did take place, and the recommendations did not have to be reconsidered in subsequent meetings</li> </ul> <p><b>Target</b></p> <ul style="list-style-type: none"> <li>Cabinet endorsement of national government expenditure allocations in December</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>National expenditure allocations endorsed by Cabinet on 19 November 2014</li> </ul>
Production and publication of the national budget	Guidelines and other budget documents designed, produced and published each year	<p><b>Target</b></p> <ul style="list-style-type: none"> <li>ENE published at end of February</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>Completion dates are in accordance with the target period or ahead of the target date.</li> </ul> <p><b>Target</b></p> <ul style="list-style-type: none"> <li>Budget Review published at end of February</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>Tabled in Parliament on 25 February 2015</li> </ul> <p><b>Target</b></p> <ul style="list-style-type: none"> <li>Adjusted Estimates of National Expenditure(AENE) published at end of October</li> </ul>

# PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT

ANNUAL PERFORMANCE INFORMATION REPORT OBJECTIVE	INDICATOR	2014/15 INDICATOR PERFORMANCE ANALYSIS
		<p><b>Actual</b></p> <ul style="list-style-type: none"> <li>• Tabled in Parliament on 22 October 2014</li> </ul> <p><b>Target</b></p> <ul style="list-style-type: none"> <li>• Appropriation Bill tabled at end of October</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>• Tabled in Parliament on 22 October 2014</li> </ul> <p><b>Target</b></p> <ul style="list-style-type: none"> <li>• Adjustments Appropriation Bill tabled at end of October</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>• Adjustments Appropriation Act gazetted on 9 December 2014</li> </ul> <p><b>Target</b></p> <ul style="list-style-type: none"> <li>• AENE chapter guidelines issued in August</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>• AENE chapter guidelines issued on 8 August 2014</li> </ul> <p><b>Target</b></p> <ul style="list-style-type: none"> <li>• ENE chapter guidelines issued in November</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>• ENE chapter guidelines issued on 7 October 2014 and national department ENE chapter inputs were submitted earlier than in the previous years</li> </ul> <p><b>Deviation</b></p> <ul style="list-style-type: none"> <li>• Preparatory work was done to make this possible. It was dependent on the issuance of preliminary expenditure allocation letters to departments, which were endorsed early in the budget process</li> </ul>

# PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT

ANNUAL PERFORMANCE INFORMATION REPORT		2014/15
OBJECTIVE	INDICATOR	INDICATOR PERFORMANCE ANALYSIS
Production and publication of the national budget	Provide guidance to departments and entities on the classification of expenditure	<p><b>Target</b></p> <ul style="list-style-type: none"> <li>Issue classification circulars and guidelines</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>Issued classification circulars 8, 9 and 10 for changes in 14/15 financial year</li> </ul> <p><b>Target</b></p> <ul style="list-style-type: none"> <li>Provide advice on the interpretation of the SCOA and the reference guide on economic classification</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>Responded to departments' SCOA queries within a two weeks turnaround ensuring that proper advice and guidance are provided in the interpretation of the SCOA and reference guide on economic classification of government financial transactions</li> </ul> <p><b>Target</b></p> <ul style="list-style-type: none"> <li>Roll out of the South African Qualifications Authority (SAQA) accredited training programme</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>Finalised the updating of the training material for all the accredited courses. Rolled out the National Treasury funded Practitioners training sessions through the National School of Government. 152 national and provincial practitioners were trained. Train the Trainer sessions held for 60 prospective private sector trainers. Revised reference guide sent to principals for comments</li> </ul>
	Public finance statistics are presented according to function and economic classification for consolidated general government	<p><b>Target</b></p> <ul style="list-style-type: none"> <li>Extend coverage of consolidated accounts to include information on consolidated accounts and borrowing of all general government</li> </ul>



# PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT

ANNUAL PERFORMANCE INFORMATION REPORT		2014/15
OBJECTIVE	INDICATOR	INDICATOR PERFORMANCE ANALYSIS
Building capacity in provincial treasuries and departments	Number of officials trained on budget formulation, assessment and on infrastructure delivery management	<p><b>Actual</b></p> <ul style="list-style-type: none"> <li>Budget data compiled and classified according to function and economic classification.</li> <li>Budget consolidated and extended by including all new public entities and identifying more inter-entity transaction for netting. Consolidated tables published in the Statistical tables chapter of the BR</li> </ul> <p><b>Target</b></p> <ul style="list-style-type: none"> <li>Move the data used in the compilation of financial statistics for the budget to an appropriate storage platform</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>Updated budget information in SQL server and moved reporting data (LYM and Entities quarterly reporting) data into SQL server, which is the formal database under construction</li> </ul> <p><b>Target</b></p> <ul style="list-style-type: none"> <li>9 provincial treasuries trained in budget assessment and in-year monitoring</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>This is in support of the annual target below (Annual Target 8)</li> </ul> <p><b>Target</b></p> <ul style="list-style-type: none"> <li>500 provincial staff members trained on budget formulation and budget analysis</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>Out of 500 participants targeted to be trained in budget formulation and analysis, only 320 participants were trained. 54 of these were trained in the last quarter of the financial year owing to a special training for officials in NW Provincial Legislature</li> </ul>

# PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT

ANNUAL PERFORMANCE INFORMATION REPORT		2014/15
OBJECTIVE	INDICATOR	INDICATOR PERFORMANCE ANALYSIS
Building capacity in provincial treasuries and departments	Number of officials trained on budget formulation, assessment and on infrastructure delivery management	<p><b>Deviation</b></p> <ul style="list-style-type: none"> <li>Targets were not attained because of limited uptake by participants; most had attended these programme in previous years. The targeted number is therefore being reduced over the next MTEF; this also anticipates the takeover of this training by the National School of Government</li> </ul> <p><b>Target</b></p> <ul style="list-style-type: none"> <li>150 government officials trained on infrastructure delivery management course</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>364 government officials training on the infrastructure delivery management system (IDMS)</li> </ul>
Institutionalise long-term planning and coordination of capacity within provincial and local government to drive infrastructure development programmes and spatial transformation	Improvement in infrastructure planning and management in cities and provinces	<p><b>Target</b></p> <ul style="list-style-type: none"> <li>Support the development of built environment performance plans for the eight metros and review performance in relation to the plans</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>BEPP Reviews (aligned with the Midyear Budget Review) held with all 8 metropolitan municipalities. Supplementary BEPP guidance note together with a template for catalytic projects reporting prepared to assist the cities in compiling the final BEPP</li> </ul>
	Improvement in the built environment performance	<p><b>Target</b></p> <ul style="list-style-type: none"> <li>Assessment of all provincial health and education infrastructure plans</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>All health and education infrastructure plans assessed and feedback provided</li> </ul>
Monitoring and budget assessment of municipalities and provinces	Benchmarking of and midyear engagements with all municipalities are carried out with timely publication of reports	<p><b>Target</b></p> <ul style="list-style-type: none"> <li>Conduct budget benchmark assessments for all municipalities between April and May of each year for non-delegated municipalities, to determine adequacy of funding, credibility and sustainability and report</li> </ul>

# PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT

ANNUAL PERFORMANCE INFORMATION REPORT OBJECTIVE	INDICATOR	2014/15 INDICATOR PERFORMANCE ANALYSIS
	<p>Benchmarking of and midyear engagements with all provinces are carried out with timely publication of reports</p>	<p><b>Actual</b></p> <ul style="list-style-type: none"> <li>Conducted the budget benchmarking assessment for all municipalities between April and May</li> </ul> <p><b>Target</b></p> <ul style="list-style-type: none"> <li>Conclude mid-year assessment for non-delegated municipalities by March each year and report</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>Conducted the mid-year assessment for the non-delegated municipalities from 26 January to 27 February 2015</li> </ul> <p><b>Target</b></p> <ul style="list-style-type: none"> <li>Publication of expenditure reviews and section 32 PFMA and section 71 MFMA reports</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>Published the Local Government Section 71 quarterly</li> <li>State of Local Government Finances and Financial Management Report approved by the Minister on 18th November 2014</li> </ul> <p><b>Target</b></p> <ul style="list-style-type: none"> <li>Publication of expenditure reviews and section 32 PFMA</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>Published all section 32 reports on time (every quarter)</li> <li>3rd quarter report published on time and press release published in February 2015</li> <li>Published Provincial Budgets and Expenditure Review</li> </ul> <p><b>Target</b></p> <ul style="list-style-type: none"> <li>Conduct budget benchmarking sessions for each of the nine provinces before mid-February</li> </ul>

# PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT

ANNUAL PERFORMANCE INFORMATION REPORT		2014/15
OBJECTIVE	INDICATOR	INDICATOR PERFORMANCE ANALYSIS
Monitoring and budget assessment of municipalities and provinces	Benchmarking of and midyear engagements with all provinces are carried out with timely publication of reports	<p><b>Actual</b></p> <ul style="list-style-type: none"> <li>Completed two sets of budget benchmarking sessions per province</li> </ul> <p><b>Deviation</b></p> <ul style="list-style-type: none"> <li>For strategic reasons, a decision was taken to double the number of benchmark engagements from 1 to 2 sessions per province. This facilitated a more successful budgeting process</li> </ul> <p><b>Target</b></p> <ul style="list-style-type: none"> <li>Provide comprehensive parliamentary briefings in respect of at least three provincial governments, and three programmes funded through conditional grants</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>Parliamentary briefings were scheduled by NCOP but all were cancelled/postponed or not scheduled</li> </ul> <p><b>Deviation</b></p> <ul style="list-style-type: none"> <li>Numerous parliamentary briefings were planned for; however, these were cancelled/postponed/not scheduled and NT was therefore unable to achieve this target</li> </ul>
Provincial and local government budget framework drafted in line with fiscal framework and policy objectives	Reforms introduced to enhance provincial and local government fiscal frameworks (equitable share, conditional grants, own revenues and municipal borrowing)	<p><b>Target</b></p> <ul style="list-style-type: none"> <li>Introduce initial reforms as part of phasing-in of new local government infrastructure conditional grant system</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>The 2015 Budget announced two reforms resulting from the first phase of the review, namely the merger of two public transport grants and changes to the rules of the Municipal Infrastructure Grant</li> <li>The second phase of the review was also announced and a work plan for 2015 has been developed</li> <li>In 2014/15, the review engaged in widespread consultation, data analysis and desktop research to develop broad themes for reform. These were announced in the MTBPS and are being progressively phased in</li> </ul>

# PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT

ANNUAL PERFORMANCE INFORMATION REPORT OBJECTIVE	INDICATOR	2014/15 INDICATOR PERFORMANCE ANALYSIS
		<p><b>Deviation</b></p> <ul style="list-style-type: none"> <li>The annual target of introducing initial reforms was met. Only small reforms were introduced in the 2015 Budget due to reluctance from departments for immediate changes to grants. However, the review has outlined the process for broader reform that will be implemented in the 2016 Budget</li> </ul> <p><b>Target</b></p> <ul style="list-style-type: none"> <li>Draft amendment to the Municipal Fiscal Powers and Functions Act</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>The draft report on international comparisons was updated in line with the inputs received from various units within Treasury</li> <li>The first draft report of the socio-economic profiling of metropolitan municipalities has been finalised and is being consulted with stakeholders</li> <li>The appointment of the service provider for metro expenditure and revenue performance has been delayed due to procurement processes of the Gesellschaft für Internationale Zusammenarbeit (GIZ), which is the sponsor for this project</li> </ul> <p><b>Deviation</b></p> <ul style="list-style-type: none"> <li>The consultation process with external stakeholders on the international comparison of own revenue sources was delayed due to an urgency to consider this project as part of the new proposed fiscal package for the cities as announced in 2015 Budget. A service provider will be appointed in the first quarter of 2015/16 to undertake the work on expenditure and revenue performance</li> </ul>

# PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT

ANNUAL PERFORMANCE INFORMATION REPORT		2014/15
OBJECTIVE	INDICATOR	INDICATOR PERFORMANCE ANALYSIS
Provincial and local government budget framework drafted in line with fiscal framework and policy objectives	Timely publication and quality of Division of Revenue Bill, including explanatory memorandum (Annexure W1), and Annual Division of Revenue Amendment Bill	<p><b>Target</b></p> <ul style="list-style-type: none"> <li>Division of Revenue Bill tabled on budget day with no errors</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>Division of Revenue Bill was tabled on Budget Day with no errors in main part of Bill and one error in the annexures to the Bill</li> <li>The explanatory memorandum (Annexure W1) was included in the Bill and set out in detail all the policy considerations and allocation mechanisms that informed the division of revenue</li> </ul> <p><b>Deviation</b></p> <ul style="list-style-type: none"> <li>There was an error in one of the allocations contained in Annexure W4 to the Bill as a result of incorrect information submitted by a national department. This was corrected through a letter from the Minister of Finance to the Speaker of the National Assembly</li> </ul> <p><b>Target</b></p> <ul style="list-style-type: none"> <li>Division of Revenue Amendment Bill tabled with the MTFSF</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>The above was followed by the successful tabling of the Division of Revenue Amendment Bill in October 2014</li> </ul>

# ANNUAL REPORT 2014/15

## PROGRAMME 4:

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## ASSET AND LIABILITY MANAGEMENT



**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA

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## PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT

**Purpose:** Prudent management of government's financial assets and liabilities.

**Measurable objectives:** Manage government's annual funding programme in a manner that ensures prudent cash management and an optimal portfolio of debt and other fiscal obligations. Promote and enforce prudent financial management of state-owned entities through financial analysis and oversight.

There are six sub-programmes:

- Management provides strategic guidance and direction to the overall programme, including management of the divisional budget.
- Oversight and Governance of State-Owned Enterprises seeks to oversee and to enable state-owned enterprises to meet government's policy objectives in a financially and fiscally sustainable manner, as well as to promote sound corporate governance.
- Government Debt Management provides for government's long-term funding needs, manages domestic and foreign debt and contributes to the development of domestic capital and retail markets.
- Financial Operations provides for government's short-term funding needs, the prudent management of cash, the efficient accounting for debt and investment transactions, the supply of reliable systems and the provision of quality information.
- Strategy and Risk Management develops and maintains a risk management framework for state cash investments, debt and contingent liabilities of the State.
- Financial Investments provides funding mainly for the recapitalisation of Eskom and the Land Bank.

## SERVICE DELIVERY OBJECTIVES AND INDICATORS

### RECENT OUTPUTS

The *Oversight and Governance of State-Owned Enterprises* unit annually reviews the corporate plans of all public entities listed in Schedule 2 and 3B of the PFMA, including some selected Schedule 3A entities. In addition to assessing their alignment with government's priorities, financial sustainability and soundness of governance, the review aims to identify possible risks proactively so that appropriate mitigating actions can be taken. Similarly, public entities' performance is evaluated through a review of their annual reports. In 2014/15, 32 corporate plans and 33 annual financial statements of public entities and DFIs, and 10 corporate plans and nine annual reports of water boards, were reviewed. During the year, Pelladrift and Botshelo Water Boards were disestablished and Bushbuckridge Water Board was incorporated into Rand Water.

The unit analyzed the remuneration trends in Schedule 2 public entities against the State-Owned Entities Remuneration Guide (SOERG). Foreign borrowing limits for Umgeni Water and the Trans-Caledon Tunnel Authority (TCTA), as well as the DBSA and the Central Energy Fund (CEF), were granted.

Approval of domestic borrowing limits for the TCTA, Umgeni Water, South African National Roads Agency Limited (SANRAL), the South African Post Office (SAPO) and the CEF, as well as a foreign borrowing limit for Transnet and the CEF, were granted. The Minister of Telecommunications and Postal Services was requested to investigate the breach by SAPO in incurring an overdraft without approval.



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## PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT

During the year, guarantees to the following entities were increased; SAA by R6.488 billion; South African Express (SAX) R1.106 billion; and SAPO by R1.94 billion. A R5.9 billion guarantee was also granted to TCTA in respect of Phase 2A of the Mokolo and Crocodile River Water Augmentation Project (MCWAP). The guarantee previously granted to PetroSA, which had not been utilised, was withdrawn. Eskom, SAA, SAX and SAPO all increased their borrowing against the guarantee facilities issued. The guarantees to Eskom, Denel, SAA, SAX, SAPO, TCTA and Autopax Passenger Services (Autopax) were monitored regularly and quarterly reports were provided to the Fiscal Liability Committee. A new guarantee of R4 billion was approved for the Land Bank to support it during its organizational review, primarily dealing with its liquidity challenges.

The unit consolidated the capital expenditure and borrowing plans of the public entities and monitored and reported progress against these plans on a quarterly basis. SOCs managed to fund R109 billion of their planned R113 billion borrowing requirements, translating to 96 per cent achievement against planned borrowings.

As required in terms of the MFMA, the National Treasury provided written comments to each of the water boards regarding proposed tariff adjustments. The Parliamentary Portfolio Committee was briefed on the water boards' tariffs and performance. Similarly, Eskom's draft selective tariff reopener was analysed and written comments were provided to the utility. Moreover, an extension was provided for the tabling in Parliament of the approved bulk electricity tariff adjustments to be charged to municipalities. Transfer of the equitable share to municipalities with overdue debt to Eskom and water boards was delayed, pending the conclusion of repayment plans and settlement of the current debt. Notifications in terms of Section 54(2) of the PFMA relating to major transactions being undertaken by public entities were analysed.

During the year, the President transferred executive authority for SAA from the Minister of Public Enterprises to the Minister of Finance. The 2014/15 Shareholder Compact for SAA was amended to focus on stabilising the company's financial position through curtailing losses, implementing a turnaround plan, strengthening governance, and ensuring that liquidity requirements were met.

The *Oversight and Governance of State-Owned Enterprises* unit also undertook the following activities during 2013/14:

- Reviewed the corporate plans, shareholder compacts and annual reports of the PIC, the SASRIA, and the DBSA. They were tabled in Parliament by the Minister of Finance.
- Reviewed additional Schedule 2 SOCs, 3B and 3A corporate plans and annual reports of entities that do not report to the Ministry of Finance
- The Minister of Finance requested an extension from Parliament for the tabling of the corporate plans of SAA and the Land Bank. The extension was requested for SAA to allow for the LTTS developed in 2013, to be reviewed and refined to form the basis of its corporate plan. Additional time was requested to finalise the corporate plan of the Land Bank to accommodate the leadership transition.
- A number of policies or amendments to acts with implications for the public entities were considered, and commented upon. The focus was particularly on policies affecting the energy, transport, ICT, water and aviation sectors.
- The DBSA's mandate for infrastructure development was extended beyond the SADC to all African countries.
- A review of Treasury management policies of the Land Bank and SAX was completed.
- Cabinet approved the review of the provincial development finance institutions.

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## PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT

- National Treasury has established a task team to work jointly with representatives from labour and the private sector to enable increased private investment in infrastructure. The unit was a key contributor. During 2014/15, the task team undertook a follow up market sounding focused on the particular obstacles identified as impeding private investment.

The *Government Debt Management* unit successfully financed the gross borrowing requirement of R227.7 billion, originally budgeted at R229.9 billion. This was financed through issuance of domestic short-term loans (R9.6 billion), domestic long-term loans (R191.2 billion) and foreign loans (R23 billion). The shortfall of R3.9 billion was financed from cash balances.

Debt-service costs were R114.8 billion against an original budget of R114.9 billion. Domestic and foreign loans of R48.8 billion were repaid during 2014/15.

Of the R191.2 billion raised through domestic long-term loans, 23 per cent was in inflation-linked bonds and 77 per cent in fixed-rate bonds. In an effort to smooth the maturity profile, two new fixed bonds were introduced during the year. To reduce government's refinancing risk, short-term bonds of R50.5 billion were exchanged for long-term bonds as part of government's bond switch programme.

The *Financial Operations* unit managed cash flows amounting to R5 trillion in 2014/15, ensuring that government had sufficient funds available to meet its daily cash requirements. Short-term loans of R415.7 billion, consisting of Treasury bills with maturities ranging from 91 days to 365 days, were issued and R405.7 billion matured, while borrowing from the Corporation for Public Deposits on average amounted to R31 billion. In addition, surplus cash was optimally invested.

The unit met all the relevant reporting requirements of the PFMA and of the IMF's Special Data Dissemination Standards. To enhance transparency and accountability relevant information was also published on the Investor Relations website.

The new Back Office System has helped remove spreadsheet systems, increased accountability and modernised payment processing using the Society for Worldwide Interbank Financial Telecommunication (SWIFT). A comprehensive BCM strategy is currently being implemented to address operational risks.

The *Strategy and Risk Management* unit ensured that government's funding strategy continued to be informed by domestic and foreign debt portfolio risk benchmarks; and that government's exposure to contingent liabilities, primarily emanating from its public sector infrastructure programme, is minimised.

2014/15 marked the first fiscal year of implementing the modified strategic risk benchmarks, which are expected to be reviewed after five years. However, numeric thresholds and ranges are assessed and reported annually. A combination of factors such as annual risk funding allocations; switch auction strategy and the evolution of macro, fiscal and market risk factors resulted in all benchmarks being within their respective thresholds and ranges at the end of the 2014/15 fiscal year.

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## PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT

As at 31 March 2015 the share of short-term debt (Treasury bills only) maturing within a year was 12.62 per cent against a threshold of 15 per cent. The share of long-term debt (fixed rate and inflation linked bonds) maturing within five years was 20.94 per cent against a threshold of 25 per cent. The inflation risk exposure was 22.41 per cent against a range of 20-25 per cent, while the foreign currency exposure was 9.44 per cent against a threshold of 15 per cent. To illustrate how much long or short-term government debt remains outstanding, the weighted average term to maturity of fixed rate bonds and Treasury bills was 11.60 years against a range of 10-14 years, while inflation linked debt had a weighted average term to maturity of 14.98 years against a range of 14-17 years.

Government's guarantee exposure to public entities increased to R225.8 billion in 2014/15, from R209.6 billion in 2013/14. Eskom makes up 66.4 per cent of the total government guarantee portfolio. Net debt, provisions plus contingent liabilities increased from 54.1 per cent as at 31 March 2014 to a preliminary amount of 56.7 per cent by 31 March 2015. It is projected to reach 58.1 per cent by the end of the 2015/16 financial year before declining to 57.3 per cent by the end of 2017/18.

During 2014/15, four major credit rating agencies reviewed South Africa's investment grade credit ratings. On 30 October 2014, Ratings and Investment Information (R&I) downgraded the country's credit ratings to BBB+ with a stable outlook. On 6 November 2014 Moody's Investors Service (Moody's) also downgraded South Africa's long-term sovereign credit rating to Baa2, and revised the outlook to stable from negative. In December 2014, Standard & Poor's (S&P) and Fitch Ratings (Fitch) followed by affirming the country's credit rating at BBB-, stable outlook, and BBB, negative outlook, respectively.

# PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT

ANNUAL PERFORMANCE INFORMATION REPORT		2014/15
OBJECTIVE	INDICATOR	INDICATOR PERFORMANCE ANALYSIS
<p>Exercise oversight over state-owned enterprises to enable the achievement of government policy objectives in a financially sustainable manner.</p>	<p>Analysis of corporate plans, shareholder compacts and annual reports of SOCs, DFIs and water boards.</p>	<p><b>Target</b></p> <ul style="list-style-type: none"> <li>Analyse and submit reports annually on all corporate plans, shareholder compacts and annual reports of SOCs, DFIs and water boards</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>33 SOCs' annual reports for the 2013/14 period analysed</li> <li>32 SOCs' corporate plans for 2015-2017 period analysed</li> <li>10 water boards' annual reports for the 2013/14 period analysed</li> <li>Nine water boards' corporate plans for 2015-2017 period analysed</li> </ul> <p><b>Deviation</b></p> <ul style="list-style-type: none"> <li>Three water boards not analysed:             <ul style="list-style-type: none"> <li>Pelladri and Botshelo Water were disestablished</li> <li>Bushbuckridge was consolidated into Rand Water</li> </ul> </li> </ul> <p><b>Target</b></p> <ul style="list-style-type: none"> <li>Exercise oversight over SOCs/DFIs reporting to the Minister of Finance</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>Reviewed and submitted to Parliament the corporate plans of the PIC, SASRIA and DBSA reporting to the Minister of Finance</li> <li>Amended the 2014/15 shareholder compact for SAA</li> <li>Motivated to Parliament for extension for the submission of the corporate plans of SAA and the Land Bank</li> </ul> <p><b>Deviation</b></p> <ul style="list-style-type: none"> <li>National Treasury granted an extension to SAA for the submission of its corporate plan to ensure that there was sufficient time to review the LTTs and ensure that the corporate plan was aligned to this refined LTTs</li> <li>National Treasury granted an extension to the Land Bank for submission of its corporate plan to adjust their strategic outcome</li> </ul>

# PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT

ANNUAL PERFORMANCE INFORMATION REPORT OBJECTIVE	INDICATOR	2014/15 INDICATOR PERFORMANCE ANALYSIS
		<p><b>Target</b></p> <ul style="list-style-type: none"> <li>• Compile information about and report on infrastructure spending and borrowing by SOCs/DFIs</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>• Collated infrastructure spending and borrowings by SOCs and water boards for the 2014/15 period and shared their spending trends internally</li> <li>• Collected actual borrowing for SOCs and DFIs and reported progress made in meeting the 2014/15 funding requirement. Reported weekly bond market activities undertaken by SOCs and DFIs</li> </ul> <p><b>Target</b></p> <ul style="list-style-type: none"> <li>• Review and report on remuneration at SOCs/DFIs</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>• Reviewed schedule 2 and 3B SOCs' remuneration in comparison with the SOC Remuneration Guideline and Department of Water and Sanitation Framework</li> </ul> <p><b>Target</b></p> <ul style="list-style-type: none"> <li>• Submission on PFMA section 54(2) applications from SOCs, DFIs and water boards within 30 days of receipt of comprehensive information</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>• Finalised SAA Section 54 on Mumbai route closure and accompanying letters to the departments of Trade and Industry (DTI), International Relations and Cooperation (DIRCO) and Tourism</li> <li>• Finalised extension of three SAA A340-600 wide body aircraft for six years</li> <li>• Compiled memorandum on Pebble Bed Modular Reactor's (PBMR's) training and research educational assets as well as the transaction with Rosatom State Atomic Energy Corporation (Rosatom)</li> </ul>
	Review of PFMA submissions and applications for guarantees, funding, borrowing limits and MFMA tariff increases	

# PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT

ANNUAL PERFORMANCE INFORMATION REPORT		2014/15
OBJECTIVE	INDICATOR	INDICATOR PERFORMANCE ANALYSIS
Exercise oversight over state-owned enterprises to enable the achievement of government policy objectives in a financially sustainable manner	Review of PFMA submissions and applications for guarantees, funding, borrowing limits and MFMA tariff increases	<ul style="list-style-type: none"> <li>Finalised the memorandum on Deneil's Section 54 application for Land Systems South Africa (LSSA) transaction</li> <li>Completed a briefing memorandum to the Director-General on the conversion of the R60 billion subordinated loan that government provided to Eskom</li> </ul> <p><b>Target</b></p> <ul style="list-style-type: none"> <li>Submission on guarantee, funding and borrowing limit applications from SOCs as per stipulated timeframes</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>Made submissions to the Fiscal Liability Committee (FLC) and the Minister of Finance for guarantees for the Land Bank and TCTA</li> <li>Finalised submission to the Minister of Finance on Eskom utilising a portion of the approved R350 billion guarantee for the Overseas Private Investment Corporation (OPIC) and its Domestic Medium Term Note (DMTN) programme</li> <li>Made the following submissions, relating to Section 66 of the PFMA, to the FLC and the Minister of Finance: TCTA; National Empowerment Fund (NEF); Umgeni Water; SANRAL; SAPO, CEF, and Transnet</li> <li>Amended the R1.7 billion five year ABSA SAA guarantee agreement to reflect the Minister of Finance as the shareholder representative</li> <li>Finalised submission on SAX R1.106bn guarantee request</li> <li>Reviewed and prepared memorandum with recommendations regarding guarantee request for Olifants Water Resources Development Project</li> <li>Compiled memorandum to withdraw guarantee to PetroSA due to transaction being cancelled</li> <li>Finalised a memorandum requesting Department of Telecommunications and Postal Services (DTPS) to investigate overdraft limit breach by SAPO</li> <li>Finalised memorandum on Postbank rollover of funds</li> </ul> <p><b>Target</b></p> <ul style="list-style-type: none"> <li>Monitoring of approved guarantees, funding and borrowing limits to SOCs</li> </ul>

# PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT

ANNUAL PERFORMANCE INFORMATION REPORT	2014/15	INDICATOR PERFORMANCE ANALYSIS
OBJECTIVE	INDICATOR	
	<p><b>Actual</b></p> <ul style="list-style-type: none"> <li>Monitored the approved borrowing limits of SOCs and ensured that borrowing limits were not breached during the 2014/15 financial year</li> <li>Monitored guarantees to Eskom, Denel, SAA, SAX, SAPO, TCTA, and Autopax and compiled quarterly reports for the FLC</li> </ul> <p><b>Target</b></p> <ul style="list-style-type: none"> <li>Submission on MFMA section 42 applications for amendments to water and electricity tariffs within 40 working days of application being received</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>Analysed the submissions from the water boards, prepared the memorandum for the Deputy Director-General (DDG); Asset and Liability Management's (ALM)'s attention and submitted National Treasury's comments to the water boards</li> <li>Prepared a memorandum and letter to the Minister of Public Enterprises approving the extension for tabling the amended electricity tariffs for the municipalities</li> <li>Commenced analysis on the selective re-opener application for the Short-term Power Purchase Programme (STPPP) and Open Cycle Gas Turbines (OCGTs)</li> </ul>	
Review of regulatory environment for SOCs/DFIs	<p><b>Target</b></p> <ul style="list-style-type: none"> <li>Review Treasury Regulations and Treasury Best Practice Guidelines</li> <li>Publish instruction notes relating to the amendments to the Treasury Regulations</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>Submitted amendments to Treasury Regulations on Shareholder Compact and Corporate Plan content:               <ul style="list-style-type: none"> <li>Financial plan addressing capital expenditure; borrowing programmes; remuneration disclosure and significant transactions</li> </ul> </li> </ul>	

# PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT

ANNUAL PERFORMANCE INFORMATION REPORT		2014/15
OBJECTIVE	INDICATOR	INDICATOR PERFORMANCE ANALYSIS
Exercise oversight over state-owned enterprises to enable the achievement of government policy objectives in a financially sustainable manner	Review of regulatory environment for SOCs/DFIs	<ul style="list-style-type: none"> <li>Submitted instruction notes documenting areas to be covered when preparing Shareholder Compact; borrowings; capex. Significant transactions including governance to be issued to ensure proper implementation of the above amendments</li> </ul> <p><b>Target</b></p> <ul style="list-style-type: none"> <li>Analyse and compile responses to legislation, policies, sector responses and strategies being introduced or amended in terms of their impact on SOCs/DFIs</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>Revised Ministerial memorandum on municipal debt to Eskom and water boards</li> <li>Reviewed unfunded mandates to water boards and the development of framework to differentiate water boards' commercial and non-commercial activities</li> <li>Developed a note on constitutional background to the Local Government Equitable Share (LGES) (to be used in engaging with water boards)</li> <li>Participated in Export Credit Insurance Corporation of South Africa SOC Ltd's (ECIC)'s Interest Make-up Export Incentive Scheme (IMU) shortfall workshop, including workshop on its Asset Liability Modeling and Evaluation Project</li> <li>Participated in the war room finance workstream on Eskom's financial position</li> <li>Finalised the report on financing nuclear options, models and solutions and presented to the Nuclear Sub-work Group on corporate finance and procurement; compiled a memorandum and letter formally submitting the report to the Department of Energy (DOE)</li> <li>Deloitte appointed as expert advisors to National Treasury on aviation</li> <li>Participated in SAA, SAX and Mango meeting to align network and fleet plans and held two meetings on SAA's network plan</li> </ul>



# PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT

ANNUAL PERFORMANCE INFORMATION REPORT	INDICATOR	2014/15
OBJECTIVE	INDICATOR	INDICATOR PERFORMANCE ANALYSIS
Optimal debt management and funding of government borrowing requirement	Ensure timely and accurate payment of interest and redemptions	<ul style="list-style-type: none"> <li>Met with SAA to discuss the economic impact of international routes; the displacement effect should SAA not operate particular routes; existing competitors increasing capacity to service routes or new-entrant foreign airlines operating to them</li> <li>Participated in workshop on SAA cost compression initiatives</li> <li>Provided questions of clarification to SAA on the revised LITTS model</li> <li>Finalised letters to SAA on its weak liquidity management and requested a borrowing plan with contingencies</li> <li>Met on 12 February with SAA Treasury team to discuss financial risk</li> <li>Met with SAA's lenders on 17 February for SAA/National Treasury to report progress on 90 day action plan</li> <li>Participated in various meetings with the Minister and the Department of Public Enterprises (DPE) on SAA</li> <li>Held a meeting of the Government Shareholder Management Forum to share decisions from the Cabinet lekgotla regarding the management of SOCS</li> </ul>
	Retain current investors and attract new ones	<p><b>Target</b></p> <ul style="list-style-type: none"> <li>Pay R164.9 billion including Treasury bills</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>Paid R163.6 billion interest of R11.4.8 billion and loan redemptions of R48.8 billion</li> </ul> <p><b>Deviation</b></p> <ul style="list-style-type: none"> <li>Deviations from the original target are informed by changes to the fiscal framework, funding strategy and macro-economic variables</li> </ul>
		<p><b>Target</b></p> <ul style="list-style-type: none"> <li>Conduct two domestic and two foreign road shows per year</li> <li>Conduct retail bond promotions in all nine provinces</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>Conducted two foreign roadshows: <ul style="list-style-type: none"> <li>September 2014 (United Kingdom, United Arab Emirates, Saudi Arabia, Singapore and Malaysia)</li> <li>December 2014 (United States, Europe and UK)</li> </ul> </li> </ul>

# PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT

ANNUAL PERFORMANCE INFORMATION REPORT		2014/15
OBJECTIVE	INDICATOR	INDICATOR PERFORMANCE ANALYSIS
Optimal debt management and funding of government borrowing requirement	Total annual government borrowing needs met	<ul style="list-style-type: none"> <li>Conducted two domestic roadshows:               <ul style="list-style-type: none"> <li>October 2014 and February/March 2015 (Gauteng and Cape Town)</li> </ul> </li> <li>Conducted retail bond promotions in all nine provinces:               <ul style="list-style-type: none"> <li>Eastern Cape, Northern Cape, Western Cape, Limpopo, Free State, North West, Mpumalanga, Kwa-Zulu Natal and Gauteng</li> </ul> </li> </ul> <p><b>Target</b></p> <ul style="list-style-type: none"> <li>Financing of gross borrowing of R229.9 billion using various debt instruments</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>Preliminary gross borrowing requirement amounted to R227.7 billion. Short-term loans of R9.6 billion, domestic long-term loans of R191.2 billion and foreign loans of R23 billion were issued. The shortfall of R3.9 billion was financed from cash balances</li> </ul> <p><b>Deviation</b></p> <ul style="list-style-type: none"> <li>The gross borrowing requirement was R2.1 billion lower than estimated due to a lower budget balance (R0.9 billion) and lower loan redemptions (R1.2 billion)</li> </ul>
Ensure sound management of government's cash resources	Forecasts of debt and debt-service cost and reporting of national government debt operations	<p><b>Target</b></p> <ul style="list-style-type: none"> <li>Forecast debt and debt-service cost</li> <li>Adherence to the PFMA reporting requirements and disseminating information to the public, financial markets and international institutions</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>Forecasts of debt and debt-service costs for inclusion in the 2014 MTBPS and the 2015 Budget Review</li> </ul>

# PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT

ANNUAL PERFORMANCE INFORMATION REPORT		2014/15
OBJECTIVE		INDICATOR PERFORMANCE ANALYSIS
	<p>Government's liquidity requirements met at all times</p>	<ul style="list-style-type: none"> <li>In line with PFMA reporting requirements, financial information was provided for the National Treasury's financial statements, and consolidated financial information of the national government, the National Revenue Fund, state debt and investment accounts</li> <li>Reporting requirements for the special data dissemination standards of the IMF were met.</li> <li>Market information was disseminated on a timely basis</li> </ul> <p><b>Target</b></p> <ul style="list-style-type: none"> <li>Forecasting and managing daily and medium-term cash flows totalling R4.5 trillion</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>Total cash flows forecast and managed in 2014/15 were R5 trillion</li> </ul> <p><b>Deviation</b></p> <ul style="list-style-type: none"> <li>Total cash flows forecast and managed were R450 billion higher reflecting the actual flows from financing the revised gross borrowing requirement, cash balances and flows on accounts at the Reserve Bank held by non-voted entities</li> </ul>
<p>Minimise and mitigate risks emanating from government's fiscal obligations</p>	<p>Performance assessment against market and refinancing risk benchmarks</p>	<p><b>Target</b></p> <ul style="list-style-type: none"> <li>Implement, monitor and report on the performance of government's debt portfolio against the strategic risk benchmarks as follows:             <ul style="list-style-type: none"> <li>Share of domestic debt maturing within one year not to exceed a limit of 15%</li> <li>Share of domestic debt maturing within five years (excluding Treasury bills) not to exceed a limit of 25%</li> <li>Share of gross foreign debt not to exceed 15% of total government debt</li> <li>Average time to maturity of fixed rate debt (including Treasury bills) not to exceed a range of 10 to 14 years</li> <li>Average time to maturity of inflation linked debt (including revaluations) not to exceed a range of 14 to 17 years</li> </ul> </li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>Overall the share of debt maturing within one year remained below 15 per cent. There were no deviations throughout the year</li> </ul>

# PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT

ANNUAL PERFORMANCE INFORMATION REPORT		2014/15	INDICATOR PERFORMANCE ANALYSIS
<b>OBJECTIVE</b>	Minimise and mitigate risks emanating from government's fiscal obligations		<ul style="list-style-type: none"> <li>The switch programme implemented during financial year 2014/15 helped in reducing the ratio to just below 21 per cent</li> <li>Although the Rand remained volatile against the five foreign currencies in which the foreign debt is denominated (as measured by statistical descriptive measures and daily movements) on average throughout the fiscal year the foreign debt as a percentage of total government debt remained below the tolerance level of 10 per cent</li> <li>The average term to maturity of inflation linked bonds continued to be around 14.9 years. This is a result of the concerted strategy to raise cash, mainly through relatively new bonds which are long dated. This to manage the refinancing and inflation rate risk</li> </ul>
<b>INDICATOR</b>	Performance assessment against market and refinancing risk benchmarks		
	Prudent strategies to manage counterparty risk and relations with the credit rating agencies		<p><b>Target</b></p> <ul style="list-style-type: none"> <li>Quarterly reports on adherence to investment ratios and limits</li> <li>Invest surplus cash according to pre-determined ratios</li> <li>Prepare semi-annual reports on the exposure of government to counterparties etc</li> <li>Prepare annual reports on settlement risk exposure to primary dealers</li> <li>Review and implement the country risk policy and internal sovereign risk etc</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>Credit risk review of the SOCs in light of total government guarantee exposure</li> <li>Credit risk review of the primary dealers for settlement and counterparty risk</li> <li>Quarterly review of the government credit risk exposure on both the SOCs and the banks</li> <li>Quarterly reporting of the investment of government surplus cash in accordance with the prescribed ratios</li> <li>Annual review of the credit risk methodologies for the analysis of implicit and explicit government contingent liabilities</li> <li>Annual review of the terms of reference for the FLC</li> <li>Review of the counterparty selection criteria</li> <li>Compiled a report on government's contingent liability exposure. The exposure amount increased from R214.6 billion as at 30 September 2014 to R224.8 billion as at 31 December 2014</li> </ul>

# PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT

ANNUAL PERFORMANCE INFORMATION REPORT	2014/15
OBJECTIVE	INDICATOR PERFORMANCE ANALYSIS
	<ul style="list-style-type: none"> <li>Government's performance against the benchmark of net debt, provisions plus contingent liabilities as a percentage of GDP, was forecast to increase to 54.1 per cent as at 31 March 2014. It is projected to peak at 57.6 per cent in 2016/17 before declining to 57.2 per cent in 2017/18</li> </ul> <p><b>Deviation</b></p> <ul style="list-style-type: none"> <li>Public Private Partnership (PPP) reports not published due to the unavailability of information</li> </ul> <p><b>Target</b></p> <ul style="list-style-type: none"> <li>Manage the sovereign rating review process</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>Compiled and published weekly reports on sovereign risk developments and lessons for South Africa, and 'Monthly Sovereign Risk Highlights Report' for April 2014 through to March 2015</li> <li>Compiled various briefing notes to the Minister regarding credit rating developments in the country in preparation for National Treasury's engagements with the various rating agencies</li> <li>Communicated the misunderstanding regarding the 2015 Budget figures as well as other discrepancies relating to the rating, to the rating agencies (eg. special emphasis on the revenue collection estimates tabled in the 2015 Budget)</li> <li>Planned and coordinated the sovereign credit rating visits by Fitch, S&amp;P, R&amp;I and Moody's</li> <li>Finalised the review of the Country Risk Policy document for the 2014/15 financial year. This includes the inclusion of the new Country Risk:</li> <li>Sovereign Rating process document</li> <li>Compiled and submitted the review of the Forward Looking Sovereign Risk report for the 2014/15 financial year</li> </ul> <p><b>Deviation</b></p> <ul style="list-style-type: none"> <li>Monthly Credit Default Swaps (CDS) Evaluation Report was not submitted due to technical and licensing challenges from Bloomberg</li> </ul>

# ANNUAL REPORT 2014/15

## PROGRAMME 5:

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## FINANCIAL ACCOUNTING AND REPORTING



**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA

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## PROGRAMME 5: FINANCIAL ACCOUNTING AND REPORTING

**Purpose:** To promote and enforce transparency and effective management of revenue, expenditure, assets and liabilities by departments, public entities, constitutional institutions and local government.

**Measurable objectives:** To facilitate accountability, governance and oversight by promoting transparent, economic, efficient and effective management of revenue, expenditure, assets and liabilities in the public sector.

The programme consists of the following sub-programmes:

- Programme Management provides support for planning, monitoring and delivering the programme's activities.
- Office of the Chief Procurement Officer aims to modernise the state procurement system to be fair, equitable, transparent, competitive and cost-effective; to enable the efficient, economic, effective and transparent utilisation of financial and other resources, including state assets, for improved service delivery; and to promote, support and enforce the transparent and effective management of state procurement and the sound stewardship of government assets and resources.
- Financial Systems updates financial management systems to comply with the Public Finance Management Act (1999) and GRAP.
- Financial Reporting for National Accounts for the National Revenue Fund and the Reconstruction and Development Fund provide banking services for national government and support to each sphere of government in implementing the financial reporting frameworks and in preparing consolidated financial statements.
- Financial Management Policy and Compliance Improvement assists with improving financial management; developing reporting frameworks in line with international and local best practice; developing and implementing accounting policies; monitoring compliance with public finance legislation; and improving financial management, internal audit and risk management capacity within government. It also provides performance auditing and forensic auditing capacity to the public sector.
- Audit Statutory Bodies covers shortfalls in audit fees in statutory bodies and municipalities in terms of the Auditor General Act (1995).
- Service Charges: Commercial Banks provides for bank service charges related to departments' deposit accounts.

The programme contributes towards the aims of Outcome 12 (An efficient, effective and development-oriented public service), Output 3 (Business processes, systems, decision rights and accountability), Output 4 (Corruption tackled effectively), Outcome 9 (A responsive, accountable, effective and efficient local government system) and Output 6 (Improvement to municipal financial and administrative capability).

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# PROGRAMME 5: FINANCIAL ACCOUNTING AND REPORTING

## SERVICE DELIVERY OBJECTIVES AND INDICATORS

### RECENT OUTPUTS

The programme is organised into two divisions: the Office of the Chief Procurement Officer and the Office of the Accountant-General.

#### Office of the Chief Procurement Officer

During the 2014/15 financial year, the division achieved the following objectives per sub-programme.

After the establishment of the office, an extensive restructuring was undertaken to merge the new functions with the former specialist functions. The review of the Procurement Act could not be completed during the reporting period due to scarce policy skills.

With the aim of building capacity through learning institutions, the SCM Master Learning Curriculum was finalised and provided to higher learning institutions for implementation in the 2015/16 study year. The curriculum includes public sector procurement content, and goes beyond the content of existing SCM qualifications. The training module for the Accounting Officers' Executive Programme on SCM has been completed and will be implemented in the 2015/16 financial year.

The curriculum for the Certificate in SCM, a unit standard registered at Level 5 on the National Qualifications Framework, is complete and ready for piloting in 2015/16 in the Western Cape and KwaZulu-Natal. The programme will target 40 learners who have been assessed and selected for the programme.

The SCM governance, monitoring and compliance section is responsible for managing the SCM governance framework in all three spheres of government including its design, development and implementation; and for monitoring and evaluating compliance. In 2014/15, the following were reviewed for bids above the R500 000 threshold:

- 44 bid specifications, Bid Evaluation/Bid Adjudication Committees minutes reviewed
- 8 procurement plans reviewed
- 11 projects visited
- 16 contracts reviewed

The Price Referencing System has been fully developed and contains an average of 650 items per province. The process was piloted in the North West and Gauteng provincial Treasuries; in the national Department of Police, Department of Planning, Monitoring and Evaluation and Department of Correctional Services; in the Presidency; and in National Treasury.

The Strategic Procurement Framework (SPF) was approved in March 2015 to be issued as a guide framework until revised Treasury Regulations are promulgated and become effective.



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## PROGRAMME 5: FINANCIAL ACCOUNTING AND REPORTING

Sixteen transversal term contracts were due for renewal and were finalised over the four quarters of 2014/15. In addition, the Eastern Cape school furniture contract was awarded and handed over to the Eastern Cape Provincial Department of Education for implementation.

The SCM ICT system came into effect in August 2014. The ground work to establish the eTender portal was completed; this provides a single point of entry at which suppliers can identify government business. The eTender portal was developed and went live on 1 April 2015.

The eProcurement research and business case was developed and resulted in specifications to support SCM reforms. These address the automation, simplification and standardisation of SCM processes. The specifications will be integrated into the Integrated Financial Management System as soon as a successful procurement award has been made.

### Office of the Accountant-General

The Office of the Accountant General is made up of a number of sub-programmes.

**Technical Support Services:** during the reporting year, the unit supported departments with the implementation of the Modified Cash Standard and related accounting manuals. The unit also updated the existing implementation guidelines on the Standards of GRAP and participated in discussions about, and responded to queries on, application of the Standards. Another important initiative was the continued development and refinement to Standard Operating Procedures (SOPs) on financial management. These outline departmental policies and processes to improve accountability, efficiency and effective administration within an institution. The SOPs will be rolled out in conjunction with the new Treasury Regulations.

**Accounting Support and Reporting:** during the 2014/15 financial year, the unit prepared and tabled the consolidated annual financial statements for national departments and public entities within the prescribed timeframes. It also prepared and tabled the annual financial statements of the Reconstruction and Development Programme Fund. These financial statements were prepared and tabled in Parliament within the timeframes required by the PFMA. The unit also monitored and reported on information on national revenue and expenditure through reports published monthly in terms of Section 32 of the PFMA. Training and accounting support interventions assisted all spheres of government to improve financial management.

**Internal Audit Support:** the unit provided continuous internal audit support services to national and provincial departments, municipalities and public entities. Internal audit specialists were seconded to assist three national government departments to stabilise internal audit operations. Due to concerns about costs, efficiency and derived value, the unit cut back on the pre-assessment of internal audit functions of national and provincial departments, municipalities and public entities to fulfil the quality standards imposed by the Institute of Internal Auditors. As a result of this decision, only six of the 21 planned assessment reports were completed. Internal audit forums for departments and non-delegated municipalities were convened to promote knowledge sharing and adoption of good practices. Staff from the unit also participated in similar forums arranged by the provincial departments. The unit also substantially reviewed and updated the internal audit and audit committee sections of the Treasury Regulations.

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## PROGRAMME 5: FINANCIAL ACCOUNTING AND REPORTING

**Risk Management Support:** the unit provided risk management support services to national and provincial departments, municipalities and public entities. Four risk management fora were held to facilitate knowledge sharing amongst risk specialists. The risk management component of the Treasury Regulations was enhanced, and the Public Sector Risk Management Framework was updated to align with the requirements of the Treasury Regulations.

**Capacity Building:** during the period under review, the unit advanced the implementation of the Public Finance Management Capacity Development Strategy (CDS) and a number of new education, training and development (ETD) learning solutions developed and aligned with the National Treasury Competency Framework for Financial Management were rolled out to national and provincial departments. In addition, National Treasury in collaboration with the DPSA developed a generic functional structure for provincial Treasuries. By March 2014, 4 100 learners were registered for attaining the minimum competencies for municipalities. The unit facilitated knowledge sharing on financial management practices through formal platforms, and 862 learners were trained.

The unit continued to support the development of a pool of accounting professionals through the Chartered Accountants Academy (CAA) by referring 10 qualifying candidates to existing academic institutions as they prepared for Board examinations. It also assisted with mobilising, coordinating and harmonising donor support for public finance management capacity building.

**Governance Monitoring and Compliance:** the unit continued to analyse the audit outcomes of national and provincial PFMA compliant institutions. The results are communicated annually to Cabinet for consideration and further direction on important matters to be addressed. During the year under review, the unit coordinated the development of new questions to assess the financial health of departments, constitutional institutions and public entities listed in Schedule 3A and 3C of the PFMA, using the Financial Management Capability Maturity Model (FMCMM). The unit also coordinated a major review of the Treasury Regulations to ensure their alignment with the King III Report on Corporate Governance in South Africa, 2009, and with financial management best practice.

Work continued on monitoring the timely payment of invoices by departments; bi-monthly reports on departments' compliance with the legal requirement to make payments within thirty days of receipt of an invoice were submitted to the Forum of South African Directors-General (FOSAD) on the status of departments' compliance.

**MFMA Implementation:** the unit coordinates the implementation of the MFMA in all municipalities and related entities. It also develops policies, regulations, guides and circulars to strengthen implementation; assists in monitoring compliance; provides reports; and supports municipalities in improving their financial management policies, procedures and practices. The unit administers the MFMA helpdesk which responds to municipalities' enquiries about the MFMA; and attends regional CFO Forums to explain MFMA prescripts and guides. The unit has

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## PROGRAMME 5: FINANCIAL ACCOUNTING AND REPORTING

rolled out the financial management capability maturity model as well the 32 financial management indicators to all municipalities and entities. This will provide a basis for measuring 10 years of implementation of the MFMA and the results will be used to direct specific support and other intervention measures.

The unit also administers and manages the Financial Management Grant Programme. This is reported on in more detail in Programme 8. The Municipal Finance Recovery Service will continue to monitor municipalities' performance and prioritise technical support to respond to their requests for assistance in developing financial recovery plans. The focus of the work has been to follow up on outstanding bulk water and electricity payment; introduce measures to assist municipalities to address payment challenges; and train municipal officials in completing 32 financial ratios to assist future sustainability measures.

The unit supported municipalities' implementation of the MFMA through, among other means, quarterly meetings with officials of national and provincial departments, the South African Local Government Association (SALGA) and the Office of the Auditor-General. The purpose of these meetings is to improve the coordination of financial management reforms in municipalities. MFMA circulars have been issued to assist with implementing steps to address unauthorised, irregular, fruitless and wasteful expenditure, supply chain management processes, and uniform norms and standards on financial management. Regulations dealing with the enforcement of the MFMA, focusing on financial misconduct, were developed in 2013 and concluded in 2014 for effective implementation on 1 July 2014. Since promulgation of the regulations, the unit has undertaken extensive countrywide awareness-raising workshops to assist municipalities with the implementation of the regulations. The unit is also in the process of finalising an MFMA Circular to further explain the intention of the regulations and to clarify specific provisions.

Specialised Audit Services: during the period under review, the unit completed 22 forensic investigations and performance audits in 10 departments and public entities. It also identified breakdowns in the systems of internal control in four departments, for resolution by the relevant authorities. Some members of the unit serve on certain Ministerial task teams to support the resolution of major control deficiencies in public procurement processes. Forensic investigation reports by the unit resulted in the National Prosecuting Authority's Asset Forfeiture Unit issuing restraint orders on approximately R1 billion of assets possessed by implicated parties in incidents of fraud and corruption. Certain senior government officials were also suspended as a result of these activities.

In the Limpopo Section 100 (b) intervention, the unit's forensic reports have resulted in 13 criminal cases being brought to trial, with 34 accused. Thirteen cases of fraud are still under review for criminal proceedings, with 45 officials facing charges across all four departments under intervention and two Heads of Department suspended.

The unit provided members of the Northern Cape Anti-Corruption Task Team with training on the PFMA and MFMA legislation, in criminal proceedings in cases of public procurement fraud.

# PROGRAMME 5: FINANCIAL ACCOUNTING AND REPORTING

ANNUAL PERFORMANCE INFORMATION REPORT		2014/15
OBJECTIVE	INDICATOR	INDICATOR PERFORMANCE ANALYSIS
Establishment of a central supplier database system	Design and implement supplier database	<p><b>Target</b></p> <ul style="list-style-type: none"> <li>Roll out implementation plan</li> </ul> <p><b>Actual</b></p> <p>The target was not achieved because the CD: ICT was activated after the strategic document was finalised</p>
Facilitation and management of transversal term contracts	Establishment of the national procurement system	<p><b>Target</b></p> <ul style="list-style-type: none"> <li>Identify and implement additional strategic contracts for centralisation of the health sector (medical technology and pharmaceuticals)</li> <li>Identify and implement five additional strategic contracts for centralisation</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>The following projects in the health sector have been identified and will be finalised during the 2016/17 financial year: <ul style="list-style-type: none"> <li>Medical waste management</li> <li>Medical laundry and linen</li> <li>Health technology</li> </ul> </li> <li>The following projects have been identified and will be finalised during 2016/17 financial year: <ul style="list-style-type: none"> <li>LTSM In the education sector</li> <li>Security and related services</li> <li>Property and leasing environment</li> <li>ICT and related services</li> </ul> </li> </ul>
	Maintain the existing transversal term contracts	<p><b>Target</b></p> <ul style="list-style-type: none"> <li>17 transversal term contracts renewed</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>16 transversal contracts were renewed</li> </ul> <p><b>Deviation</b></p> <ul style="list-style-type: none"> <li>One contract could not be finalised due to delayed submission of technical specifications from user departments</li> </ul>

# PROGRAMME 5: FINANCIAL ACCOUNTING AND REPORTING

ANNUAL PERFORMANCE INFORMATION REPORT		2014/15
OBJECTIVE	INDICATOR	INDICATOR PERFORMANCE ANALYSIS
Implementation of SPF	Develop sourcing strategies for identified commodities/procurement categories	<p><b>Target</b></p> <ul style="list-style-type: none"> <li>Develop sourcing strategy proposals for health, travel and accommodation, cell phone subscriptions, ICT hardware</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>Sourcing strategies have been developed for mobile communications, fixed line communications, travel and accommodation and medical equipment</li> </ul> <p><b>Deviation</b></p> <ul style="list-style-type: none"> <li>Medical equipment project implementation delayed due to end user challenges with compiling the specifications. Technical expertise is scarce and engagements are underway with the World Health Organization (WHO) and UNICEF to assist with the country medical equipment transversal contract specifically designing specifications and identifying local and/or global standards that can be applied for medical equipment</li> </ul>
Manage the design, development and implementation of national frameworks, guidelines and standards for SCM capacity and professional development	SCM human capital development	<p><b>Targets</b></p> <ul style="list-style-type: none"> <li>Finalise the SCM human capital development framework, including an SCM job specification framework; and develop supporting guidelines and tools</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>The development of the draft SCM human capital development (HCD) framework and job specification framework is in progress. The SCM HCD framework must be integrated with the outputs of other related projects: SCM Master Curriculum, SCM Individual Development Assessment Toolkit and PS HRD Strategy</li> </ul> <p><b>Deviation</b></p> <ul style="list-style-type: none"> <li>The SCM human capital development framework has not been finalised. The framework is dependent on other projects such as the public sector HRD strategy which have not been finalised. The appointment of a Director: Capacity Development responsible for this task was only made in March 2015</li> </ul>

# PROGRAMME 5: FINANCIAL ACCOUNTING AND REPORTING

ANNUAL PERFORMANCE INFORMATION REPORT		2014/15
OBJECTIVE	INDICATOR	INDICATOR PERFORMANCE ANALYSIS
Manage the design, development and implementation of national frameworks, guidelines and standards for SCM capacity and professional development	SCM organisational capacity development	<p><b>Target</b></p> <ul style="list-style-type: none"> <li>A generic functional structure for SCM within municipalities' budget and Treasury offices</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>SCM organisational structures were obtained from eight metropolitan municipalities and reviewed.</li> <li>A draft functional structure for SCM within metropolitan municipalities has been developed</li> </ul> <p><b>Deviation</b></p> <ul style="list-style-type: none"> <li>The generic structure has not been finalised. The structure will be benchmarked during a planned institutional capability review in metropolitan municipalities in 2015/16</li> </ul>
Manage the development, implementation and delivery of national frameworks, guidelines, and standards for SCM education, training and development (ETD)	SCM ETD development	<p><b>Target</b></p> <p>Implement the SCM ETD framework through the development of supporting products, guidelines and tools</p> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>The SCM integrated learning matrix (ILM) has been revised. An ILM policy has been drafted</li> <li>The SCM Master Learning Curriculum has been finalised</li> <li>The SCM Individual Development Toolkit (i-Develop) is complete and ready to be piloted in 12 government institutions</li> <li>The following training programmes are in various stages of development and delivery:             <ul style="list-style-type: none"> <li>Preferential procurement: revised and delivered to 151 officials in three provinces</li> <li>Assessment for strategic sourcing: revised and delivered to 48 officials (SAQA US ID: 260077)</li> <li>Develop sourcing strategy: revised and delivered to 24 officials (SAQA US ID: 260097)</li> <li>Disposal management: developed and delivered to 60 officials</li> <li>SCM certificate learnership: work by a service provider for pilot delivery with 40 officials has commenced</li> </ul> </li> </ul>

# PROGRAMME 5: FINANCIAL ACCOUNTING AND REPORTING

ANNUAL PERFORMANCE INFORMATION REPORT		2014/15
OBJECTIVE	INDICATOR	INDICATOR PERFORMANCE ANALYSIS
Manage the research, development and implementation of SCM legal framework to enhance SCM policies	Issue instructions on designated sectors as requested by the dti	<p><b>Target</b></p> <ul style="list-style-type: none"> <li>Issue instructions on designated sectors</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>No sector designated this quarter therefore no instruction was issued</li> </ul>
	Preferential procurement legislation	<p><b>Target</b></p> <ul style="list-style-type: none"> <li>Develop guidelines for exemptions from the existing PPPFA</li> <li>Policy impact analysis of multiple objectives including youth empowerment, women empowerment, SMME development and job creation</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>As guidelines do not make any legislative changes, they only provide clarity on the application of legislation; therefore no publication for comments will be necessary but publication will be for implementation. These guidelines have been completed and are in the approval stages</li> </ul>
	SCM norms and standards frameworks	<p><b>Target</b></p> <ul style="list-style-type: none"> <li>Develop standard operating procedures for informal and formal quotations</li> <li>Apply and implement the policy</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>Standard operating procedures for quotations, which are part of acquisition, have not been completed yet</li> </ul>
	SCM Treasury regulations	<p><b>Target</b></p> <ul style="list-style-type: none"> <li>Promulgate Treasury regulations and revise the Guide for Accounting Officers</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>The guide not been work-shopped pending the promulgation of the Treasury Regulations</li> </ul>
	Simplified and rationalised SCM environment	<p><b>Annual Target</b></p> <ul style="list-style-type: none"> <li>Standardise bidding documents: RFPs, contracts, procurement plans, SBD forms</li> </ul>

# PROGRAMME 5: FINANCIAL ACCOUNTING AND REPORTING

ANNUAL PERFORMANCE INFORMATION REPORT		2014/15
OBJECTIVE	INDICATOR	INDICATOR PERFORMANCE ANALYSIS
<p>Manage the research, development and implementation of SCM legal framework to enhance SCM policies</p> <p>Monitor SCM performance</p>	<p>Simplified and rationalised SCM environment</p>	<p><b>Actual</b></p> <ul style="list-style-type: none"> <li>The revised bidding documents were not implemented pending the promulgation of revised Treasury Regulations</li> </ul>
	<p>Number of bid specifications reviewed to ensure alignment with policy and other applicable procurement instructions</p>	<p><b>Annual Target</b></p> <ul style="list-style-type: none"> <li>120 bid specifications reviewed</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>103 specifications reviewed</li> </ul> <p><b>Deviation</b></p> <ul style="list-style-type: none"> <li>The targets were set based on the projection of full staff complement. Delay in the recruitment process has affected the ability to meet the targets</li> <li>The delay by government institutions in submitting required documents for review has affected the ability to meet the targets</li> </ul>
	<p>Number of bid evaluation and adjudication minutes reviewed to ensure compliance with the evaluation criteria/scoring through the procurement process</p>	<p><b>Target</b></p> <ul style="list-style-type: none"> <li>300 sets BEC/BAC minutes reviewed</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>89 sets of BEC/BAC minutes reviewed</li> </ul> <p><b>Deviation</b></p> <ul style="list-style-type: none"> <li>The targets were set based on the projection of full staff complement. Delay in the recruitment process has affected the ability to meet the targets</li> </ul>
	<p>Number of contracts reviewed to ensure alignment with the conditions and deliverables of the tender</p>	<p><b>Target</b></p> <ul style="list-style-type: none"> <li>100 contracts reviewed</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>39 contracts reviewed</li> </ul> <p><b>Deviation</b></p> <ul style="list-style-type: none"> <li>The targets were set based on the projection of full staff complement. The delay in the recruitment process has affected the ability to meet the targets</li> </ul>



# PROGRAMME 5: FINANCIAL ACCOUNTING AND REPORTING

ANNUAL PERFORMANCE INFORMATION REPORT		2014/15
OBJECTIVE	INDICATOR	INDICATOR PERFORMANCE ANALYSIS
	Number of procurement plans reviewed to ensure contribution to and alignment with the core functions of the organisation	<p><b>Target</b></p> <ul style="list-style-type: none"> <li>150 procurement plans reviewed</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>44 procurement plans reviewed</li> </ul> <p><b>Deviation</b></p> <ul style="list-style-type: none"> <li>The targets were set based on the projection of full staff complement. The delay in the recruitment process has affected the ability to meet the targets</li> </ul>
	Number of projects visited to ensure delivery in line with the specifications of the contract	<p><b>Target</b></p> <ul style="list-style-type: none"> <li>100 projects visited</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>46 projects visited</li> </ul> <p><b>Deviation</b></p> <ul style="list-style-type: none"> <li>The targets were set based on the projection of full staff complement. The delay in the recruitment process has affected the ability to meet the targets</li> </ul>
Provide a reliable price referencing system for commodities that are common across government	Implement sustainable price referencing system	<p><b>Target</b></p> <ul style="list-style-type: none"> <li>Refine system of price referencing for 20 common items across government</li> <li>Develop implementation strategy</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>The implementation strategy will only be 100% complete after the pilot phase</li> <li>The implementation plan/strategy has been completed</li> <li>The price referencing system has been fully developed and contains on average 650 items per province</li> <li>End-users from the six pilot sites have been trained in using the system and now have access to it:</li> </ul>

# PROGRAMME 5: FINANCIAL ACCOUNTING AND REPORTING

ANNUAL PERFORMANCE INFORMATION REPORT		2014/15
OBJECTIVE	INDICATOR	INDICATOR PERFORMANCE ANALYSIS
Provide a reliable price referencing system for commodities that are common across government	Implement sustainable price referencing system	<p><b>Pilot Sites</b></p> <ul style="list-style-type: none"> <li>• 2 x provincial Treasuries (NW, GP)</li> <li>• 4 x national departments (Police, DCS, NT, DPME &amp; Presidency)</li> <li>• The Implementation Guide will be published after the pilot when the system is launched nationally in July 2015</li> </ul> <p><b>Deviation</b></p> <ul style="list-style-type: none"> <li>• The Public Entity (SARS) will not be part of the pilot programme but will form part of the full rollout programme together with all other public entities</li> <li>• Current challenges: <ul style="list-style-type: none"> <li>• Limited product information</li> <li>• Limited data sources</li> <li>• Meta data/specifications generic</li> </ul> </li> </ul>
Provide strategic procurement framework (SPF) for government	Develop SPF tailored to the needs of different forms of procurement	<p><b>Annual Target</b></p> <ul style="list-style-type: none"> <li>• Consultation with key stakeholders</li> <li>• Approved and adopted SPF</li> <li>• Guideline methodology for strategic procurement</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>• Key stakeholders have been consulted. These include all national departments, departments in seven provinces and four metropolitan municipalities</li> <li>• The SPF was approved by CPO Exco on 20 March 2015. This will be issued as a guide framework until the revised Treasury Regulations are promulgated and become effective</li> <li>• The Methodology, Good Practice Guides and Toolkit are completed up to Stage 4 (of 7)</li> </ul> <p><b>Deviation</b></p> <ul style="list-style-type: none"> <li>• Stages 1-4 of the methodology received priority as it addresses the most crucial part of developing a sourcing strategy</li> <li>• Stages 5-7 of the methodology are already fairly well documented in current legislative framework; these include the bidding process, contracting and performance monitoring. This will be completed by Q1 2015/16</li> </ul>

# PROGRAMME 5: FINANCIAL ACCOUNTING AND REPORTING

ANNUAL PERFORMANCE INFORMATION REPORT		2014/15
OBJECTIVE	INDICATOR	INDICATOR PERFORMANCE ANALYSIS
To maintain existing financial systems and renew these as required so as to exercise comprehensive financial management	Availability of systems during working hours	<p><b>Target</b></p> <ul style="list-style-type: none"> <li>Provide a minimum of 98% availability</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>The system continued to operate at above the 98% availability threshold</li> </ul>
	Delivery and rollout of an Integrated Financial Management System (IFMS) to national and provincial departments	<p><b>Target</b></p> <ul style="list-style-type: none"> <li>Conclude programme turnaround and implementation of new strategy</li> <li>Complete procurement and contracting by June 2014</li> <li>Undertake planning for system rollout</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>Published RFP for the procurement of software licenses, established and implemented process for responding to queries from potential bidders</li> <li>Appointed service provider to the PMO for communications and change management matters relating to the IFMS. Activities in this regard have commenced</li> <li>Appointed service provider to the PMO for strategic systems; planning and activities in this regard have commenced</li> <li>Identified service provider for the provision of probity services in relation to further IFMS procurement</li> </ul>
	Maintenance of current transversal systems: Basic Accounting System (BAS), Financial Management System (FMS), Logis, Persal and Vulindlela	<p><b>Target</b></p> <ul style="list-style-type: none"> <li>Provide a minimum of 98% availability</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>The power problems at SITA have been resolved with the purchase of a new generator</li> <li>During February and March, the networks experience abnormally slow response times</li> </ul>
Enforce compliance with public-sector financial management legislation in each sphere of government	Fraud and corruption investigations and performance audits	<p><b>Target</b></p> <ul style="list-style-type: none"> <li>20 targeted departments/projects per annum</li> </ul>

# PROGRAMME 5: FINANCIAL ACCOUNTING AND REPORTING

ANNUAL PERFORMANCE INFORMATION REPORT		2014/15
OBJECTIVE	INDICATOR	INDICATOR PERFORMANCE ANALYSIS
Enforce compliance with public-sector financial management legislation in each sphere of government	Fraud and corruption investigations and performance audits	<p><b>Actual</b></p> <ul style="list-style-type: none"> <li>Completed 27 projects for investigation/performance audits in the following spheres of government:               <ul style="list-style-type: none"> <li>8 national departments' projects</li> <li>14 provincial departments' projects</li> <li>3 local government projects</li> <li>2 public entities' projects</li> </ul> </li> </ul> <p>Reasons for exceeding target:</p> <ul style="list-style-type: none"> <li>Extra effort by SAS officials to exceed targeted standard</li> </ul> <p><b>Target</b></p> <ul style="list-style-type: none"> <li>Submit reports to Parliament by 30 November of each year</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>The Cabinet memo on audit outcomes was submitted to the Minister on 24 October 2014</li> <li>The bi-monthly FOSAD report was submitted to the Department of Performance Monitoring and Evaluation in October 2014 for tabling at FOSAD</li> <li>Progress report on improvement of financial management was submitted for approval of the Accountant-General on 6 January 2015</li> </ul> <p><b>Deviation</b></p> <ul style="list-style-type: none"> <li>The Cabinet Memorandum on Audit Outcomes for the 2013/2014 financial year was submitted to the Minister on 24 October 2014 for submission to Cabinet during November 2014. The Office of the Accountant-General met the timelines provided by the Ministry for submission of this Memorandum in November 2014</li> </ul> <p><b>Target</b></p> <ul style="list-style-type: none"> <li>Refer 25 cases of criminal proceedings and civil recovery</li> </ul>
	Monitoring improvement of financial management in national and provincial institutions and submission of progress reports to parliamentary oversight committees	
	Support for anti-corruption task team (ACTT) targets	

# PROGRAMME 5: FINANCIAL ACCOUNTING AND REPORTING

ANNUAL PERFORMANCE INFORMATION REPORT OBJECTIVE	INDICATOR	2014/15 INDICATOR PERFORMANCE ANALYSIS
Facilitate capacity development for enhancement of skills and competency levels across each sphere of government	Facilitate opportunities in municipalities for relevant officials to obtain financial management competencies	<p><b>Actual</b></p> <ul style="list-style-type: none"> <li>Referred and supported the following 48 criminal cases of ACTI:               <ul style="list-style-type: none"> <li>10 national departments' projects</li> <li>22 provincial departments' projects</li> <li>12 local government projects</li> <li>4 public entities</li> </ul> </li> </ul> <p><b>Deviation</b></p> <ul style="list-style-type: none"> <li>Extra effort by SAS officials to exceed targeted standard</li> </ul>
		<p><b>Target</b></p> <ul style="list-style-type: none"> <li>1000 learners</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>1 034 learners enrolled into the programme; the estimates are still valid and consistent with the ENE</li> <li>MFMA Induction Programme completed and rolled out in KZN, GP and EC; rollout for the other provinces scheduled in the calendar year 2015</li> <li>The regulated training material currently under revision to be in line with the MFMA reforms. EU procurement process finalised and award letter issued to successful service provider. Project resumed in March 2015 for finalisation by August 2015. EU funding for the Budget and Treasury Office project reallocated to Ace Consortium to secure the funding until successful service provider is secured for the assignment</li> <li>LGSETA finalising the approval for possible funding of municipal learners. Up to 1000 learner nominees may benefit from this funding and training rollout</li> </ul> <p><b>Deviation</b></p> <ul style="list-style-type: none"> <li>Due to the 30 September 2015 deadline for compliance with the Minimum Competency Regulations, more service providers came on board and more learners enrolled and achieved the required competencies</li> </ul>

# PROGRAMME 5: FINANCIAL ACCOUNTING AND REPORTING

ANNUAL PERFORMANCE INFORMATION REPORT		2014/15
OBJECTIVE	INDICATOR	INDICATOR PERFORMANCE ANALYSIS
Facilitate capacity development for enhancement of skills and competency levels across each sphere of government	Financial management capacity development strategy	<p><b>Target</b></p> <ul style="list-style-type: none"> <li>Support the development and delivery of PFM related qualifications and short learning programmes by 31 March 2015</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>Various initiatives were undertaken to support the development and delivery of PFM related qualifications and short learning programmes</li> </ul>
	Implementation of academic support programme for the Chartered Accountants' Academy and other accountants in government	<p><b>Target</b></p> <ul style="list-style-type: none"> <li>25 participants</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>The seven NT qualifying candidates were sent to existing academic support programmes: Thuthuka Support programme and Gauteng Board Course. A similar approach was taken by other government institutions for their qualifying candidates. Five of NT's qualifying candidates passed the examination; two will re-write in November 2016</li> </ul> <p><b>Deviation</b></p> <ul style="list-style-type: none"> <li>The number was limited to trainees currently in the programme who had to attend the full course</li> <li>The target was based on other possible attendees working within the public sector. They attended training offered by their own employers as opposed to waiting for NT to provide support</li> </ul>
Support public-sector institutions in executing their financial management functions effectively, efficiently, economically and transparently	Guidelines on GRAP standards and/or modified cash standards	<p><b>Target</b></p> <ul style="list-style-type: none"> <li>Develop new guidelines annually by 31 March</li> <li>Maintain and enhance existing guidelines</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>Worked through comments register for the Modified Cash Standard and the related accounting manuals; met with the AGSA to obtain inputs and comments on the documents</li> <li>Further enhancements made to the reporting template for departments</li> <li>Responded to technical queries on GRAP for departments and public entities, municipalities etc</li> <li>Developed interim Annual Financial Statements (for Quarter 3) for publication and use by departments</li> </ul>

# PROGRAMME 5: FINANCIAL ACCOUNTING AND REPORTING

ANNUAL PERFORMANCE INFORMATION REPORT	2014/15	INDICATOR PERFORMANCE ANALYSIS
<p><b>OBJECTIVE</b></p> <p>Internal audit and state of readiness for quality assurance reviews to assess compliance with PFMA, MFMA (and international professional practice standards of internal audit) and adoption of best practice</p>	<p><b>INDICATOR</b></p> <p>Internal audit and state of readiness for quality assurance reviews to assess compliance with PFMA, MFMA (and international professional practice standards of internal audit) and adoption of best practice</p>	<p><b>Target</b></p> <ul style="list-style-type: none"> <li>Conduct reviews at 21 institutions (focusing mainly on municipalities)</li> </ul> <p><b>Actual 14/15</b></p> <ul style="list-style-type: none"> <li>Quality assurance review reports issued for 6 institutions:               <ul style="list-style-type: none"> <li>Department of International Relations and Cooperation</li> <li>Transnet</li> <li>City of uMhlatuze</li> <li>Parliament of South Africa</li> <li>Cape Winelands District Municipality</li> <li>Sol Plaatjie Municipality</li> </ul> </li> </ul> <p><b>Deviation</b></p> <ul style="list-style-type: none"> <li>This project was terminated in September 2014 as it was found to be excessively time consuming and expensive to carry out, with little commensurate value add. Staff and resources were redirected to other projects</li> </ul>
<p>Maintain and enhance the financial management capability maturity model (FMCMM)</p>	<p>Maintain and enhance the financial management capability maturity model (FMCMM)</p>	<p><b>Target</b></p> <ul style="list-style-type: none"> <li>Maintain and enhance FMCMM for all spheres of government</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>Municipalities:               <ul style="list-style-type: none"> <li>FMCMM for municipalities updated and enhanced. Project current being rolled out to all municipalities</li> </ul> </li> <li>Departments:               <ul style="list-style-type: none"> <li>A meeting took place with DPME during May 2015 with a view to hosting the FMCMM on the Management Performance Assessment Tool (MPAT) platform. This aim is to achieve savings to the fiscus in terms of system development costs and ensure that Government standardises assessment tools for the public sector</li> </ul> </li> <li>The new FMCMM platform together with its associated questions will be finalised and piloted during 2015/2016</li> </ul>

# PROGRAMME 5: FINANCIAL ACCOUNTING AND REPORTING

ANNUAL PERFORMANCE INFORMATION REPORT		2014/15
OBJECTIVE	INDICATOR	INDICATOR PERFORMANCE ANALYSIS
Support public-sector institutions in executing their financial management functions effectively, efficiently, economically and transparently	Maintain and enhance the financial management capability maturity model (FMCMM)	<p><b>Deviation</b></p> <ul style="list-style-type: none"> <li>Delays have been experienced with finalising the FMCMM for departments due to two resignations within the Chief Directorate: Governance Monitoring and Compliance. A Director has since been appointed and the appointment of a Senior Financial Analyst is imminent. This project will therefore start gaining traction</li> </ul>
	Maintain and enhance Treasury regulations and instructions	<p><b>Target</b></p> <ul style="list-style-type: none"> <li>Conduct ongoing maintenance and enhancement of Treasury regulations and instructions</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>The draft Treasury Regulations are in the process of being finalised. The draft was forwarded to Senior Council Advocate Grove to conduct a legal review, and comments received from him are being addressed. There are also consultations with relevant role players to obtain clarity. Draft Regulations in respect of SCM are being finalised within NT, after which they will be referred to Senior Council Advocate Grove to conduct the legal review. It is anticipated that the final regulations in respect of all chapters will be published in the Government Gazette in the first quarter of 2015/2016. It was agreed with the Accountant-General that the Treasury Regulations will take full effect from April 2016</li> <li>Issued Treasury Instruction 1 of 2014/2015 on Prohibition of Internet Payments via the Internet</li> </ul>
	Maintain MFMA helpdesk	<p><b>Annual target</b></p> <ul style="list-style-type: none"> <li>Conclude 75% of responses within 28 days</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>Completed 95 % of responses within 28 days</li> </ul>
	Policies, frameworks, guidelines and practices in line with approved reporting frameworks	<p><b>Annual target 14/15</b></p> <ul style="list-style-type: none"> <li>Develop new policies, frameworks, guidelines, regulations and practices by 31 March</li> <li>Maintain and enhance existing policies, frameworks, guidelines, regulations and practices</li> </ul> <p><b>Actual 14/15</b></p> <ul style="list-style-type: none"> <li>Participated in LG SCOA workshops, review of policy documents in support of rollout</li> <li>Responded to SCOA queries</li> </ul>



# PROGRAMME 5: FINANCIAL ACCOUNTING AND REPORTING

ANNUAL PERFORMANCE INFORMATION REPORT		2014/15
OBJECTIVE	INDICATOR	INDICATOR PERFORMANCE ANALYSIS
Quarterly evaluation of municipalities' performance reports and submission of reports	<p><b>Annual target 14/15</b></p> <ul style="list-style-type: none"> <li>Evaluate 278 municipal reports</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>Delays in evaluation of reports due to late submission of reports by municipalities; 236 municipal reports will be evaluated as the remaining 75 municipalities did not submit their reports to NT</li> </ul> <p><b>Deviation</b></p> <ul style="list-style-type: none"> <li>Noted challenges experienced and measures implemented to address them. Correspondence was sent to non-complying municipalities informing them of their non-compliance and requesting them to submit their reports by the end of March 2015</li> </ul> <p><b>Target</b></p> <ul style="list-style-type: none"> <li>Prepare recovery plans within 90 days</li> <li>Review existing recovery plans and provide guidance within 60 days</li> <li>200 trainees in provincial treasuries, municipalities and public entities</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>No new plans developed in last quarter due to funding constraints; however, additional funding has been approved and the tender process is underway to acquire a service provider to assist in the preparation of financial recovery plans in the new financial year. Focus of the work has been to follow up on outstanding bulk water and electricity payments; to introduce measures to assist municipalities to address payment challenges; and to train municipal officials in completing 32 financial ratios to assist future sustainability measures</li> </ul>	
Review and respond to requests for development of financial recovery plans	<p>Review of FMG support plans and alignment with framework</p>	<ul style="list-style-type: none"> <li>278 FMG support plans have been reviewed and feedback provided to municipalities</li> </ul>

# PROGRAMME 5: FINANCIAL ACCOUNTING AND REPORTING

ANNUAL PERFORMANCE INFORMATION REPORT		2014/15
OBJECTIVE	INDICATOR	INDICATOR PERFORMANCE ANALYSIS
Support public-sector institutions to execute financial management effectively, efficiently, economically and transparently	Support to provincial treasuries for preparation of provincial consolidated financial statements, provincial revenue fund statements and implementation of GRAP standards Banking services for national government	<ul style="list-style-type: none"> <li>173 officials were trained. During the 4th quarter, 32 people were trained on provincial consolidated financial statements, 121 trainees were trained on GRAP standards and the consolidation template and 20 people were trained on Safetyweb banking system. The target for 2014/15 was successfully met and exceeded</li> </ul>
		<p><b>Target 14/15</b></p> <ul style="list-style-type: none"> <li>Daily bank reconciliation of NRF</li> <li>Electronic verification of supplier banking details within four working days</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>All bank reconciliations performed</li> <li>New Guideline issued to all provinces to ensure electronic files can be uploaded to electronic banking interfaces. This was done in response to difficulties with implementation of the No Internet Payments Instruction note. All issues are now resolved</li> <li>All electronic supplier banking details verified within prescribed time limits</li> </ul>
	Tabling of consolidated annual financial statements (AFS) for national departments, public entities and RDP fund	<p><b>Target</b></p> <ul style="list-style-type: none"> <li>Annually on 31 October</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>Successfully tabled the RDP, Consolidated AFS for departments and public entities and the NRF for the first time within the 31 October deadline</li> <li>Improved audit outcome for consolidated AFS; however, departmental consolidation is still qualified due to underlying departmental qualifications. Public entity consolidation received disclaimer audit opinion; a reduced number of areas which received disclaimers</li> <li>During the 4th quarter, planning commenced for the 2014/15 financial year end, with Year-End Instructions issued to all departments, public entities and provinces</li> </ul>
	Timely and accurate publication of monthly statements of actual revenue and actual expenditure for NRF	<p><b>Target</b></p> <ul style="list-style-type: none"> <li>Reports published on last working day of every month</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>All Section 32 reports for quarter 4 were published on time</li> </ul>

# ANNUAL REPORT 2014/15

## PROGRAMME 6:

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## INTERNATIONAL FINANCIAL RELATIONS



**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA

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## PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS

During the period under review, the division's focus was on the following areas:

- Management of South Africa's membership of the Southern African Customs Union (SACU), in collaboration with the Department of Trade and Industry (dti) and the South African Revenue Service (SARS)
- Supporting the implementation of key Southern African Development Community (SADC) agreements with a particular focus on the Finance and Investment Protocol (FIP)
- Ensuring that SADC resources are efficiently utilised against agreed targets through, inter alia, membership of the SADC Finance Committee
- Implementing the goal of increasing South Africa's voice and representation in multilateral development banks (MDBs) through:
  - The purchase of shares when these are made available by the African Development Bank (AfDB) and the International Bank for Reconstruction and Development (IBRD), also known as the World Bank. South Africa obtained 3 560 new shares in the AfDB, increasing the country's shareholding to 4.85 per cent and acquired all of its shares allocated for the Selective Capital Increase (SCI) in the financial year.
  - South Africa's shareholding in the World Bank: South Africa was allocated 467 shares in the SCI as part of the 2010 IBRD shareholding reform at a total cost of US\$ 4.2 million. This subscription was important to maintain South Africa's shareholding which has declined slightly from 0.84 per cent before 2010 to the current level of 0.81 per cent. Without this subscription, South Africa's shareholding would have declined to 0.76 per cent.
  - Reaching agreement at the 6th BRICS Summit in Fortaleza, Brazil on the governance and other arrangements necessary to ensure the establishment of the BRICS-led New Development Bank and the BRICS Contingent Reserve Arrangement
  - Support for South Africa's membership of the Asian Infrastructure Investment Bank.
- Working towards the goal of African economic development through:
  - Support for the Export Credit Insurance Corporation at Paris Club negotiations during the debt buy-back
  - Transfers to the concessional resources managed through the World Bank's International Development Association (IDA) and the African Development Bank's African Development Fund (ADF) as agreed in the negotiations concluded in the previous financial year
  - Representation of African Low Income Countries' needs through co-chairing the ADF Working Group to secure more resources for the next ADF replenishment
  - Successfully hosting the Infrastructure Consortium for Africa conference, where G8 countries, some G20 countries, the private sector and civil society met to identify solutions to Africa's project preparation challenges.
- Ensuring effective representation of South Africa's position in discussions and negotiations during meetings of G20 Finance Ministers and Central Bank Governors (also called 'the Finance Track') of the G20; and working in close cooperation with the South African Reserve Bank (SARB) and other relevant stakeholders, particularly the Presidency and DIRCO. During the period under review, this included a series of domestic and regional outreach events, in May and December, and hosting the G20 Framework Working Group in September.
- Utilising the G20 meeting of April 2014 to bring about intensified action by international financial institutions and organisations on issues of particular concern to African countries. This contributed to a special financing window within the IMF to respond to the Ebola crisis and other health issues.

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## PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS

- Ensuring sustained high quality dialogue between South Africa and the IMF. During the period under review, this included facilitating IMF Article IV consultations as well as the visit of IMF Vice President David Lipton in his meetings with key stakeholders.
- Presentation of the proposed G20 strategy to Cabinet. This was postponed until after the national elections in May 2014.
- Finalising the SACU revenue formula and establishing a common revenue pool as a stand-alone account with the SA Reserve Bank. This requires further consultation between relevant SACU Ministers as well as bilateral engagements at Presidential level. It is envisaged that these will take place in the 2015/16 financial year.

# PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS

ANNUAL PERFORMANCE INFORMATION REPORT		2014/15
OBJECTIVE	INDICATOR	INDICATOR PERFORMANCE ANALYSIS
Advance South Africa's interests through regular strategic analysis, engagement and negotiation at financial and economic forums, regionally and internationally	Number of governance and administrative reforms that lead to greater efficiency and effectiveness in African multilateral institutions	<p><b>Target</b></p> <ul style="list-style-type: none"> <li>Monitor financial sustainability and governance of African institutions</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>During the period under review, National Treasury played an important role in the meetings of the Finance and Audit Committee (FAC) of the Southern African Customs Union (SACU) in promoting and ensuring good financial governance of the SACU Secretariat, including chairing the committee. SA utilised its position as Chair of the FAC to advance good governance. This included insisting that a written record of requests is created, and advising the Secretariat on the correct course of action in making decisions</li> <li>For SADC, co-ordination with DIRCO to agree a joint NT-DIRCO strategy to post: individuals to the SADC Secretariat to monitor and make inputs into its governance structure. Engagement with the SADC Secretariat took place in late 2014. This was a joint fact-finding meeting between Treasury and DIRCO to identify the Secretariat's capacity constraints. A report on International and Regional Economic Policy's (IREP) strategy was sent to the Minister for noting. The Secretariat indicated its support for secondment of staff to the SADC secretariat in Gaborone, with an individual within NT having been identified for secondment. This was agreed by the Minister and the process is currently being facilitated</li> <li>NT participated in the discussions within the African Union (AU) dealing with budget issues and alternative ways of funding the AU</li> </ul> <p><b>Target</b></p> <ul style="list-style-type: none"> <li>Support the Ministry in coordinating WEF Africa, to take place every two years in SA</li> <li>Position papers for BRICS Finance Track and BRICS Finance national and regional outreach activities</li> <li>SA position papers and speaking notes for President's and Minister's engagement at the G20 Brisbane Summit; NT's G20 outreach activities</li> <li>Monitor and support implementation of AfDB Country Strategy Paper</li> <li>Monitor and support implementation of World Bank Country Partnership Strategy</li> <li>Conclude negotiations around and monitor implementation of new SACU revenue sharing formula</li> </ul>

# PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS

ANNUAL PERFORMANCE INFORMATION REPORT		2014/15
OBJECTIVE	INDICATOR	INDICATOR PERFORMANCE ANALYSIS
	<p>Strategy papers and briefing notes developed and implemented that advance SA's interests</p>	<p><b>Actual</b></p> <ul style="list-style-type: none"> <li>The messaging document at the January 2015 WEF Annual Meetings was adopted by all Ministers at the meetings. The document provided a foundation for the WEF Africa Regional meetings messaging document in Cape Town, June 2015. Planning for these meetings was carried out by the inter-departmental working group. Cabinet has endorsed SA's participation in and co-hosting of WEF Africa, with departments responsible for their mandates in relation to the organisation of the event</li> <li>Negotiations on the implementation of the New Development Bank (NDB) continued. An interim board of directors has been appointed to oversee this implementation, and it has been agreed that an interim secretariat be established to assist the President with operationalizing the NDB. A local committee has been established in South Africa, to oversee operationalising the Africa Resource Centre (ARC). A number of meetings have been held and reports on progress submitted to the BRICS IMC</li> <li>The Contingent Reserve Arrangement agreement is in the final stages of ratification. On 15 April 2015, and in order to meet the deadline set for the BRICS Summit in Ufa in July 2015, the Standing Committee met to develop the operational documents related to the Inter-Central Bank Agreement (ICBA). This was expected to be finalised by the next meeting in June 2015. The operational documents are: procedural rules concerning the functioning of the Standing Committee or the Standing Committee Procedural Rules (SCPR); and operational procedures for the liquidity and precautionary instruments (provisionally named the Standing Committee Operational Procedures for Instruments (SCOP))</li> <li>South Africa took part in the Brisbane Summit, successfully presenting its interests. Turkey has taken over the Presidency and a number of meetings have taken place. Their priorities at the Presidency have been endorsed by G20 members. NT has embarked on a number of outreach programmes including the South African Institute of International Affairs (SAIIA) conference, study groups and round table discussions during the United Nations Economic Commission for Africa (UNECA) annual meetings</li> </ul>

# PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS

ANNUAL PERFORMANCE INFORMATION REPORT		2014/15
OBJECTIVE	INDICATOR	INDICATOR PERFORMANCE ANALYSIS
Advance South Africa's interests through regular strategic analysis, engagement and negotiation at financial and economic forums, regionally and internationally	Strategy papers and briefing notes developed and implemented that advance SA's interests	<ul style="list-style-type: none"> <li>Several meetings to monitor and support the implementation of the AfDB's Country Strategy Paper for SA were held. They involved obtaining NT (Minister and DG) approval to support applications for the Middle Income Country Grant of the AfDB aimed at achieving government's strategic objectives</li> <li>Engaging the World Bank Local Office regarding the development of the mid-term review that will provide an overall account of the activities of the World Bank in South Africa</li> <li>The World Bank Local Office was engaged regarding the mid-term review that will provide an account of the activities of the World Bank in South Africa. Toward the end of 2015, the World Bank will prepare a mid-term review on the implementation of the CPS for South Africa. CPS document Country Partnership Strategy 2014-17 indicated that monitoring the implementation of the CPS will be strengthened by external coordination which will build stronger government ownership; involve government's economic and social clusters in strategy formulation earlier in the process; and use annual consultation to revise programmes and activity planning. The Bank will also use a formal mechanism of annual discussions with interested line departments; NT will guide programme development and implementation. Monitoring of task- and project-level results will be conducted through regular project and programme supervision and through joint annual reviews of the lending and knowledge portfolio with NT and line departments</li> <li>Some SACU meetings, focused on operational matters, were held during the period under review</li> <li>Engagement on the work plan of SACU and particularly the reform agenda is awaiting high-level political direction. Nonetheless, the desk continued to develop technical solutions that can be used once the political process has unfolded</li> </ul> <p><b>Deviation</b></p> <ul style="list-style-type: none"> <li>WEF: there was a delay in signing the MOU with the WEF due to technical legal issues. However, these have been addressed. We anticipate the signing of the MOU to take place in early April 2015</li> </ul>



# PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS

ANNUAL PERFORMANCE INFORMATION REPORT		2014/15
OBJECTIVE	INDICATOR	INDICATOR PERFORMANCE ANALYSIS
Increase Africa's voice and enhance South Africa's contribution to and participation in international and regional institutions and forums	IMF reform	<ul style="list-style-type: none"> <li>BRICS Finance Strategy: SA delayed announcing the location of the Africa Regional Centre. This was scheduled to be announced at the BRICS Finance Ministers' and Central Bank Governors' (FMCBG) meeting scheduled to take place in Washington, April 2015. Johannesburg has been endorsed as the location for the Centre. Through events such as the AU Summit and AfDB annual meetings, African countries received information about progress on BRICS developments; and discussed issues such as infrastructure development on the continent</li> <li>SACU Revenue Sharing Formula (RSF): the reform of the RSF, while a critical objective, forms part of the broader SACU reform agenda. Technical level engagement on all aspects of the reform agenda has been suspended pending high-level political guidance</li> </ul> <p><b>Target</b></p> <ul style="list-style-type: none"> <li>Monitor implementation of IMF reform</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>Because they were not ratified by the US Congress, no progress has been made with implementing the 2010 IMF reforms. The IMF is exploring options to address this. These will be presented at the 2015 IMF/World Bank (WB) Spring Meetings</li> </ul> <p><b>Deviation</b></p> <ul style="list-style-type: none"> <li>A third Chair on the IMF Executive Board for the Sub-Sahara Africa Region has not yet been achieved</li> <li>The US Congress has not ratified the 2010 IMF Reforms; there is no indication when this will happen</li> </ul> <p><b>Target</b></p> <ul style="list-style-type: none"> <li>Increased shareholding in the AfDB from the current 4.8% to the Cabinet-mandated 6%</li> <li>Obtain the Minister's approval to acquire new shares when they become available or request Cabinet approval for reversal of decision if there is insufficient money in the fiscus</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>Obtained Minister's approval to acquire new shares in the AfDB. Waiting to know the number of shares that have been allocated</li> </ul>

# PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS

ANNUAL PERFORMANCE INFORMATION REPORT		2014/15
OBJECTIVE	INDICATOR	INDICATOR PERFORMANCE ANALYSIS
Promote integration and strengthen links with Africa by creating an enabling environment for economic activity	Implementation of SADC's Finance and Investment Protocol	<p><b>Target</b></p> <ul style="list-style-type: none"> <li>Implement, monitor and evaluate South Africa's implementation of SADC's FIP priorities and contribute to its regional implementation where appropriate</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>Progress-mapping against set targets has taken place and is on-going. In relation to Annex 2 of the SADC FIP on Macroeconomic Convergence, SA has to report at the macroeconomic convergence meetings on how it is maintaining convergence with the criteria. This report goes to Ministers of Finance. The lead institutions for SA are the SARB and the Economic Policy Division of NT</li> </ul>
	Increase the number of bilateral financial engagements with strategic economies	<p><b>Target</b></p> <ul style="list-style-type: none"> <li>Develop and monitor implementation of cooperation mechanisms</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>Joined consultants on field trips to the SA – Zim. Beitbridge borders and received the final report on implications of the one stop border post on 30 March 2015</li> <li>Report on One-Stop-Border policy for SA to be available internally in April 2015</li> </ul> <p><b>Deviation</b></p> <ul style="list-style-type: none"> <li>Because of difficulties faced by the consultants gathering information, particularly through visits to various borders, an additional month was needed to review and conclude the One Stop Border Post Policy Development Report</li> </ul>

# ANNUAL REPORT 2014/15

## PROGRAMME 7:

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CIVIL AND MILITARY PENSIONS,  
CONTRIBUTIONS TO FUNDS  
AND OTHER BENEFITS



**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA

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## PROGRAMME 7: CIVIL AND MILITARY PENSIONS, CONTRIBUTIONS TO FUNDS AND OTHER BENEFITS

**Purpose:** Provide pensions and post-retirement medical benefits to former employees of state departments and bodies. Provide similar benefits to members of the military, special pensioners, state employees injured on duty and related categories.

**Measurable objective:** The programme ensures the payment of benefits and awards to rightful beneficiaries in terms of various statutes, collective bargaining and other agreements. It is the responsibility of the programme to ensure that benefits are paid to the correct recipients within specified times.

The programme is divided into the following key delivery sub-programmes:

- *Management* provides support for planning, delivering and monitoring the programme's activities.
- *Government Pensions Administration Agency (GPAA)* provides administrative services as regulated by various statutes.
- *Military Pensions and Other Benefits* provides for the payment of military pensions and medical claims arising from treatment for disability, medical assistance devices and other related expenses in terms of statutory commitments.
- *Post-Retirement Medical Benefits* deals with the processing of medical aid applications for qualifying retired government employees.
- *Special Pensions* provides for the payment of pensions to qualifying persons who made sacrifices or served the public interest in the cause of establishing a democratic constitutional order.
- *Injury on Duty Payments* provides pensions and gratuities to injured or deceased employees in terms of the Compensation for Occupational Injury and Diseases Act (COIDA).

These funds are administered on behalf of the National Treasury, with which GPAA has a service level agreement (SLA) governing turnaround times, the registration of new members, payments made, errors committed, over payments and under payments, risks, audit findings, business continuity and financial issues.

## SERVICE DELIVERY OBJECTIVES AND INDICATORS

### STRATEGIC OBJECTIVES FOR THE FINANCIAL YEAR 2014/15

- To pay 85 per cent of benefits accurately, on time and within 60 days of receiving correctly completed documentation at the GPAA.
- To institutionalize key account management and improve customer service experience by responding to queries, complaints or requests within two working days; resolving queries, complaints or requests within seven working days; and developing a customer satisfaction indicator consisting of a range of criteria.
- To address audit findings by specified dates.
- To entrench enterprise-wide risk management by implementing mitigating actions.
- To comply with stakeholder SLAs by delivering on specified service levels in the National Treasury SLA

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## PROGRAMME 7: CIVIL AND MILITARY PENSIONS, CONTRIBUTIONS TO FUNDS AND OTHER BENEFITS

### OUTPUTS FOR 2014/2015

GPAA paid out pensions and benefits worth over R3.7 billion to approximately 114 200 beneficiaries during 2014/15. These benefits were paid accurately in 100 per cent of cases and on time in 92 per cent of cases.

The one unmet critical target was the application control review target, focusing on testing the robustness of the ICT applications control environment. PricewaterhouseCoopers (PWC) was assigned to conduct another application review audit on the programme. The outcome highlighted that there were still issues of data integrity and reliability in the CIVPEN operating environment. The situation is being addressed through the modernization programme.

### STAKEHOLDER RELATIONS

GPAA places a premium on building and maintaining sound relations with stakeholders. This enables the agency to improve customer experience quality and helps to spread the word to prospective beneficiaries about benefits for which they may be eligible to apply. Military pensions are a case in point. During 2014/15, with the help of stakeholder networks, GPAA conducted road shows in the Western Cape for veterans of the former Cape Corps who were destitute and knew nothing about military pensions. The areas covered were Bonteheuwel, Worcester, Beaufort West and Oudtshoorn.

To strengthen relations, GPAA met with key stakeholders for all categories of benefit. For post-retirement medical benefits, these stakeholders are medical aid schemes, retiring public servants and the Department of Public Service and Administration. For military pensions and special pensions, key stakeholders include the Department of Defence, Department of Military Veterans, Association of Military Veterans and political parties that were involved in the liberation struggle. The Compensation Commissioner is one of the main stakeholders for injury on duty payments. Across all benefit categories, Parliament is a key stakeholder for GPAA. A trend that continued during 2014/15 was the increase in the number of beneficiaries for post-retirement medical benefits, from 82 364 in the previous year to 91 586 in the year under review. By contrast, the client base for special pensions in the portfolio is decreasing, owing to mortality rates, pensioners and spouses opting for their non-statutory forces service years to be recognized through the Government Employees Pension Fund and non-submission of life certificates by pensioners.

### THE SOMA INJURY ASSESSMENT PROJECT

Military pensions pose a challenge for the unit, specifically relating to the SOMA project. According to the agreement with SOMA, a risk management assessment company, GPAA is required to refer a specific number of prospective applicants per year for injury assessment and verification. This can be problematic when there are insufficient applicants or application information is incomplete. To overcome these challenges, the unit embarked on an awareness drive in 2014/15 to inform prospective applicants in KwaZulu-Natal, Eastern Cape and Western Cape about the provisions and criteria for accessing military pensions. Other provinces are earmarked for 2015/16.

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## **PROGRAMME 7: CIVIL AND MILITARY PENSIONS, CONTRIBUTIONS TO FUNDS AND OTHER BENEFITS**

### **LEGISLATIVE INPUTS TO NATIONAL TREASURY**

The Programme drafted two legislative amendments for consideration by the Minister of Finance, the Military Pensions Amendment Bill and the Special Pensions Amendment Bill. These bills are still under consideration by the National Treasury for submission to the 2015/16 parliamentary sittings.

# PROGRAMME 7: CIVIL AND MILITARY PENSIONS, CONTRIBUTIONS TO FUNDS AND OTHER BENEFITS

ANNUAL PERFORMANCE INFORMATION REPORT		2014/15
OBJECTIVE	INDICATOR	INDICATOR PERFORMANCE ANALYSIS
Ensure good governance and a robust control environment.	100% re-engineered core business processes implemented.	<p><b>Target</b></p> <ul style="list-style-type: none"> <li>80% re-engineered core business processes implemented</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>As-is processes have been finalised, the re-engineering of core business process will be implemented through modernisation</li> <li>Complied. There is over-achievement because although the target was 80% the aim has always been to go as far as possible</li> </ul>
	Benefits paid on time: post-retirement medical benefits, 30 days; injury on duty, 45 days; special pensions: 60 days	<p><b>Target</b></p> <ul style="list-style-type: none"> <li>Pay 100% of all benefits within liability date</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>100 % of post-retirement medical benefits paid with 30 days</li> <li>77% of Injury on duty benefits paid within 30 days</li> <li>100% of Special Pensions cases paid with 60 days</li> <li>Injury on Duty (IOD): Operational Support Services (OSS) did not forward documents on time to IOD</li> <li>Military Medical Accounts Section: Not all accounts received were approved on time by the Chief Medical Officer</li> </ul>
Improved and integrated customer service experience	100% customer service complaints are resolved within seven days	<p><b>Target</b></p> <ul style="list-style-type: none"> <li>100% complaints received are resolved within seven days</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>100% of complaints received resolved within 7 days</li> </ul>
	Ensure 100% compliance with National Treasury SLA	<p><b>Target</b></p> <ul style="list-style-type: none"> <li>100% compliance with National Treasury SLA</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>96% overall annual compliance</li> <li>Targeted time for reaching 100% compliance could not be achieved at this stage because not all permanent positions in the Programme have yet been filled</li> </ul>

# PROGRAMME 7: CIVIL AND MILITARY PENSIONS, CONTRIBUTIONS TO FUNDS AND OTHER BENEFITS

ANNUAL PERFORMANCE INFORMATION REPORT		2014/15
OBJECTIVE	INDICATOR	INDICATOR PERFORMANCE ANALYSIS
Improved and integrated customer service experience	Mutually beneficial partnerships with employer departments	<p><b>Target</b></p> <ul style="list-style-type: none"> <li>Undertake focused communication initiatives for injury on duty and medical insurance products with four employer departments per quarter</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>Have undertaken 16 focused communication initiatives for injury on duty and post-retirement medical subsidies with employer departments during the financial year 2014/2015</li> </ul>



# ANNUAL REPORT 2014/15

## PROGRAMME 8:

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## TECHNICAL SUPPORT AND DEVELOPMENT FINANCE



**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA

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## PROGRAMME 8: TECHNICAL SUPPORT AND DEVELOPMENT FINANCE

**Purpose:** Provide advisory services, programme management and development finance support to improve public finance management, support high-impact government initiatives, facilitate employment creation and strengthen infrastructure planning and delivery.

**Measurable objective:** Promote public and private investment in infrastructure and public services by providing technical support for organisational strengthening and capital expenditure planning. This includes advising on public-private partnerships, project management, infrastructure service delivery and financing alternatives for capital projects.

Specific aims are to:

- Build public sector capacity through diagnostic and advisory services and support for organisational development, specialised procurement, improved public finance management and programme and project implementation.
- Strengthen public finance management capacity in municipalities and support provincial treasury oversight of local government financial management.
- Promote public and private investment in city development, integrated urban networks and neighbourhood development initiatives.
- Promote innovative and partnership-based approaches to employment creation, work seeker support and enterprise development.
- Support infrastructure planning and implementation in provinces and infrastructure skills development in municipalities.

### SERVICE DELIVERY - RECENT OUTPUTS

The *Government Technical Advisory Centre (GTAC)* provides management support for programme 8, technical consulting services, specialised procurement and project management support, infrastructure advice and knowledge management in support of efficient, effective and transparent public finance management.

The Minister of Finance has transferred to GTAC the functions of the former Technical Assistance Unit, the National Capital Projects Unit, the Jobs Fund Project Management Unit and the advisory functions of the Public-Private Partnership Unit. In undertaking its advisory and project management support activities, GTAC draws on core funding provided by the National Treasury and co-funding by international donor partners, while also partially recovering professional service costs from client departments or entities. GTAC also coordinates and provides management support for programme 8, and operates a project development facility through which potential PPP projects, neighbourhood development partnership projects and employment facilitation projects are supported.

GTAC provided technical and advisory support to 93 projects during 2014/15, including support for the Department of Public Works, development of the Border Management Agency business case, advice on the broadband implementation strategy of the Department of Telecommunications and Postal Services and support for the Wild Coast economic development plan in the Eastern Cape.

Transaction support work over the past year has included ongoing assistance to the Passenger Rail Agency of South Africa (PRASA) rolling stock renewal programme, support to the Free State Department of Health for investment in independent power capacity and work on a wide range of PPP projects.

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## PROGRAMME 8: TECHNICAL SUPPORT AND DEVELOPMENT FINANCE

GTAC's long-term strategic intent is to provide a centre of excellence in policy advice and public finance management, in partnership with academic and research centres focused on public-sector management and training. Project and programme management capacity in the public sector is supported through an active 'community of practice', and innovative approaches to local economic development are supported through the Economies of Regions Learning Network. GTAC supports a research programme on employment, income distribution and inclusive growth based at the Southern African Labour and Development Research Unit at the University of Cape Town and seeks to promote public discourse and understanding of public policy, social and economic development and public finance management through publications, consultative forums and dialogue.

The Performance and Expenditure Reviews (PER) programme was initiated as a joint project of the DPME and the National Treasury. Nine PERs were completed during the year, including studies of artisan training and technical and vocational education, the National Skills Fund, land restitution and effective partnering of science councils with the private sector. The aim of the PER project is to identify options for obtaining greater value for money in public expenditure and improved alignment in the use of development and service delivery indicators for government-wide performance monitoring on the one hand and budget planning and reporting on the other.

On behalf of the National Treasury, GTAC administers the employment creation facilitation programme and the Municipal Finance Improvement Programme, and contributes to the City Support and Infrastructure Delivery Improvement Programmes of the Intergovernmental Relations Division.

Within the context of government's National Development Plan, GTAC seeks to contribute to building a capable and development-oriented state, while also strengthening capacity to work with the private sector in promoting growth, employment, infrastructure investment and public service delivery.

GTAC also maintains the Independent Power Producer Procurement Programme (IPPPP) account on behalf of the National Treasury and the Department of Energy. Revenue to the account derives from fees payable by participants in the IPP programme, and covers the administration and contract management expenses of the IPP Office.

**Local Government Financial Management Support** includes transfers to municipalities to support implementation of the MFMA and technical assistance to provincial treasuries and municipalities through the Municipal Finance Improvement Programme (MFIP). The Financial Management Grant (FMG) is a conditional grant governed by schedule 5(b) of the DoRA. It promotes and supports reforms in financial management and capacity building in municipalities to enable them to implement the MFMA. The FMG is available to all 278 municipalities. Allocated funds have been transferred during the reporting year to municipalities, all of which submitted the required financial management support plans to National Treasury. These were evaluated and feedback was provided where necessary.

Responsibility for the second phase of the MFIP, that is MFIP II, rests with the OAG: Capacity Building Chief Directorate. The programme is overseen by a Steering Committee on which the OAG and Intergovernmental Relations (IGR) divisions, and provincial treasuries, are represented. An agreement with GTAC has been concluded for the establishment of a project management unit and a project charter has been finalised to support this relationship.

The MFIP II Programme Management Unit (PMU) has been established, including appointment of a Programme Manager. 'Expression of Interest' letters were circulated to all municipalities to advise of the new programme and

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## PROGRAMME 8: TECHNICAL SUPPORT AND DEVELOPMENT FINANCE

indicate procedures to apply for assistance. A total of 57 municipalities and all the provincial treasuries responded positively to this offer of support.

*Urban Development and Support* comprises the Neighbourhood Development Partnership Grant and the Integrated Cities Development Grant, aimed at strengthening public and private investment in improved living and working conditions in townships and more spatially resilient, efficient and integrated towns and cities.

The Neighbourhood Development Programme (NDP) Unit in the IGR Division is responsible for managing the Neighbourhood Development Partnership Grant (NDPG). The Unit's approach since 2012/13, as outlined in its 2013-2018 Business Plan, is to improve funding allocation and prioritise Government investment in urban infrastructure. The NDP's Urban Network Strategy aims to optimise the package of public infrastructure investment, fiscal and regulatory development incentives and coordinated urban management of urban hubs (transit oriented nodes, in townships). This in turn is aimed at improving the quality of life of township residents and ensuring better access to services while contributing to local economic development.

To contribute to solving the urban and spatial development challenges of the National Development Plan, the Urban Network Strategy supports the spatial transformation of South Africa's larger urban centres.

The NDP Grant has a technical assistance (TA) component which is intended for network, precinct and project planning, project packaging and urban management coordination. This is managed through the GTAC project development facility account. The NDP capital grant (CG) component provides for catalytic investment in targeted township precincts. Based on the Unit's urban network methodology, 26 strategic township urban hubs (transit oriented nodes) across South Africa's eight metros and ten secondary cities have been identified. Precinct design and hub development are under way. The Unit supports each hub's sustainable development, through a pipeline of qualified catalytic projects and a multi-stakeholder urban management approach. Municipalities, through the grant, have access to intermodal transit oriented development expertise through Intersite/PRASA, as well as a capital project packaging facility (PPF) available through the DBSA.

Since its inception in 2006/7 the NDPG has registered a total of 317 projects, of which 241 township projects have been completed to the value of over R2.5 billion. There are currently 42 township projects in urban areas and 5 under construction in rural areas. The first handover phase of the NDPG's projects in rural municipalities to the Department of Rural Development and Land Reform is under way, the long term vision being to establish a rural NDPG type grant. The following two tables list the strategic nodes and urban hubs and the NDP flagship projects.

# PROGRAMME 8: TECHNICAL SUPPORT AND DEVELOPMENT FINANCE

## STRATEGIC NODES & URBAN HUBS

MUNICIPALITY	TOWNSHIP	HUB NAME
City of Johannesburg	Soweto	Jabulani Mall area
	Diepsloot	Diepsloot
Ekurhuleni	Tembisa	Tembisa Station (Intersection 2nd October/Andrew Mapheto Drive)
	Daveyton	Daveyton/Etswatwa
	Vosloorus	Katlehong/Thokoza/Vosloorus
	Kwa-Thema	Kwa-Thema/Tsakane/Duduza
City of Tshwane	Mamelodi	Denneboom Station
	Hammanskraal	Hammanskraal Station
	Mabopane	Mabopane/Soshanguve Station
	Atteridgeville	Saulsville Station
	Ga-Rankuwa	Ga-Rankuwa Hospital
Mangaung	Bloemfontein CBD	Bloemfontein CBD
Cape Town	Phillipi	Phillipi
Nelson Mandela	Ibhayi	Ibhayi Cluster
eMfuleni	Evaton	Sebokeng (Intersection of K53/Moshoeshoe and K178: (Boy Louw)
Mbombela	Tekwane South	Tekwane South
Matlosana	Jouberton	N12 separating Jouberton and Alabama (New Tower Mall)
eThekweni	Umlazi	Umlazi
	Mpumalanga	Mpumalanga town centre
	KwaMashu	KwaMashu town centre and Bridge City
Buffalo City	Mdantsane	Mdantsane town centre (Highway Node)
Rustenburg	Phokeng	Rustenburg CBD
Msunduzi	Edendale	Edendale, along Sinathiingi road
Emalahleni	Kwa-Guqa/Hlalanikahle	Witbank CBD
Newcastle	Madadeni	Madadeni/JBC/Osizweni
Polokwane	Seshego	Seshego
Sol Plaatjie	Galeshewe	Kimberley CBD/ Indian Centre
Mogale City	Kagiso/Sinquinobile cluster	Leratong Node

# PROGRAMME 8: TECHNICAL SUPPORT AND DEVELOPMENT FINANCE

## FLAGSHIP PROJECTS

MUNICIPALITY	TOWNSHIP NAME	HUB NAME	PROJECTS	CAPITAL GRANT
City of Tshwane	Ga-Rankuwa	Ga-Rankuwa Hospital	• Ga-Rankuwa walkways	R 26 633 125
	Hammanskraal	Hammanskraal CBD	• Pedestrian bridge and traders' stalls over R101	R 42 935 380
	Saulsville	Saulsville CBD	• Pedestrian bridge over the railway lines	R 32 723 718
Cape Town	Phillipi	Phillipi East	• Mitchell's Plain Link Road	R 31 926 432
			• Lentegour Public Transport Interchange: Western Forecourt	R 17 459 171
			• Stock Road rehabilitation and non-motorised Transport	R 52 048 633
Mbombela	Tekwane South	Tekwane South	• Kanyamazane road link	R 69 979 066
Matlosana	Jouberton	N12 separating Jouberton and Alabama	• Jabulani/Buitekant Street	R 28 224 879
			• Pedestrian bridge	R 21 625 000
eThekweni	Umlazi	Western Node	• Kwamnyandu Activity Bridge	R 31 891 255
			• Shezi Road public realm elements	R 30 599 375
Msunduzi	Edendale	Edendale, along Sinathiingi Road	• Thwala Road upgrade	R 20 892 712
Newcastle	Madadeni	Madadeni/JBC/Osizweni	• Osizweni secondary node walkways	R 32 527 227
			• JBC Urban Hub traffic lights and walkways	R 20 096 104
Polokwane	Seshego	Seshego	• Seshego roads upgrade	R 28 097 350
Mogale City	Kagiso/Sinquobile cluster	Leratong Node	• Upgrading of walkways along Kagiso Drive to Kagiso Mall	R 35 829 507
			• Leratong pedestrian walkways	R 10 650 589
			• Munsieville pedestrian walkways	R 20 627 548
			• Upgrading of intersection of Jacobs and Geba streets in Kagiso	R 5 107 889

## PROGRAMME 8: TECHNICAL SUPPORT AND DEVELOPMENT FINANCE

**Employment Creation Facilitation** Established by the South African government in 2011, the Jobs Fund creates jobs by supporting initiatives that generate employment in innovative ways. The Fund offers once-off grants in the areas of enterprise development, infrastructure, support for work seekers and institutional capacity building.

The Jobs Fund awards grants to organisations through a competitive project application process where only the best ideas are funded. Operating on challenge fund principles, it ensures that funding allocations are transparent, open and competitive, and are made by an independent Investment Committee. The Jobs Fund accepts applications from the private, public and non-governmental sectors during calls for proposals. Project partners are required to share both risk and costs by matching the grant fund allocation.

Since its inception in June 2011, the Jobs Fund has concluded four calls for proposals, with the fifth call for proposals currently being processed. Through the first four funding rounds the Jobs Fund has allocated R4.671 billion in grant funding to 90 approved projects. As at the end of March 2015, R2.514 billion has been disbursed to all implementing projects and these projects have to date created 47 967 new permanent jobs and placed 21 100 beneficiaries in permanent positions. It is anticipated that over the life of the portfolio of 90 projects, 130 000 new permanent jobs and 80 000 placements will be created.

The fourth call for proposals (CFP) was a 'scale-up' round where existing Jobs Fund partners (JFPs) were invited to submit new proposals for scaling up their existing projects. These JFPs needed to demonstrate that they have achieved 'proof of concept' and have drawn significant lessons from implementation. They also had to outline clearly how the initiative could be enhanced and taken to scale/replicated.

The fifth call for proposals targets the agricultural sector. The first application stage for this round, the concept note application, opened on 12 January 2015 and closed on 28 February 2015. Of the 211 applications received thirty projects have been approved by the Jobs Fund Investment Committee to submit a full business case application. Of the 90 Jobs Fund projects that have been approved, 86 have been contracted and 81 are in process of implementation. The table below depicts progress in cumulative implementation to date.

Table 10.1 - JOBS FUND IMPLEMENTATION PROGRESS (inception to date)

	INDICATORS	TARGET	ACTUAL	% TARGET REACHED
IMPLEMENTATION PROGRESS	Projects contracted as at end of March 2015	90	86	96%
	Projects reporting as at the end of March 2015	90	81	90%
	Jobs Fund grants disbursed as at the end of March 2015	R 2.868 bn	R 2.514 bn	88%
	Grantee contributions leveraged	R 2.924 bn	R3.003 bn	103%
	Total value of implementing projects	R 5.792 bn	R 5.517 bn	95%
	Permanent jobs created*	43 746	47 967	110%
	Short term jobs created*	17 648	13 648	77%
	Placements*	27 693	21 100	76%
	Beneficiaries completing internships*	9 883	10 443	106%
	Beneficiaries completing training*	88 365	98 859	112%

\* figures were not audited.

## PROGRAMME 8: TECHNICAL SUPPORT AND DEVELOPMENT FINANCE

The Jobs Fund is now entering into a phase in which evidence on how jobs have been created can be analysed. This provides an opportunity to learn and improve.

Ultimately, the results of these evaluations will produce sound best practice models and recommendations for job creation policy in South Africa.

The Jobs Fund progress against targets is on track, with all inception-to-date targets at 76% and above. The new permanent job creation indicator has exceeded target by 10%, the time-bound internship indicator by 6% and the training indicator by 12%.

The following table lists all Jobs Fund projects:

### JOBS FUND PROJECTS

PROJECT NAME	PROJECT STATUS
The Knead Bakery Training and Enterprise Initiative	Approved
Dept of Local Government: Community Works: Schools Support Programme	Approved
TUHF Jobs Fund Leveraging	Approved
Lima Rural Development Foundation (Small Holder Farmer Support Programme)	Completed
Southern African Wildlife College (The Training and Development of Unemployed Youth)	Completed
Yellowwoods Ventures Investments (Harambee)	Completed
Guarantee Trust Corporate Support Services (Work Readiness Programme for unemployed graduates)	Completed
Mercedes-Benz South Africa	Completed
HH Durrheim (A Medipost Pharmacy) Support for Work-Seekers Window	Completed
South African National Parks	Completed
Anglo Gold Ashanti	Contracted
ECDC (Trading Up) Asgisa Rural Agro Initiative	Implementing
ASGISA-EC (EC Community Forestry)	Implementing
Shanduka Black Umbrellas	Implementing
Awethu Entrepreneurship Foundation	Implementing
Project Preparation Trust KZN (Dev of Emerging Micro & Informal): eThekweni Development of Emerging Enterprises	Implementing
TechnoServe South Africa (Job Creation through Small Farmer Commercialisation)	Implementing
Economic Development in a Learning Province (Premier's Advancement of Youth)	Implementing
Red Cap Foundation(Jumpstart Jobs Fund Expansion Project)	Implementing
Fetola Foundation (Graduate Intern Programme 'GRIP')	Implementing
Child Welfare South Africa	Implementing
Buhle Farmers Academy	Implementing



## PROGRAMME 8: TECHNICAL SUPPORT AND DEVELOPMENT FINANCE

PROJECT NAME	PROJECT STATUS
Use-It (Compressed Earth Blocks)	Implementing
KZN PPHC (KwaZulu-Natal Progressive Primary Health Care)	Implementing
Cape Craft and Design Institute	Implementing
National Council for Persons with Physical Disabilities: NCPPDSA: Job Placement Agency	Implementing
The Small Enterprise Foundation	Implementing
Careers for Youth with Disabilities in South Africa (DWDE)	Implementing
Hand in hand: Job creation through enterprise development	Implementing
Manzengwenya-Mbazwana Forestry Development Programme (Lima)	Implementing
Resource Africa: Rural Based Enterprise Empowerment and Employment	Implementing
Blouberg Agricultural Development Project (Heifer)	Implementing
Soybean - Edamame Soybean Industry Establishment (Newlands Mashu)	Implementing
Ubuntu Institute for Young Social Entrepreneurs	Implementing
Swellendam Tourism Rural Empowerment Partnership	Implementing
Siyazisiza Craft Development Programme	Implementing
Phakamani: Creating Micro-Jobs for Rural Women	Implementing
Clothing Bank National Expansion	Implementing
Shanduka Black Umbrellas Pretoria Incubator	Implementing
Sabi Sand: Rural SMMEs Development and Employment Creation	Implementing
Africa Ignite: Tourist Markets ignite rural enterprise	Implementing
Timbali: 300 SMMEs in Commercial Agri-Parks for 4 495 jobs	Implementing
Awethu project Incubator	Implementing
Anglo American Zimele	Implementing
Mondi Zimele	Implementing
Akwandze Agricultural Finance (Small scale sugarcane irrigation infrastructure capitalisation project)	Implementing
SAWC: Unlocking Community Benefits through Conservation	Implementing
Owner Driver Programme (Curafin)	Implementing
Microsoft Student To Business Programme	Implementing
Microsoft BizSpark Programme	Implementing
Building of a Learning Academy	Implementing
AgriBEE Agro Processing Linkage Project (Claremont Farming)	Implementing
Hot Dog Cafe Cadet Programme	Implementing
The Cape Flats Business Hub	Implementing
SAFW: Business Partners	Implementing
Community access to wireless retail technologies (A2Pay)	Implementing
Eksteenskuil Raisin Incubator	Implementing
Milk SA Sustainable Commercialisation Smallholder Dairy	Implementing
PRIME: Programme for Industrial and Manufacturing Excellence	Implementing

## PROGRAMME 8: TECHNICAL SUPPORT AND DEVELOPMENT FINANCE

PROJECT NAME	PROJECT STATUS
Diepsloot Industrial Development Zone	Implementing
Just Veggies: Fresh and Frozen vegetable supply chain	Implementing
Atlantic: Guarantee mechanism to 'crowd in' investors	Implementing
Tongaat Hulett Sugarcane Development Initiative	Implementing
Vumela Enterprise Development Fund	Implementing
Orange Grove UHT and recapitalisation programme	Implementing
Department of Trade and Industry (the dti) (Monyetla Work Readiness Programme)	Implementing
South African National Biodiversity Institute	Implementing
Amatola Water Learning Academy	Implementing
Bioprocess and Product Development Centre	Implementing
CoachLab Leadership Skills Development Programme	Implementing
Coega Strategic Skills Development Programme	Implementing
Nissan Investment Support Programme (merged with JF2/4323)	Implementing
Development of Cashmere Fibre Industry	Implementing
Sisonke : Post Settlement Support Land Reform Projects	Implementing
MST: Metal Surface Treatment Plant	Implementing
DEDAT : WSP	Implementing
DEDAT: TDM	Implementing
DEDAT: CAPACiTI 1000	Implementing
Royal Fields	Implementing
Natural Resources Management Programme - Department of Environmental Affairs-Eco-Factories Project	Implementing
Harambee - Youth Employment Accelerator	Implementing
Heifer International South Africa (Thusanang Dairy Project)	Terminated
WDB Trust (Non-Private Sector Enterprise Development)	Terminated
Enablis Entrepreneurial Network South Africa	Terminated
Manufacture/Distribution of Efficient Cookstoves (Triple Trust)	Terminated
TEBA Limited (Mine worker and ancillary job facilitation from TEBA labour pools)	Terminated
College of Sustainable Agriculture - Karoo incubator	Terminated

**Infrastructure Development Support** provides technical support for infrastructure development planning and implementation to municipalities and provinces by providing technical expertise, advisory services and skills training, including the placement of graduate interns in local government.

The Infrastructure Skills Development Grant (ISDG) to municipalities, introduced in 2011/12, contributes to financing placement and training of graduates within the built environment disciplines. Graduates (engineering, town planning, architecture, quantity surveying, geographic information systems and project management) are supported as part of their road to professional registration while working in the local government infrastructure delivery environment.

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## PROGRAMME 8: TECHNICAL SUPPORT AND DEVELOPMENT FINANCE

The Infrastructure Delivery Improvement Programme (IDIP) underwent a review at the end of phase III. Based on this review, the design of Phase IV commenced in 2014/15. A new logical framework has been developed through a consultation process to define IDIP's goal, purpose and outputs. The focus is on institutionalising the IDMS and on building supportive capacity to improve and sustain provincial infrastructure planning, procurement and delivery management.

The implementation of the Cities Support Programme has gained momentum over the past year with extensive efforts to ensure that the projects identified at a component level (core city governance, economic development, human settlement, public transport, climate resilience and environmental sustainability) or by the cities through the Community Support Implementation Plans (CSIPs) are moving from the concept and planning stage into implementation. A report and proposed tool, 'Assessing the fiscal impacts of development', was completed during the latter part of 2014/15.

Technical assistance on catalytic projects was initiated earlier in 2014/15. To date the Urban Land Institute expert panels have reviewed project concepts for the Voortrekker Road Corridor (Cape Town), Sleeper Site (Buffalo City Municipality) and Warwick Junction (eThekweni). This work supports the development and implementation of catalytic projects by the cities and is a critical component of the technical assistance programme.

Through a meeting held with mayors of the metropolitan municipalities, cities committed to accelerating the preparation and implementation of catalytic projects. A fiscal support package was agreed upon.

Work on the establishment of the cities Project Preparation Facility (PPF) has continued and a draft policy framework for the PPF has been developed.

# PROGRAMME 8: TECHNICAL SUPPORT AND DEVELOPMENT FINANCE

ANNUAL PERFORMANCE INFORMATION REPORT		2014/15
OBJECTIVE	INDICATOR	INDICATOR PERFORMANCE ANALYSIS
Establishment of programme management office GTAC.	Programme office development. Governance and programme reports.	<p><b>Target</b></p> <ul style="list-style-type: none"> <li>Strengthen programme office and coordinate budget and donor funding</li> <li>Comply with governance and reporting requirements</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>Programme 8 and GTAC 01 -Q4 report and strategic plan for 2015 MTEF compiled</li> <li>Narrative report compiled will be available in 1st Quarter of 2015/16</li> <li>Annual output and variance: Programme 8 office coordination function continues to be performed by GTAC</li> <li>The Programme Office was strengthened through quarterly management committees held to coordinate budget and donor funding. This was by complying with the governance and reporting requirements through quarterly narrative reports that indicate financial and governance compliance</li> <li>A publishable 2014/15 annual report will be available by the end second quarter of the 2015/16 financial year</li> </ul>
	GTAC established	<p><b>Target</b></p> <ul style="list-style-type: none"> <li>Further develop GTAC's capacity and advisory service products</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>Annual output and variance: Completion of GTAC financial management and HR transition deferred to 2015/16</li> <li>Second phase of organizational HR transfer implemented wef 1 April 2015. Approval received to transfer employees after the secondment period to GTAC</li> <li>Financial reporting for GTAC provided on a quarterly basis as part of the narrative reports. Financial Statements will be provided under the Annual Report for GTAC and Programme 8</li> <li>The deferral of HR and financial arrangements will be addressed for finalization during the 2015/16 financial year, to be completed by 31 March 2016</li> </ul>
National capital projects appraisal and expenditure reviews	Project appraisals and economic assessment of policy and programmes	<p><b>Target</b></p> <ul style="list-style-type: none"> <li>Perform three to five project appraisals</li> <li>Strengthen major capital project appraisal capacity</li> <li>Develop framework for private finance in support of infrastructure investment</li> <li>Undertake five to ten performance and expenditure reviews</li> </ul>

# PROGRAMME 8: TECHNICAL SUPPORT AND DEVELOPMENT FINANCE

ANNUAL PERFORMANCE INFORMATION REPORT OBJECTIVE	INDICATOR	2014/15 INDICATOR PERFORMANCE ANALYSIS
Support for public-private partnership (PPP) and major capital project transactions	<p>PPP and capital projects supported : Other projects</p> <p>PPP and capital projects supported: Hospital revitalisation</p> <p>PPP and capital projects supported: Passenger Rail Agency of South Africa (PRASA rolling stock</p> <p>PPP and capital projects supported: Renewable energy independent power producer (REIPP) programme</p>	<p><b>Actual</b></p> <ul style="list-style-type: none"> <li>• 13 project assessment reports</li> <li>• Research on transport appraisal methodologies</li> <li>• Report on development of investment framework</li> <li>• Performed four project appraisals</li> <li>• Strengthened major capital project appraisal capacity</li> <li>• Developed a framework for private finance in support of infrastructure investment</li> <li>• Completed nine Performance and expenditure reviews</li> </ul> <p><b>Deviation</b></p> <ul style="list-style-type: none"> <li>• More project assessments done, but a number of these were smaller and related to Eskom and energy sector, which is atypical</li> <li>• Methodology adopted takes 4-6 months to complete one review, 8-10 reviews are done simultaneously</li> <li>• Other transaction advisory projects supported; quarterly report on new projects registered; progress on ongoing projects</li> <li>• No variance</li> </ul> <p><b>Target</b></p> <ul style="list-style-type: none"> <li>• Phased implementation of the hospital renewal and PPP support programme</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>• Feasibility studies completed as part of the first phase, waiting to proceed to implementation</li> <li>• This project is off the list pending the final decision by DoH</li> </ul> <p><b>Target</b></p> <ul style="list-style-type: none"> <li>• Ongoing monitoring and support provided for the implementation of PRASA rolling stock programme</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>• Quarterly reports indicating that PRASA rolling stock programme is on track to meet quarterly targets</li> <li>• No variance</li> </ul> <p><b>Target</b></p> <ul style="list-style-type: none"> <li>• REIPP 3rd round and preparations for further support to DoE large power producer projects</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>• Quarterly reports on progress linked to project life-cycle</li> </ul>

# PROGRAMME 8: TECHNICAL SUPPORT AND DEVELOPMENT FINANCE

ANNUAL PERFORMANCE INFORMATION REPORT		2014/15
OBJECTIVE	INDICATOR	INDICATOR PERFORMANCE ANALYSIS
Technical support: institutional strengthening and project management	Number of technical assistance projects supported	<p><b>Target</b> 100</p> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>93 projects supported. This number is determined by demand, and also approval was given for a larger number of projects than could be achieved. Though the number of projects supported is lower than anticipated this has much to do with the scalability of projects. This impacts on the number of projects supported</li> </ul>
	Percentage of clients who have observed capacity improvement	<p><b>Target</b></p> <ul style="list-style-type: none"> <li>85%</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>The annual average for this indicator was 90.625% for internal as well as external clients. In Q4 96% of external clients and 87.2 % of internal clients, an average of 92%, observed capacity improvement. This data was derived from client satisfaction surveys, feedback and evaluations completed</li> </ul>
	Number of knowledge products related to capacity building	<p><b>Target</b></p> <ul style="list-style-type: none"> <li>10 knowledge products (learning networks, communities of practice, case studies, learning sessions and knowledge exchange)</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>Seven sessions and two products were conducted/produced in Q4. For the financial year end 2014/15 a total of 31 products and sessions were conducted and developed</li> </ul> <p><b>Deviation</b></p> <ul style="list-style-type: none"> <li>The knowledge products and sessions are needs and opportunity driven which resulted in more sessions than planned</li> </ul>

# PROGRAMME 8: TECHNICAL SUPPORT AND DEVELOPMENT FINANCE

ANNUAL PERFORMANCE INFORMATION REPORT		2014/15
OBJECTIVE	INDICATOR	INDICATOR PERFORMANCE ANALYSIS
Municipal financial skills development and capacity building to support implementation of MFMA	Audit action plans developed and implemented	<p><b>Target</b></p> <ul style="list-style-type: none"> <li>All municipalities (278)</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>There were 203 municipal audit action plans developed to address 2013/14 audit findings as at 28 February 2015. The remaining action plans are in the process of being developed</li> </ul> <p><b>Deviation</b></p> <ul style="list-style-type: none"> <li>The remaining 75 municipal audit action plans are in the process of being developed which is dependent on issuance of audit opinion by the Auditor-General</li> </ul>
	Municipal compliance with Budget and Treasury Office, supply chain management, internal audit and audit committee requirements	<p><b>Target</b></p> <p>Implement municipal financial management capacity assessment</p> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>The FMCM for municipalities was undertaken in 73 percent of municipalities at the end of March 2015, other assessments continuing in April 2015</li> <li>Delay experienced in the completion of assessment and rollout by municipalities due to other commitments expressed by municipal officials. Outstanding assessments will be followed up during April and May 2015</li> <li>Due to circumstances outside of the set target a variance occurred and should be noted</li> </ul>
	Number of interns appointed to municipalities	<p><b>Target</b></p> <ul style="list-style-type: none"> <li>1 390</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>1286 interns appointed</li> </ul> <p><b>Deviation</b></p> <ul style="list-style-type: none"> <li>Variance due to absorption of interns into permanent positions at municipalities and interns leaving for other opportunities</li> </ul>
	Number of municipalities assisted through Municipal Finance Improvement Project (MFIP)	<p><b>Target</b></p> <ul style="list-style-type: none"> <li>Financial management capability maturity assessments in all municipalities</li> </ul>

# PROGRAMME 8: TECHNICAL SUPPORT AND DEVELOPMENT FINANCE

ANNUAL PERFORMANCE INFORMATION REPORT		2014/15
OBJECTIVE	INDICATOR	INDICATOR PERFORMANCE ANALYSIS
Municipal financial skills development and capacity building to support implementation of MFMA	Number of municipalities assisted through Municipal Finance Improvement Project (MFIP)	<p><b>Actual</b></p> <ul style="list-style-type: none"> <li>The FMCMM assessment was undertaken in 73% of 278 municipalities</li> <li>Second round of municipalities identified for support. 33 potential service providers invited to submit proposals. Interviews conducted 23 – 27 February 2015 and further seven advisors appointed commencing March 2015. In total 16 municipal advisors appointed and two Standard Chart of Accounts (SCOA) advisors appointed</li> <li>Phase 1 of the MFIP ended 31 March 2014. Wind-down of phase 1 and planning for MFIP II. Initial round of placements in municipalities in Q3 and Q4</li> </ul>
Assistance to metropolitan municipalities to develop more inclusive, productive built environments	Number of spatial transformation zones identified in participating municipalities	<p><b>Target</b></p> <ul style="list-style-type: none"> <li>12</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>Metropolitan municipalities have submitted their council approved built environment performance plans for the 2014/15 year. Across the 8 Built Environment Performance Plans, 14 integration zones were identified as prioritised areas for spatially targeting both public and private sector investment</li> </ul>
	Number of projects within identified zones identified for planning	<p><b>Target</b></p> <ul style="list-style-type: none"> <li>8</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>12 projects were identified in Quarter 2 for planning and are currently in different stages of planning</li> </ul>
	Number of integrated city development projects under implementation	<p><b>Target</b></p> <ul style="list-style-type: none"> <li>2</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>3 integrated catalytic projects are currently under implementation in the integration zones</li> </ul>
Support for neighbourhood development planning and projects that provide catalytic infrastructure that attracts third-party investment in township development	Long-term urban regeneration programmes registered (cumulative)	<p><b>Target</b></p> <p>13</p> <p><b>Actual</b></p> <p>The Programme registered 13 long term urban regeneration programmes during 2014/15</p>



# PROGRAMME 8: TECHNICAL SUPPORT AND DEVELOPMENT FINANCE

ANNUAL PERFORMANCE INFORMATION REPORT		2014/15
OBJECTIVE	INDICATOR	INDICATOR PERFORMANCE ANALYSIS
	Total number of catalytic projects approved (cumulative)	<p><b>Target</b></p> <ul style="list-style-type: none"> <li>• 320</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>• Cumulative number of catalytic projects approved is 317. Due to extended timeframes to finalise precinct plans (urban hubs) to a sufficient level of detail to identify catalytic projects, there has been a delay in identifying the targeted number</li> </ul> <p><b>Deviation</b></p> <ul style="list-style-type: none"> <li>• 3 catalytic projects under way. Due to the revised NDPG approach – i.e. the Urban Network Strategy, the NDP is working with a reduced 18 municipalities. These municipalities are not just doing projects, but planning at a city-wide and precinct level. Due to longer timeframes to finalise precinct plans (urban hubs) to a sufficient level of detail whereby catalytic projects are identified, there has been a delay in identifying the targeted number of projects</li> </ul>
	Number of Neighbourhood Development Partnership Grant projects under construction	<p><b>Target</b></p> <ul style="list-style-type: none"> <li>• 40</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>• 42 Development Partnership Grant projects under construction achieved</li> </ul> <p><b>Deviation</b></p> <ul style="list-style-type: none"> <li>• 2 NDPG projects under construction. Due to the nature and scale of projects in the 18 urban municipalities, there are multiple multi-year capital projects. In addition new catalytic projects in precincts have been approved to proceed to construction. Hence, there are both new projects and projects on the ground.</li> <li>• In the current financial year, there are an additional two projects</li> </ul>
	Estimated third-party investment leveraged (cumulative)	<p><b>Target</b></p> <ul style="list-style-type: none"> <li>• R 2 400 million</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>• R 2 494 million third-party investment leveraged</li> </ul> <p><b>Deviation</b></p> <ul style="list-style-type: none"> <li>• R 6 million. Leverage is estimated. It is only tracked and reported by municipalities through the Unit's Management Information System. This is a best effort estimate</li> </ul>

# PROGRAMME 8: TECHNICAL SUPPORT AND DEVELOPMENT FINANCE

ANNUAL PERFORMANCE INFORMATION REPORT		2014/15
OBJECTIVE	INDICATOR	INDICATOR PERFORMANCE ANALYSIS
Loan to Gauteng Province as contribution to financing of Gautrain project	Loan repaid	<p><b>Target</b></p> <ul style="list-style-type: none"> <li>• Instalment made</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>• R1 551 m, made up of R840 m capital and R711 m interest was paid in April</li> </ul>
Contribution to learning and innovation in development, employment creation and inclusive growth	Jobs Fund evaluation reports documented and learning about effective approaches to job creation disseminated	<p><b>Target</b></p> <ul style="list-style-type: none"> <li>• Two comparative analysis studies (reviews) completed and one learning forum</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>• Second newsletter to be published during April 2015. Jobs Fund articles published in Programme 8 Newsletter presented to Parliament in March 2015</li> </ul>
	Employment, income distribution and inclusive growth research project	<p><b>Target</b></p> <ul style="list-style-type: none"> <li>• 10 to 15 research papers contracted, 4 workshops and 1 policy conference</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>• Workshops were held on the informal sector and inclusive growth</li> </ul>
	Number of projects approved (cumulative)	<p><b>Target</b></p> <ul style="list-style-type: none"> <li>• 20</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>• The delay experienced by DBSA in contracting the 3rd CFP projects implied that there was no capacity to open a new general funding round. Therefore the anticipated additional 20 new projects did not materialise. A scale-up funding round for existing Jobs Fund Partners was opened in October 2014. This yielded only 2 new projects. Cumulative (inception to date) number of projects approved is 89</li> </ul>
Jobs Fund: support for 150 projects and creation of 150 000 sustainable jobs	Grant funding approved (cumulative)	<p><b>Target</b></p> <ul style="list-style-type: none"> <li>• R1 155 million</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>• R1 571 million funding was approved in the current year. The grant funding target was informed by the anticipated 20 additional projects that a new funding round would yield; thus the achieved amount for the approved two new projects is much less. Cumulative (inception to date) grant funds approved: R4 661 bn</li> </ul>
	Value of matched funding	<p><b>Target</b></p> <ul style="list-style-type: none"> <li>• R1 000 million</li> </ul>

# PROGRAMME 8: TECHNICAL SUPPORT AND DEVELOPMENT FINANCE

ANNUAL PERFORMANCE INFORMATION REPORT OBJECTIVE	INDICATOR	2014/15 INDICATOR PERFORMANCE ANALYSIS
	New jobs contracted (cumulative)	<p><b>Actual</b></p> <ul style="list-style-type: none"> <li>The current year value of funding matched amounted to R3 587 million. The potential matched funding leveraged from the 2 new approved projects is less than anticipated if the Jobs Fund PMU had been able to approve 20 new projects. Cumulative (inception to date) planned contributions to be leveraged from the portfolio of 89 projects is R6 823bn</li> </ul> <p><b>Target</b></p> <ul style="list-style-type: none"> <li>30 000</li> </ul>
	Placements contracted (cumulative)	<p><b>Actual</b></p> <ul style="list-style-type: none"> <li>The change in the format of reporting (i.e. recording only annual, not cumulative, performance) has led to recording our performance differently. The two new approved projects will not yield new jobs, i.e. jobs that did not exist before. However cumulatively (inception to date) the Fund has contracted for 132 725 new permanent jobs against a target of 150 000</li> </ul> <p><b>Target</b></p> <ul style="list-style-type: none"> <li>7 000</li> </ul>
	Training contracted (cumulative)	<p><b>Actual</b></p> <ul style="list-style-type: none"> <li>Number of NEW Placements is 30 357 placement contracts</li> <li>The two new approved projects have been contracted to deliver 30 357 placements. This was more than anticipated. Cumulatively (inception to date) the Fund has contracted for 84 513 placements</li> </ul> <p><b>Target</b></p> <ul style="list-style-type: none"> <li>11 915</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>42 957 NEW training placements:</li> <li>The two new projects have a contracted target of 42 957, more than originally anticipated. This is because it cannot be known upfront what type of project applications will be received, or which applications will be approved by the Investment Committee. Cumulatively (inception to date) the Fund has contracted for 204 566 training opportunities</li> </ul>

# PROGRAMME 8: TECHNICAL SUPPORT AND DEVELOPMENT FINANCE

ANNUAL PERFORMANCE INFORMATION REPORT		2014/15
OBJECTIVE	INDICATOR	INDICATOR PERFORMANCE ANALYSIS
Jobs Fund: support for 150 projects and creation of 150 000 sustainable jobs	Value of grant funding disbursed (cumulative)	<p><b>Target</b></p> <ul style="list-style-type: none"> <li>• R1 300 million</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>• Total grant funds disbursed for the year amounted to R1 504 bn. The variance is due to special initiatives undertaken to reduce the disbursement backlog</li> </ul>
Infrastructure delivery capacity improvement in municipalities	Number of graduates trained in line with the relevant statutory body requirements in engineering, town planning, geographic information systems and project management	<p><b>Target</b></p> <ul style="list-style-type: none"> <li>• 350</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>• The annual target is 350, however, municipalities recruited a total of 424 graduates. The number of graduates decreased from 436 to 424 as some were inappropriately placed on the programme and some resigned, thus leading to a positive variance of 74</li> </ul>
	Number of technical assistants deployed in participating departments to support the development of capacity in line with the infrastructure delivery management system (IDMS)	<p><b>Target</b></p> <ul style="list-style-type: none"> <li>• 31</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>• Out of the annual target of 31 technical assistants deployed a total of 14 were procured</li> <li>• The remainder were not procured and deployed due to the finalization of the planning and design for IDIP Phase IV</li> </ul>
	Number of officials trained on the infrastructure delivery management (IDM) toolkit to support improved infrastructure delivery in provinces	<p><b>Target</b></p> <ul style="list-style-type: none"> <li>• 150</li> </ul> <p><b>Actual</b></p> <ul style="list-style-type: none"> <li>• 340 officials trained. This training is demand driven and provincial demand exceeded the target with a positive variance of 190</li> </ul>

# ANNUAL REPORT 2014/15

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## ANNUAL FINANCIAL STATEMENTS



**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA

# ANNUAL REPORT 2014/15

## NATIONAL TREASURY VOTE 10 ANNUAL FINANCIAL STATEMENTS For the year ended 31 March 2015

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**national treasury**  
Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA

# ANNUAL REPORT 2014/15

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## REPORT OF THE AUDIT COMMITTEE



**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA

## REPORT OF THE AUDIT COMMITTEE

For the year ended 31 March 2015

We are pleased to present our report for the financial year ended 31 March 2015.

### AUDIT COMMITTEE MEMBERS AND ATTENDANCE

The Audit Committee consists of the members listed hereunder who have met as reflected below, in line with its approved terms of reference.

Name of member	*Number of meetings attended
Mr Vuyo Jack (Chairperson)	3 of 7
Ms Octavia Matloa	5 of 7
Mr Hemant Bhoola	7 of 7
Mr Joe Lesejane*	6 of 7
Mr Zach Le Roux	4 of 7
Ms Berenice Francis	2 of 7

*\*Mr Joe Lesejane was the Acting Chairperson in meetings where the Chairperson Mr Vuyo Jack was not available.*

### AUDIT COMMITTEE RESPONSIBILITY

The Audit Committee reports that it has complied with its responsibilities arising from section 77 and 38(1)(a) of the PFMA and Treasury Regulation 3.1.

The Audit Committee also reports that it has adopted appropriate formal terms of reference as its audit committee charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

### THE ADEQUACY, RELIABILITY AND ACCURACY OF THE FINANCIAL INFORMATION PROVIDED TO MANAGEMENT AND OTHER USERS OF SUCH INFORMATION

The Audit Committee is of the opinion, based on the information and explanations provided by management as well as the results of audits performed by the internal auditors, and the Auditor-General, that the financial information provided to management and other users of such information is adequate, reliable and accurate.



## REPORT OF THE AUDIT COMMITTEE

For the year ended 31 March 2015

### THE EFFECTIVENESS OF INTERNAL CONTROL

From the various reports of the Internal Auditors, the External Audit Report on the Annual Financial Statements and the management letter of the Auditor-General, it was noted that no significant or material non-compliance with prescribed policies and procedures have been reported. We do note however findings raised by both Internal and External Auditors in the area of Performance Information which management must attend to. We can report that the system of internal control for the period under review was generally effective. However, attention is drawn to the following areas of concern:

- The Integrated Financial Management System has not been rolled out as per the original timeline. This system is developed in collaboration with the Department of Public Service and Administration (DPSA) and the State Information Technology Agency (SITA). Based on the revised approach, the system will be configured and rolled out at lead sites followed by a roll-out to the rest of government.
- Unsatisfactory IT control environment that is being addressed through critical IT projects such as the implementation of the IT governance framework, network upgrade and security monitoring.
- The lack of controls in the CIVPEN system to adequately and effectively mitigate the risks associated with the administration of pensions by Programme 7.

Other than these matters, nothing significant has come to the attention of the Audit Committee to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

### THE EFFECTIVENESS OF INTERNAL AUDIT

The Audit Committee received a wide variety of audit reports from the internal auditors and is of the opinion that internal audit is effective in the fulfillment of their mandate. We are satisfied with the activities of the internal audit function, including its annual work programme, co-ordination with the external auditors, the reports of significant investigations and the responses of management to specific recommendations. We also have noted the results of the External Quality Assurance review conducted every 5 years that the Internal Audit Function underwent in the year under review, which gave them the General Conformance rating in terms of their operations in compliance with Standards for the Professional Practice of Internal Audit (SPPIA).

### THE RISK AREAS OF THE INSTITUTION'S OPERATIONS

There is a Risk Management Committee that meets on a regular basis and shares its reports with the Audit Committee. A risk register is kept and updated continuously to ensure that all the major risks facing the programs and entities under the National Treasury are recorded. The risk management system will be subject to an internal audit in the coming year.

## REPORT OF THE AUDIT COMMITTEE

For the year ended 31 March 2015

### **ACCOUNTING AND AUDITING CONCERNS IDENTIFIED AS A RESULT OF INTERNAL AND EXTERNAL AUDITS**

No additional accounting concerns have been reported.

### **THE INSTITUTION'S COMPLIANCE WITH LEGAL AND REGULATORY PROVISIONS**

The Audit Committee has noted the in-year management and monthly/quarterly reports submitted in terms of the Act and the Division of Revenue Act and is satisfied with the quality thereof.

### **EVALUATION OF FINANCIAL STATEMENTS**

The Audit Committee has evaluated the annual financial statements of the National Treasury for the year ended 31 March 2015 and, based on the information provided to the Audit Committee, concurs and accepts the Auditor-General's conclusions on the annual financial statements, and is of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor-General.



.....  
Joe Lesejane

Acting Chairperson of the Audit Committee

Date: 29 July 2015

# ANNUAL REPORT 2014/15

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## REPORT OF THE ACCOUNTING OFFICER



**national treasury**  
Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA

# REPORT OF THE ACCOUNTING OFFICER

For the year ended 31 March 2015

## 1. GENERAL REVIEW OF THE STATE OF FINANCIAL AFFAIRS

### 1.1 STRATEGIC OVERVIEW

The role of the National Treasury (NT) is defined in chapter 13 of the Constitution. As set out in the Public Finance Management Act (1999) as well as other laws governing financial and fiscal affairs, the legislative mandate of the NT is to promote the national government's fiscal policy and the coordination of macroeconomic policy; ensure the stability and soundness of the financial system and financial services; coordinate intergovernmental financial and fiscal relations; manage the budget preparation process; and enforce transparency and effective management in respect of revenue and expenditure, assets and liabilities, public entities and constitutional institutions.

The National Treasury is the custodian of the nation's financial resources, and we hold ourselves accountable to the nation to discharge our responsibilities professionally and with humility, with the aim of promoting growth and prosperity for all. As mandated by the Executive and Parliament, the National Treasury will continue to support the optimal allocation and utilisation of financial resources in all spheres of government to reduce poverty and vulnerability among South Africa's most marginalised. Government's 2014-2019 medium term strategic framework directs government to invest in infrastructure development, create jobs, transform South Africa to a low carbon economy, and bring about social transformation and unity. In this regard, the National Treasury will remain steadfast in assessing public expenditure and align the budget to achieving the outcomes of the 2014-2019 medium term strategic framework. In the period under review, Government Gazette no. 38354 was issued on 19 December 2014 confirming the transfer of function relating to South African Airways (SAA) by the President from the Minister of Public Enterprise to the Minister of Finance. Significant strides have been made to adopt intervention strategies that will turnaround SAA into a more stable and sustainable state owned company.

More detailed discussions of the activities and outcomes of the National Treasury are set out in the chapters of this report dealing with programme performance and expenditure.

### 1.2 INFRASTRUCTURE SPENDING

#### Neighbourhood Development Partnership grant projects

Neighbourhood development partnership grant supports municipalities to plan, catalyse and invest in targeted locations in order to attract and sustain third party capital investments aimed at spatial transformation and that will improve the quality of life and the levels of access to opportunity for residents in South Africa's under-served neighbourhoods, generally townships in conceptualising and implementing long-term township regeneration programmes, with an emphasis on enabling and complementing private-sector investment in urban development. Hence, the sub-programme aims to improve the quality of life of people living and working in townships by eradicating spatial inequality and to help facilitate the creation of liveable, sustainable, resilient, efficient and integrated towns and cities.

## REPORT OF THE ACCOUNTING OFFICER

For the year ended 31 March 2015

Based on the Unit's urban network methodology, 26 strategic township urban hubs (transit oriented nodes) across South Africa's eight Metros and ten secondary cities have been identified and precinct design and hub development are underway. On the period under review, the NDPG has registered a cumulative total of 15 long-term urban regeneration programmes, registered a cumulative total of 317 catalytic projects and has 42 urban NDPG projects under construction. As at 31 March 2015, R4,000 million of capital investment has been provided to municipalities and the programme has completed and closed 241 catalytic projects, which are valued at more than R2,500 million, which has leveraged a cumulative total of R2 492 million in estimated third party investment.

### Large NDPG projects

The list below represents a qualified list of projects from 2014/15 and includes, in some cases, multi-year capital projects some of which span into 2015/16.

MUNICIPALITY	TOWNSHIP NAME	HUB NAME	PROJECTS	CAPITAL GRANT
City of Tshwane	Ga-Rankuwa	Ga-Rankuwa Hospital	• Garankuwa walkways	R 26 633 125
	Hammanskraal	Hammanskraal CBD	• Pedestrian Bridge and Trader's stall over R101	R42 935 380
	Saulsville	Saulsville CBD	• Pedestrian Bridge over the railways lines	R 32 723 718
Cape Town	Phillipi	Phillipi East	• Mitchels Plain Link Road • Lenteguur PTI: Western Forecourt • Stock Road Rehabilitation & NMT	R 31 926 432 R 17 459 171 R 52 048 633
Mbombela	Tekwane South	Tekwane South (FH)	• Kanyamazane Road Link	R 69 979 066
Matlosana	Jouberton	N12 separating Jouberton & Alabama	• Jabulani / Buitekant Street • Pedestrian Bridge	R 28 224 879 R 21 625 000
eThekweni	Umlazi	W Node	• Kwamnyandu Activity Bridge • Shezi Road Public Realm Elements	R 31 891 255 R 30 599 375
Msunduzi	Edendale	Edendale, along Sinathiingi road	• Thwala Road Upgrade	R 20 892 712
Newcastle	Madadeni	Madadeni/JBC/Osizweni	• Osizweni Secondary Node Walkways • JBC Urban Hub Traffic Lights and Walkways	R 32 527 227 R 20 096 104
Polokwane	Seshego	Seshego	• Seshego Roads Upgrade	R 28 097 350
Mogale City	Kagiso/Sinquobile cluster	Leratong Node	• Upgrading of Walkways Along Kagiso Drive to Kagiso Mall • Leratong Pedestrian Walkways • Munsieville Pedestrian Walkways • Upgrading of intersection of Jacobs and Geba streets in Kagiso	R 35 829 507 R 10 650 589 R 20 627 548 R 5 107 889

## REPORT OF THE ACCOUNTING OFFICER

For the year ended 31 March 2015

### Integrated Financial Management System

The National Treasury continues to develop the integrated financial management system, which will replace its existing legacy systems. Since inception, R1.2 billion has been expended on developing the financial management, supply chain management, human resource management, payroll and related business intelligence modules, which have been piloted at lead sites, including National Treasury, the Free State Department of Education and Limpopo Department of Health. A revised approach on the solution architecture of the system was endorsed by Cabinet in 2013/14. This is aimed at fast tracking completion of the project and may call for an increase in expenditure in the future. However, spending on the project is expected to remain within the R3.2 billion allocated to it. As part of the revision process, a tender was issued in the 2013/14 financial year for commercial off-the-shelf solution. In order to improve governance and overall performance of the project, a programme management office was established.

### 1.3 ANNUAL APPROPRIATION AND VOTE STRUCTURE

The total appropriation for the National Treasury for the year ended 31 March 2015 amounted to R26.7 billion (2013/14: R25.2 billion) and is divided into the following main components: the operational budget, transfers and payments for financial assets. Operational budget amounted to R1.6 billion (2013/14: R1.6 billion), and comprised R693 million (2013/14: R658 million) for compensation of employees, R951 million (2013/14: R942 million) for goods and services and R22 million (2013/14: R28 million) for the acquisition of capital assets.

The transfers budget of R21 billion (2013/14: R20 billion) included transfers to municipalities, universities, departmental agencies and foreign institutions; and payments of post-retirement benefits for a specific category of former employees and members of liberation movements. The remaining funding of R3.6 billion (2013/14: R3.2 billion) was for the recapitalisation of the Land, Post Bank and Agricultural Development Bank of South Africa, as well as purchase of shares from the African Development Bank and the World Bank.

### 1.4 VIREMENT

The virement of R13.133 million, from Programme 8 to Programme 7, is made to supplement the payment towards the obligation of the Non-Statutory Forces (NSF) to reach the R737 million per annum payment plan agreed with the Government Employees Pension Fund. The department could not allocate a budget of R737 million for 2014/15 during the budgeting processes but had anticipated that the budget would be augmented with savings mainly from the post-retirement medical benefits.

### 1.5 PROGRAMME STRUCTURE

There are ten programmes which fall under Vote 10: *The National Treasury: Administration; Economic Policy, Tax and Financial Regulation and Research; Public Finance and Budget Management; Asset and Liability Management; Financial Accounting and Supply Chain Management Systems; International Financial Relations; Civil and Military Pensions; Contributions to Funds and Other Benefits; Technical Support and Development Finance; Revenue Administration; and Finance Intelligence and State Security.*

## REPORT OF THE ACCOUNTING OFFICER

For the year ended 31 March 2015

Refer to the Notes to the Appropriation Statement for the reasons for variances between the financial appropriation and actual expenditure.

*Administration* provides leadership and strategic management, and continues its commitment to and responsibility for the overall institutional management of and support to the entire department. This is achieved by ensuring that activities carried out by the department are in harmony with its strategy and structure and in compliance with the relevant legislation and best practices. The programme consists of the *Ministry, Departmental Management, Corporate Services, Enterprise Wide Risk Management, Financial Administration, Legal Services, Internal Audit, Communications and Office Accommodation*.

The total appropriation for this programme amounted to R372 million (2013/14: R335 million). Expenditure incurred on compensation of employees was R166 million (2013/14: R144 million), goods and services R179 million (2013/14: R154 million), transfers R4.3 million (2013/14: R3.5 million) and capital expenditure R13 million (2013/14: R17 million).

*Economic Policy, Tax, Financial Regulation and Research* provides specialist policy research, analysis and advisory services in the areas of macroeconomics, microeconomics, taxation, the financial sector and regulatory reform in order to promote economic growth, employment and macroeconomic stability. The programme also focuses on policy formulation and the drafting of legislation in support of government's economic policy. The programme consists of five sub-programmes: *Management, Research, Financial Sector Policy, Tax Policy and Economic Policy*.

The total appropriation for this programme amounted to R134 million (2013/14: R134 million). Expenditure incurred on compensation of employees was R71 million (2013/14: R67 million), goods and services R26 million (2013/14: R30 million), transfers R28 million (2013/14: R27 million) and capital assets R0.4 million (2013/14: R0.4 million).

*Public Finance and Budget Management* provide analysis and advice on fiscal policy and public finances, intergovernmental financial relations and expenditure planning and priorities. It manages the annual budget process and provides public finance management support. These activities are organised into three sub-programmes: *Public Finance, Budget Management and Intergovernmental Relations*.

The total appropriation for this programme amounted to R260 million (2013/14: R226 million). Current expenditure incurred totalled R198 million (2013/14: R171 million) and mainly consisted of compensation of employees R175 million (2013/14: R144 million) and goods and services R23 million (2013/14: R27 million). Transfers amounted to R45 million (2013/14: R41 million). Payment for capital assets amounted to R1 million (2013/14: R0.9 million).

*Asset and Liability Management* is responsible for managing government's annual funding programme in a manner that ensures access to global and domestic markets, prudent cash management and an optimal portfolio of debt and other fiscal obligations. It is also responsible for exercising effective oversight over state-owned enterprises to enable the achievement of government's policy objectives in a financially and fiscally sustainable manner. There are six sub-programmes: *Programme Management, Oversight and Governance of State Owned Enterprises, Government Debt Management, Financial Operations, Strategy and Risk Management and Financial Investments*.

## REPORT OF THE ACCOUNTING OFFICER

For the year ended 31 March 2015

The total appropriation amounted to R3.3 billion (2013/14: R3 billion). Total expenditure incurred amounted to R3.1 billion (2013/14: R3 billion) and mainly consisted of compensation of employees R69 million (2013/14: R63 million), goods and services R20 million (2013/14: R23 million) and payments for capital expenditure R0.3 million (2013/14: R0.4 million). Payment for financial assets amounted to R3 billion (2013/14: R2.9 billion).

*Financial Accounting and Supply Chain Management Systems promotes and enforces transparency, economic and effective management of revenue, expenditure, and assets and liabilities and supply chain processes in the public sector. It also provides policy that regulates supply chain management processes and financial management; monitors and enhances compliance in respect of supply chain management processes in all spheres of government; facilitates and manages transversal term contracts; and maintains and improves existing financial systems by replacing out-dated systems to comply with the Public Finance Management Act (PFMA) (1999) and the Generally Recognised Accounting Practice (GRAP). There are seven sub-programmes: Management, Office of Chief Procurement Officer, Financial Systems, Financial Reporting for National Accounts, Financial Management Policy and Compliance Improvement, Audit Statutory Bodies and Service Charges: Commercial Banks.*

The total appropriation for this programme amounted to R770 million (2013/14: R733 million). Total expenditure incurred totalled R732 million (2013/14: R708 million) and comprised compensation of employees R158 million (2013/14: R150 million) and goods and services R462 million (2013/14: R472 million). Capital expenditure amounted to R4 million (2013/14: R2 million). Transfer payments amounted to R107 million (2013/14: R85 million).

*International Financial Relations facilitates the deepening of South Africa's role in regional and international economic integration and advances South Africa's national economic interests through regular strategic analysis, engagement and negotiation at financial and economic forums. The programme relates to Programme 6 and is made up of a single division, *International and Regional Economic Policy* (IREP), with two chief directorates: International Finance and Development (IFD) and Africa Economic Integration (AEI). The programme is made up of five sub-programmes: *Management, International Economic Cooperation, African Integration and Support, International Development Funding Institutions and International Projects.**

The total appropriation for this programme amounted to R1.2 billion (2013/14: R1.1 billion). Total expenditure incurred amounted to R1.2 billion (2013/14: R1.1 billion) and consisted of compensation of employees R26 million (2013/14: R22 million) and goods and services R9.3 million (2013/14: R21 million). Transfer payments amounted to R788 million (2013/14: R710 million). Payment for capital assets amounted to R0.1 million (2013/14: R0.3 million).

*Civil and Military Pensions, Contributions to Funds and Other Benefits provides for non-contributory pensions and post-retirement medical benefits to former government employees and retired members of the military, and the payment of compensation benefits to government employees in respect of temporary, total or partial disablement.*

The total appropriation for this programme amounted to R3.7 billion (2013/14: R3.5 billion). Total expenditure for the period under review amounted to R3.7 billion (2013/14: R3.5 billion) which comprised civil pensions and other contributions R2.6 billion (2013/14: R2.7 billion) and military pensions and other contributions R1.1 billion (2013/14: R792 million). Goods and services amounted to R54 million (2013/14: R58 million).



## REPORT OF THE ACCOUNTING OFFICER

For the year ended 31 March 2015

*Technical Support and Development Finance 8.* With effect from April 2014, the Government Technical Advisory Centre (GTAC) has functioned as an Agency of the National Treasury, comprising the former Technical Assistance Unit, the National Capital Projects Unit, and the Jobs Fund Project Management Unit, the Expenditure and Performance Review Project and the advisory functions of the Public-Private Partnership Unit.

The total appropriation for this programme in 2014/15 amounted to R3.1 billion. Total expenditure for the period under review amounted to R2.9 billion, including R1.2 billion on Employment Creation Facilitation (the Jobs Fund), R875 million on the Neighbourhood Development Programme and the Integrated City Development Grant, and R548 million on Local Government Financial Management Support.

*Revenue Administration* makes transfers to allow the South African Revenue Service to provide core tax administration services and maintain the information technology (IT) services that support operations. Activities include branch operations, tax payer audits, call centre operations, processing operations, debt management and IT support.

The total appropriation for this programme amounted to R9.4 billion (2013/14: R9.5 billion) which represents total transfers made to the South African Revenue Service.

*Financial Intelligence and State Security* transfers funds to the Financial Intelligence Centre and Secret Services to combat financial crime including money laundering and terror financing activities, and to gather intelligence for purposes of national security, defence and combating crime. The total appropriation for this programme amounted to R4.4 billion (2013/14: R4.2 billion) which comprises transfers made to the Secret Services R4.2 billion (2013/14: R3.9 billion) and Financial Intelligence Centre R198 million (2013/14: R241 million).

### 1.6 DEPARTMENTAL REVENUE

Departmental revenue received during the reporting period amounted to R5.6 billion (2013/14: R3.7 billion) and consisted of sales of goods and services of R66 million (2013/14: R73 million), fines, interest and dividends R4.6 billion (2013/14: R2.6 billion) and other recoveries R953 million (2013/14: R1 billion).

For more details on departmental revenue, please refer to Note 2 of the Notes to the Annual Financial Statements.

### 1.7 UTILISATION OF DONOR FUNDS

Local and foreign assistance received in cash during the reporting period amounted to R94 million (2013/14: R96 million). Expenditure incurred amounted to R81 million (2013/14: R55 million). Other donor funds amounting to R1.2 million (2013/14: R1.2 million) were transferred to external spending agencies on behalf of the Reconstruction and Development Fund, but were not disclosed in the annual financial statements because the Department was acting as a conduit to channel the funds between the donors and the spending agencies.

## REPORT OF THE ACCOUNTING OFFICER

For the year ended 31 March 2015

### 1.8 EVENTS AFTER THE REPORTING DATE

Payments of R44.4 million (2013/14: R39.2 million) relating to the 2014/15 financial year were processed during April 2015. These payments were not included in the annual financial statements for the 2014/15 financial year, which are prepared on modified cash basis of accounting (refer to Note 22). Departmental revenue amounting to R291 million (2013/14: R235 million) was received after year-end and surrendered to the National Revenue Fund (refer to Note 25). Contract commitments amounting to R17.2 million (2013/14: R11.4 million) were entered into after 31 March 2015.

The non-adjusting event after reporting date relates to the amendment of the Eskom Subordinated Loan Special Appropriation Act (2008/9 – 2010/11), 2008, in terms Government Gazette no. 38973 which was issued on 6 July 2015 resulted in the conversion of the R60 billion Subordinated loan to increase the State's equity investment in Eskom Holdings (SOC) Limited. Furthermore, Notice number 590 of the national Government Gazette no. 38974 dated 6 July 2015, the President assented to Act no. 7 of 2015: Eskom Special Appropriation Act, 2015, an amount of R23 billion will be appropriated out of the National Revenue Fund for the requirements of the Department Public Enterprise in the 2015/16 financial year to enhance electricity generation capacity and security of supply by Eskom (SOC) Limited. This is based on sale of State shares from Vodacom to the Public Investment Corporation.

The contingent liabilities amount was adjusted by R261.5 million after the reporting date as per the constitutional court judgement passed on the 18 June 2015 on the case of the South African Reserve Bank and the Minister of Finance v Shuttleworth regarding the 10% exit levy paid on exports, which was in favour of the department.

### 1.9 SERVICE RENDERED BY THE DEPARTMENT

With the exception of Programme 7 which provides pensions and post retirement civil and military benefits, the core business of the National Treasury is of a fiscal and financial policy nature, servicing organs of the state in all three spheres of government and foreign multilateral and national institutions. The National Treasury is not a service delivery department and does not render any services in the public domain on a recoverable basis. Other technical assistance is disclosed with the Government Technical Advisory Centre (GTAC) which is a government component.

## 2. CAPACITY CONSTRAINTS

As the department's mandate has evolved with the establishment of the Office of the Chief Procurement Officer and expanding of various units across the department, additional skills are required to fulfil the objectives. Focus on recruiting and developing the required skills and expertise has been key in the role-out of the Talent Management Programme. In 2014/15 a vacancy rate of 6.3% was achieved with a turnaround time of 12 weeks to fill vacant positions. There has been a strong drive to develop and retain talent within National Treasury which has resulted in 8% of the National Treasury workforce receiving promotions during 2014/15.

## REPORT OF THE ACCOUNTING OFFICER

For the year ended 31 March 2015

The department's Employee Retention Framework has been effectively rolled out with various approaches taken to retain officials, including secondments, career pathing, staff rotation and employee engagement sessions. During 2014/15 a 90% retention rate was achieved. During the period 12 employees were seconded to organisations both in the domestic and global environment to encourage development and knowledge sharing. The NT continues to implement leadership development programmes with an increased focus on coaching and mentoring aimed at ensuring that managers perform effectively in their day-to-day operations. This has been supplemented by middle management leadership and management programmes aimed at developing the future leaders of the organisation. The Department's Graduate Development Programme continues to be supported with 29 new interns being recruited during 2014/15. In addition the department has implemented targeted learning and development programmes to equip employees across the National Treasury with skills and knowledge required for their roles. 42% of employees across all levels participated in these programmes.

The department currently has 56% female representation overall with female representation at senior management service (SMS) currently at 43% compared with the national target of 50%. The Department still faces challenges with recruiting employees with disabilities. The target reached is 1% against the 2% national target. Even with partnering with a recruitment agency that recruits persons with disabilities, referrals have continued to be minimal and this challenge continues to require additional focus.

### **3. ORGANISATIONS TO WHICH TRANSFER PAYMENTS HAVE BEEN MADE**

Funds to public entities and other institutions in terms of various legal provisions governing financial relations between government and those institutions are made available through various programmes. Refer to Annexures 1A to 1H. There were no accounting arrangements in place regarding transfer payments in the financial year ended 31 March 2014.

### **4. CORPORATE GOVERNANCE ARRANGEMENTS**

#### **4.1 INTERNAL AUDIT FUNCTION**

In the period under review, the Internal Audit Function (IAF) of the National Treasury continued to fulfil its mandate to provide an independent, objective assurance and consulting activity that is designed to add value and improve the National Treasury's operations. The IAF assisted the National Treasury to accomplish its objectives by bringing a systematic and disciplined approach to evaluating and improving the effectiveness of risk management, control and governance within the department. The function operates in accordance with the approved Internal Audit Charter, Treasury Regulations and the International Standard of the Professional Practice of Internal Auditing (ISPPA). The IAF is guided by a fully functional Audit Committee which operates in terms of an approved Audit

## REPORT OF THE ACCOUNTING OFFICER

For the year ended 31 March 2015

Committee terms of reference and Treasury Regulations. The IAF was subjected to an external quality assessment in the 2014/15 year, by an external quality assessor, and it was found to be in conformance with the ISPPIA and consistently operates above average of global benchmarks. The function continues to monitor its human capital and ensures that there are processes in place to make sure that existing staff obtain appropriate professional certifications and qualifications to sustain the competence of its staff.

The IAF through engagement with internal stakeholders formulated a comprehensive three-year rolling plan, incorporating an annual plan that was approved by the Audit Committee. The annual audit plan of 56 planned audits was fully executed during the year under review. The IAF also performed 15 consulting activities, and relationships with management improved as evidenced by the number of unplanned specialised audits which, in turn, indicate that management sees the value of the IAF within its system of governance. Furthermore, the IAF is now an in-house function that is fully capacitated in the regularity, performance, information technology, and quality assurance and compliance audit directorates. The head of the IAF has complete access and a direct reporting line to the Audit Committee and reports at each audit committee meeting on control weaknesses and other internal audit activities.

### 4.2 AUDIT COMMITTEE

The Audit Committee continues to operate within its approved terms of reference, which are reviewed annually. In discharging its functions, the Committee ensured that the National Treasury's key processes, through the combined support of all the assurance providers, were effective in delivering on its mandate. The Audit Committee met six times during the financial year under review. In these meetings, the Accounting Officer and executive management were always represented. The Auditor-General is always invited to attend, thus ensuring that such meetings are as effective and transparent as possible.

### 4.3 RISK MANAGEMENT

National Treasury's operations are subject to various risks and uncertainties that continue to evolve. In order to implement effective risk mitigation strategies, risk management processes must also continue to evolve. In the 2014/15 financial period, attention has been given to our business continuity processes to ensure that critical operations continue in the event of disruptions such as load shedding. A business continuity site was set up and another one is in the process of being established.

In order to ensure that the NT is best positioned to deal with emerging risks and is focused on the most critical risks, risk management introduced Key Risk Indicators (KRIS) and risk management dashboards highlighting the most critical risks of the institution. To ensure that such risks are dealt with adequately and speedily, technologies are currently being investigated that will provide real time notification of such emerging and critical risks.

## REPORT OF THE ACCOUNTING OFFICER

For the year ended 31 March 2015

Corruption remains the biggest risk in government and has a negative impact on its reputation and service delivery. In the 2014/15 financial period, the NT started a process to develop a database that would assist in identifying potential corruption risks.

Risk management effectively guided by the risk management committee which held three (3) meetings in the 2014/15 financial period.

### 4.4 INTERNAL POLICY REVIEW

In the period under review, the Governance Review Committee (GRC) continued to review, assess and evaluate departmental corporate governance instruments. The GRC met four times during the past financial year and managed to review twelve corporate governance policy documents. The departmental policy process continued to strengthen good governance and foster effective leadership.

### 4.5 OTHER GOVERNANCE MATTERS

#### 4.5.1 Integrated Sustainability Management

In the period under review, the National Treasury has continued to emphasise the importance of embedding the management of environmental and sustainable development issues in its core business, as outlined in the King III best practices, and that the organisation is and is seen to be a responsible corporate citizen. The sustainability agenda for the National Treasury is aimed at delivering a high quality service that impact positively on the stakeholders while aiming at being a responsible corporate citizen.

The department has already integrated sustainability aspects in its strategic objectives which are reported in chapters dealing with programme performance included as parts of this report and the human resource report to provide a unified view on the performance of the department. At the core of its sustainability agenda, the department has recognised the need to be cost efficient and environmentally friendly to ensure that its resources are used efficiently and in a socially and environmentally responsible manner. To this end, cost-saving initiatives and green practices are being gradually introduced into business practices.

To ensure this, certain key cost drivers have been monitored in the past financial year to measure performance against the sustainability agenda. The results show that paper consumption has been reduced by 17 per cent the number of flights booked has been reduced by 7.5 per cent, car rentals have been reduced by 25.4 per cent and business travel accommodation by 11.6 per cent.

## REPORT OF THE ACCOUNTING OFFICER

For the year ended 31 March 2015

### 4.5.2 Operational Controls

The department continued with the implementation of the Internal Control Framework which is aimed at ensuring the reliability and integrity of financial and operational information, the effectiveness of operations, safeguarding of assets, and compliance with laws, regulations and controls.

## 5. ASSET MANAGEMENT

In terms of sub-section 38(1) (b) of the Public Finance Management Act as amended, the Accounting Officer for the Department is responsible for the effective, efficient, economical and transparent use of the resources of the Department.

The Asset Management unit supports the Accounting Officer in fulfilling this responsibility through management and administration of assets and maintenance of an accurate and up to date asset register. As per the asset management plan, the unit performed the asset verification and asset disposal processes for 2014/15 and have submitted an Asset Management Strategy policy for approval and adoption in the department. The Asset Management Strategy policy will strengthen accountability of assets in the department with the aim to safeguard the assets and improve the asset verification outcome.

The department's Asset Management unit undertook several key activities to improve the overall asset management environment of the department. These activities are as follows:

### 5.1 ASSET VERIFICATION

For the third year since the decision not to outsource the services to verify the asset of the department, the department has executed the asset verification with improvement to prior periods' processes. The 25 820 assets verified in 2014/15 financial period reflects more coverage compared to 2013/14. This was against a back drop of 27 219 assets that were in the departmental asset register in September 2014. Overall coverage for asset verification in the 2014/15 financial period was 95% an improvement of 1% compared to the 94% coverage in the 2013/14 financial year. In 2015/16, the department with the revised asset management strategy will enhance governance and forecasting to cater for all departmental assets. Redundant, obsolete or unused equipment will be disposed or reallocated within the department to maintain an accurate and lean asset register. The plans to introduce an internally built asset verification platform on the intranet are still on-going.

## REPORT OF THE ACCOUNTING OFFICER

For the year ended 31 March 2015

### 5.2 ASSET DISPOSAL

The department has maintained the practice of disposing assets in an efficient, economic and responsible manner in line with the National Treasury's Asset Management Disposal policy, Treasury Regulations and the spirit of the King III Code of Corporate Governance report pertaining to corporate social responsibility. The redundant and obsolete assets were disposed as follows:

- 98 computer desktops were donated to the state-owned educational institutions: Isiphiwo Primary, Keatesdrift Primary, and Kegomoditswe Primary. The schools are situated in semi-rural areas where there is a need for such computer equipment;
- Donated 1 Sony Colour Television to Mmama Health Care and 4 Office Cabinets to Tumelo Home and Hospice Centre in support of the Mandela Day;
- Sold 335 scrap electronic assets to a recycler of redundant electronic equipment through a bidding process; and
- Identified and disposed 216 assets through a bid process to The National Treasury staff members. These consisted of computer equipment, kitchen appliances, office machinery and equipment and a motor vehicle. During the process, revenue amounting to R108 221.54 was collected including revenue for scrapped item.

The department will continue to support needy communities in the 2015/16 financial year.

### 5.3 ACQUISITION OF ICT ASSETS

The department continues to procure its information and communication technology (ICT) assets through the Information Communication Technology Procurement Committee (ICTPC) to ensure efficient and effective procurement and utilisation of state resources for ICT related asset. The committee is collaboration between the Financial Management, Information Technology and Security Management teams and its purpose includes finding ways to maintain and safeguard the assets of department. The committee also implements internal control measures to ensure accountability and eliminate wasteful expenditure. The committee has persisted to implement bulk buying of computer equipment to ensure savings on computer equipment expenditure which accounted to R196 760, equivalent to 1% of the original quoted amount.

## REPORT OF THE ACCOUNTING OFFICER

For the year ended 31 March 2015

### **6. INFORMATION ON PREDETERMINED OBJECTIVES**

Divisional heads reported to the Director-General on a quarterly basis on the progress made with regard to programme delivery and measurable objectives, as contained in the National Treasury's Strategic Plan and the annual performance plan. These were also incorporated in an internal management report; detailed information on predetermined objectives is included on page 181 of the Annual Report. Although the case, the department as part of entrenching the performance reporting has developed technical descriptions for the indicators for the 2014/15. In this there are instances due to the nature of the Department as a policy institution instead of service delivery one which were not specific and this was highlighted as a critical matter to be sorted out as part of the 2015/16 action log.

### **7. SCOPA RESOLUTIONS**

There were no SCoPA resolutions in the period under review.

### **8. EXEMPTIONS AND DEVIATIONS RECEIVED FROM THE NATIONAL TREASURY**

There were no exemptions and deviations received for the period under review.

### **9. INTERIM FINANCIAL STATEMENTS**

Interim financial statements were issued for various quarters of the financial year that depicted a true and fair view of the financial performance, financial position, changes in net assets and cash flows of the department at the end of each quarter. The interim financial statements were prepared on a modified cash basis of accounting and the National Treasury determined Framework as prescribed in the PFMA and Treasury Regulations and the relevant guidelines issued by the National Treasury.



## REPORT OF THE ACCOUNTING OFFICER

For the year ended 31 March 2015

### 10. APPROVAL

The Annual Financial Statements set out on pages 157 to 427 have been approved by the Accounting Officer.



Lungisa Fuzile

**Director-General**  
National Treasury

Date: 29 May 2015

# ANNUAL REPORT 2014/15



AUDITOR-GENERAL  
SOUTH AFRICA

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## REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT



national treasury

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA

# REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT

For the year ended 31 March 2015

## REPORT ON THE FINANCIAL STATEMENTS

### INTRODUCTION

1. I have audited the financial statements of the National Treasury set out on pages 186 to 369, which comprise the appropriation statement, the statement of financial position as at 31 March 2015, the statement of financial performance, statement of changes in net assets, and cash flow statement for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

### ACCOUNTING OFFICER'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the Modified Cash Standard and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and the Division of Revenue Act of South Africa, 2012 (Act No. 5 of 2012) (DoRA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### AUDITOR-GENERAL'S RESPONSIBILITY

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

# REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT

For the year ended 31 March 2015

## OPINION

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the National Treasury as at 31 March 2015 and its financial performance and cash flows for the year then ended, in accordance with the Modified Cash Standard and the requirements of the PFMA and DoRA.

## EMPHASIS OF MATTERS

7. I draw attention to the matters below. My opinion is not modified in respect of these matters.

## MATERIAL IMPAIRMENTS

8. As disclosed in note 12 to the financial statements, material impairments of some R13 billion were recognised in the accounts as a result of the investment in South African Airways.

## EVENTS AFTER THE REPORTING DATE

9. As disclosed in note 29 to the financial statements, it is planned to convert the loan to Eskom (SOC) Limited of R60 billion into equity.

## ADDITIONAL MATTER

10. I draw attention to the matter below. My opinion is not modified in respect of this matter.

## UNAUDITED SUPPLEMENTARY SCHEDULES

11. The supplementary information set out on pages 370 to 458 does not form part of the financial statements and is presented as additional information. We have not audited these schedules and, accordingly, we do not express an opinion thereon.

# REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT

For the year ended 31 March 2015

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

12. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) and the general notice issued in terms thereof, I have a responsibility to report findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report, non-compliance with legislation and internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

### **PREDETERMINED OBJECTIVES**

13. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected programmes presented in the annual performance report of the department for the year ended 31 March 2015:

- Programme 2: Economic Policy, Tax, Financial Regulation and Research on pages 50 to 53
- Programme 4: Asset and Liability Management on pages 92 to 101
- Programme 7: Civil And Military Pensions, Contributions to Funds and Other Benefits on pages 135 to 136
- Programme 8: Technical Support and Development Finance on pages 148 to 156.

14. I evaluated the reported performance information against the overall criteria of usefulness and reliability.

15. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned programmes. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's Framework for managing programme performance information (FMPPI).

16. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

17. The material findings in respect of the selected programmes are as follows:

# REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT

For the year ended 31 March 2015

## **PROGRAMME 2: ECONOMIC POLICY, TAX, FINANCIAL REGULATION AND RESEARCH**

### **USEFULNESS OF REPORTED PERFORMANCE INFORMATION**

18. Performance indicators were not clearly defined so that data can be collected consistently and is easy to understand and use. Performance indicators were also not verifiable.
19. Performance targets were not specific in clearly identifying the nature and required level of performance and were not measurable, as required by the FMPPI.

The measurability of planned targets and indicators could not be assessed due to the technical indicator descriptions either not being adequate or not being aligned to the targets.

### **RELIABILITY OF REPORTED PERFORMANCE INFORMATION**

20. The FMPPI requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets. Significantly important targets were not reliable when compared to the source information or evidence provided. This was due to the fact that proper indicator definitions were not used to predetermine the evidence and method of calculation for actual achievements.

## **PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT**

### **USEFULNESS OF REPORTED PERFORMANCE INFORMATION**

21. Performance targets should be specific in clearly identifying the nature and required level of performance as required by the FMPPI. A total of 30% of the targets were not specific.

This was due to the technical indicator descriptions not being aligned to the targets.

### **RELIABILITY OF REPORTED PERFORMANCE INFORMATION**

22. The FMPPI requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets. Significantly important targets were not reliable when compared to the source information or evidence provided. This is due to the fact that proper indicator definitions were not used to predetermine the evidence and method of calculation for actual achievements.

# REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT

For the year ended 31 March 2015

## **PROGRAMME 8: TECHNICAL SUPPORT AND DEVELOPMENT FINANCE**

### **USEFULNESS OF REPORTED PERFORMANCE INFORMATION**

23. Performance indicators should be well defined by having clear definitions so that data can be collected consistently and is easy to understand and use, as required by the FMPPI. Significantly important indicators in relation to the mandate of the department were not well defined, representing 18% of the indicators.
24. Performance targets should be specific in clearly identifying the nature and required level of performance as required by the FMPPI. Significantly important targets in relation to the mandate of the department were not specific, representing 18% of the targets.

This was due to the technical indicator descriptions either not being adequate or not being aligned to the targets.

### **RELIABILITY OF REPORTED PERFORMANCE INFORMATION**

25. The FMPPI requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets. Significantly important targets were not reliable when compared to the source information or evidence provided. This is due to the fact that proper indicator definitions were not used to predetermine the evidence and method of calculation for actual achievements.
26. I did not identify any material findings on the usefulness and reliability of the reported performance information for the following programme:
  - Programme 7: Civil and Military Pensions, Contributions to Funds and Other Benefits

# REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT

For the year ended 31 March 2015

## **ADDITIONAL MATTERS**

I draw attention to the following matters:

### **ACHIEVEMENT OF PLANNED TARGETS**

27. Refer to the annual performance report on pages 50 to 53, 92 to 101, 135 to 136 and 148 to 156 for information on the achievement of planned targets for the year.

### **ADJUSTMENT OF MATERIAL MISSTATEMENTS**

28. We identified material misstatements in the annual performance report submitted for auditing on the reported performance information of Programme 2: Economic Policy, Tax, Financial Regulation and Research, Programme 4: Asset and Liability Management and Programme 8: Technical Support and Development Finance. As management subsequently corrected only some of the misstatements, I identified material findings on the usefulness and reliability of the reported performance information.

### **UNAUDITED SUPPLEMENTARY INFORMATION**

29. The supplementary information set out on pages 370 to 458 does not form part of the Annual Performance report and is presented as additional information. I have not audited these schedules and, accordingly, I do not report thereon.

### **COMPLIANCE WITH LEGISLATION**

30. I performed procedures to obtain evidence that the department had complied with applicable legislation regarding financial matters, financial management and other related matters. I did not identify any instances of material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA.



# REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT

For the year ended 31 March 2015

## **INTERNAL CONTROL**

31. I considered internal control relevant to my audit of the financial statements, performance report and compliance with legislation. I did not identify any significant deficiencies in internal control.

## **LEADERSHIP**

32. The oversight processes implemented by the leadership regarding the managing of performance information were inadequate.

## **FINANCIAL AND PERFORMANCE MANAGEMENT**

33. Management's observance of the prescripts of the National Treasury Framework for Managing Programme Performance Information was found to be lacking.

## **OTHER REPORTS**

### **INVESTIGATIONS**

34. An investigation was conducted by the Public Service Commission (PSC) based on an allegation received by their office in terms of the irregular appointment of service providers by the National Treasury. The PSC presented a draft investigation report to the Minister of Finance. At present, the National Treasury is still awaiting the final report from the PSC.
35. Allegations of receiving kickbacks, bribes and entertainment have been referred to the National Treasury's Specialised Audit Services unit for further investigation. The investigation has been finalised, final report to be presented to the Director-General for his consideration.

*Auditor-General*



AUDITOR-GENERAL  
SOUTH AFRICA

Pretoria  
11 August 2015

# APPROPRIATION STATEMENT

For the year ended 31 March 2015

Appropriation per programme		2014/15							2013/14	
		Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance %	Expenditure as % of final appropriation R'000	Final Appropriation R'000	Actual Expenditure
<b>Programme</b>	<b>R'000</b>									
1. Administration	372 382	-	-	372 382	362 527	9 855	97.4%	334 769	319 596	
2. Economic Policy, Tax, Financial Regulation and Research	134 358	-	-	134 358	124 329	10 029	92.5%	133 924	124 098	
3. Public Finance and Budget Management	259 877	-	-	259 877	245 271	14 606	94.4%	225 634	212 718	
4. Asset and Liability Management	3 343 372	-	-	3 343 372	3 089 403	253 969	92.4%	2 993 994	2 990 923	
5. Financial Accounting and Supply Chain Management Systems	770 035	-	-	770 035	731 495	38 540	95.0%	732 923	707 772	
6. International Financial Relations	1 199 717	-	-	1 199 717	1 198 652	1 065	99.9%	1 093 836	1 067 740	
7. Civil and Military Pensions, Contributions to Funds and Other Benefits	3 717 838	-	13 133	3 730 971	3 730 935	36	100.0%	3 523 564	3 523 098	
8. Technical Support and Development Finance <sup>1</sup>	3 099 773	-	(13 133)	3 086 640	2 893 348	193 292	93.7%	2 484 675	2 452 166	
9. Revenue Administration	9 440 321	-	-	9 440 321	9 440 321	-	100.0%	9 534 393	9 534 393	
10. Financial Intelligence and State Security	4 366 250	-	-	4 366 250	4 366 250	-	100.0%	4 174 554	4 174 554	
<b>TOTAL</b>	<b>26 703 923</b>	<b>-</b>	<b>-</b>	<b>26 703 923</b>	<b>26 182 531</b>	<b>521 392</b>	<b>98.0%</b>	<b>25 232 266</b>	<b>25 107 057</b>	
Reconciliation with Statement of Financial Performance										
Add:										
Departmental receipts				5 599 130				3 687 531		
Aid assistance				93 748				96 052		
<b>Actual amounts per Statement of Financial Performance (Total Revenue)</b>				<b>32 396 801</b>				<b>29 015 849</b>		
Add:				80 833					55 288	
<b>Actual amounts per Statement of Financial Performance (Total Expenditure)</b>					<b>26 263 364</b>				<b>25 162 345</b>	

<sup>1</sup> Commencement of operation of the Government Technical Advisory Centre (GTAC) and transfer of functions from National Treasury to GTAC with effect from 1 April 2014 resulted in changes on sub-programmes reported under Programme 8.

# APPROPRIATION STATEMENT

For the year ended 31 March 2015

Appropriation per economic classification	2014/15						2013/14			
	R'000	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
<b>Current payments</b>		<b>1 498 528</b>	<b>159 333</b>	<b>(14 333)</b>	<b>1 643 528</b>	<b>1 529 934</b>	<b>113 594</b>	<b>93.1%</b>	<b>1 599 914</b>	<b>1 524 024</b>
<b>Compensation of employees</b>		<b>688 967</b>	<b>3 857</b>	-	<b>692 824</b>	<b>671 461</b>	<b>21 363</b>	<b>96.9%</b>	<b>658 082</b>	<b>631 540</b>
Salaries and wages		620 677	3 762	-	624 439	606 554	17 885	97.1%	592 913	569 911
Social contributions		68 290	95	-	68 385	64 907	3 478	94.9%	65 169	61 629
<b>Goods and services</b>		<b>809 561</b>	<b>155 476</b>	<b>(14 333)</b>	<b>950 704</b>	<b>858 473</b>	<b>92 231</b>	<b>90.3%</b>	<b>941 832</b>	<b>892 484</b>
Administrative fees		3 358	800	-	4 158	3 110	1 048	74.7%	6 170	3 922
Advertising		3 427	(421)	-	3 005	1 871	1 134	62.2%	3 601	2 241
Minor assets		1 227	1 115	-	2 342	1 880	462	80.2%	1 235	335
Audit costs: External		12 773	2 544	-	15 317	15 299	18	99.9%	13 048	12 587
Bursaries: Employees		5 975	(664)	-	5 311	4 230	1 081	79.7%	5 213	4 215
Catering: Departmental activities		1 719	20	-	1 739	1 225	514	70.5%	2 279	1 875
Communication (G&S)		8 969	(1 795)	-	7 174	6 102	1 072	85.1%	8 812	7 713
Computer services		273 337	150 247	-	423 584	420 591	2 993	99.3%	437 629	432 530
Consultants: Business and advisory services		297 287	2 206	(14 333)	285 160	218 091	67 069	76.5%	274 792	254 318
Legal services		12 907	1 099	-	14 006	12 667	1 339	90.4%	10 888	10 677
Contractors		3 653	(1 084)	-	2 569	2 381	188	92.6%	2 896	2 476
Agency and support / outsourced services		9 609	643	-	10 252	9 833	419	95.9%	15 814	15 656
Entertainment		374	4	-	378	121	257	32.4%	561	228
Fleet services (including government motor transport)		2 273	-	-	2 273	2 255	18	99.1%	949	674
Consumable supplies		3 427	393	-	3 820	3 459	361	89.6%	4 051	3 440
Consumable: Stationery, printing and office supplies		15 166	(622)	-	14 545	11 388	3 157	78.5%	13 520	11 105
Operating leases		61 808	(344)	-	61 464	60 797	667	98.9%	43 235	42 353
Property payments		19 055	2 337	-	21 392	21 389	3	100.0%	12 390	12 026

# APPROPRIATION STATEMENT

For the year ended 31 March 2015

Appropriation per economic classification	2014/15							2013/14		
	R'000	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Travel and subsistence		48 757	1 260	-	50 017	43 077	6.940	86.1%	55 985	48 670
Training and development		9 412	(1 170)	-	8 242	6 490	1.752	78.7%	7 827	5 980
Operating payments		5 631	430	-	6 061	5 528	533	91.2%	6 756	6 329
Venues and facilities		9 417	(1 522)	-	7 895	6 689	1 206	84.7%	14 181	13 134
<b>Transfers and subsidies<sup>2</sup></b>		<b>21 381 994</b>	<b>14 923</b>	<b>14 333</b>	<b>21 411 250</b>	<b>21 256 214</b>	<b>155 036</b>	<b>99.3%</b>	<b>20 379 463</b>	<b>20 341 255</b>
<i>Provinces and municipalities</i>		<i>1 399 742</i>	-	-	<i>1 399 742</i>	<i>1 398 953</i>	<i>789</i>	<i>99.9%</i>	<i>1 161 339</i>	<i>1 149 233</i>
Municipal bank accounts		1 399 742	-	-	1 399 742	1 398 953	789	99.9%	1 161 339	1 149 233
<b>Departmental agencies and accounts</b>		<b>14 186 034</b>	<b>840</b>	-	<b>14 186 874</b>	<b>14 115 137</b>	<b>71 737</b>	<b>99.5%</b>	<b>13 977 158</b>	<b>13 976 884</b>
Departmental agencies (non-business entities)		14 186 034	840	-	14 186 874	14 115 137	71 737	99.5%	13 977 158	13 976 884
<b>Higher education institutions</b>		<b>5 800</b>	-	-	<b>5 800</b>	-	<b>5 800</b>	-	<b>10 000</b>	<b>10 000</b>
<i>Foreign governments and international organisations</i>		<i>777 173</i>	<i>13 411</i>	<i>68</i>	<i>790 652</i>	<i>790 549</i>	<i>103</i>	<i>100.0%</i>	<i>737 389</i>	<i>712 303</i>
<b>Public corporations and private enterprises</b>		<b>1 350 999</b>	-	-	<b>1 350 999</b>	<b>1 274 456</b>	<b>76 543</b>	<b>94.3%</b>	<b>1 024 603</b>	<b>1 024 603</b>
Other transfers to public corporations		1 350 999	-	-	1 350 999	1 274 456	76 543	94.3%	1 024 603	1 024 603
<b>Households</b>		<b>3 662 246</b>	<b>672</b>	<b>14 265</b>	<b>3 677 183</b>	<b>3 677 119</b>	<b>64</b>	<b>100.0%</b>	<b>3 468 974</b>	<b>3 468 232</b>
Social benefits		3 660 678	672	14 265	3 675 615	3 675 562	53	100.0%	3 467 390	3 466 881
Other transfers to households		1 568	-	-	1 568	1 557	11	99.3%	1 584	1 351
<b>Payments for capital assets</b>		<b>183 749</b>	<b>(161 422)</b>	-	<b>22 327</b>	<b>20 124</b>	<b>2 203</b>	<b>90.1%</b>	<b>33 262</b>	<b>21 650</b>
Buildings and other fixed structures		-	364	-	364	363	1	99.5%	5 000	-
<b>Machinery and equipment</b>		<b>19 600</b>	<b>2 363</b>	-	<b>21 963</b>	<b>19 761</b>	<b>2 202</b>	<b>90.0%</b>	<b>28 262</b>	<b>21 650</b>
Transport equipment		1 550	238	-	1 788	1 787	1	99.9%	660	300
Other machinery and equipment		18 050	2 125	-	20 175	17 974	2 201	89.1%	27 602	21 350

<sup>2</sup>Introduction of a new transfer payment to the GTAC in programme 8 and transfer of functions from National Treasury to GTAC with effect from 1 April 2014, resulted in reclassification of prior year budget and expenditure amounts between economic classifications.

NATIONAL TREASURY VOTE 10

# APPROPRIATION STATEMENT

For the year ended 31 March 2015

Appropriation per economic classification		2014/15							2013/14	
		Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
	164 149	(164 149)	-	-	-	-	-	-	-	-
Software and other intangible assets	164 149	(164 149)	-	-	-	-	-	-	-	-
Payment for financial assets <sup>3</sup>	3 639 652	(12 834)	-	3 626 818	3 376 258	250 560	93.1%	3 219 627	3 220 128	
Total	26 703 923	-	-	26 703 923	26 182 531	521 392	98.0%	25 232 266	25 107 057	

<sup>3</sup>Payments of financial assets prior year amount include reclassification of shares purchased from the World Bank and the African Development Bank in the current year, which were previously classified under transfers and subsidies.

# APPROPRIATION STATEMENT

For the year ended 31 March 2015

## PROGRAMME 1: ADMINISTRATION

Programme 1: Administration per sub programme		2014/15					2013/14		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Ministry	4 005	-	-	4 005	3 309	696	82.6%	3 796	3 301
2. Departmental Management	46 340	1 560	-	47 900	47 458	442	99.1%	42 992	42 184
3. Corporate Services	109 828	1 863	-	111 691	107 272	4 419	96.0%	94 390	90 451
4. Enterprise Wide Risk Management	27 345	(3 797)	-	23 548	22 496	1 052	95.5%	32 721	32 045
5. Financial Administration	40 911	(860)	-	40 051	38 632	1 419	96.5%	36 511	35 663
6. Legal Services	16 719	75	-	16 794	16 593	201	98.8%	16 702	16 438
7. Internal Audit	18 646	(335)	-	18 311	17 119	1 192	93.5%	23 447	22 015
8. Communications	10 164	112	-	10 276	10 120	156	98.5%	9 238	8 836
9. Office Accommodation	98 424	1 382	-	99 806	99 528	278	99.7%	74 972	68 662
<b>Total</b>	<b>372 382</b>	<b>-</b>	<b>-</b>	<b>372 382</b>	<b>362 527</b>	<b>9 855</b>	<b>97.4%</b>	<b>334 769</b>	<b>319 596</b>

Programme 1: Administration per economic classification		2014/15					2013/14		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	356 722	(1 871)	-	354 851	345 080	9 771	97.2%	305 337	298 582
Compensation of employees	169 300	(202)	-	169 098	166 375	2 723	98.4%	145 899	144 304
Salaries and wages	152 278	(720)	-	151 558	149 485	2 073	98.6%	130 501	129 203
Social contributions	17 022	518	-	17 540	16 890	650	96.3%	15 398	15 101
<b>Goods and services</b>	<b>187 422</b>	<b>(1 669)</b>	<b>-</b>	<b>185 753</b>	<b>178 705</b>	<b>7 048</b>	<b>96.2%</b>	<b>159 438</b>	<b>154 277</b>

# APPROPRIATION STATEMENT

For the year ended 31 March 2015

	2014/15							2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Administrative fees	1 170	41	-	1 211	1 002	209	82.5%	1 960	1 840
Advertising	1 014	(212)	-	802	471	331	58.9%	791	618
Minor assets	589	679	-	1 268	1 173	95	92.4%	259	99
Audit costs: External	8 170	61	-	8 231	8 231	-	100.0%	8 316	8 256
Bursaries: Employees	1 416	(275)	-	1 141	833	308	73.1%	829	689
Catering: Departmental activities	521	-	-	521	392	129	75.6%	773	610
Communication (G&S)	5 479	(1 323)	-	4 156	3 547	609	85.3%	5 288	4 700
Computer services	26 457	(71)	-	26 386	24 868	1 518	94.3%	19 511	18 388
Consultants: Business and advisory services	13 920	(3 700)	-	10 220	8 948	1 272	87.6%	19 184	18 927
Legal services	11 407	908	-	12 315	12 313	2	100.0%	10 680	10 677
Contractors	3 507	(1 172)	-	2 335	2 247	88	96.1%	2 363	2 175
Agency and support/ outsourced services	9 487	633	-	10 120	9 738	382	96.2%	10 368	10 368
Entertainment	119	-	-	119	44	75	37.8%	146	59
Fleet services (including government motor transport)	2 222	11	-	2 233	2 226	7	99.6%	1 618	1 608
Consumable supplies	2 569	379	-	2 948	2 888	60	96.9%	3 028	2 848
Consumable: Stationery, printing and office supplies	4 052	(700)	-	3 352	2 982	370	89.8%	3 420	3 116
Operating leases	59 675	(602)	-	59 073	58 912	161	99.7%	39 892	39 491
Property payments	19 055	2 337	-	21 392	21 389	3	100.0%	12 390	12 026
Travel and subsistence	11 611	2 225	-	13 836	13 222	614	95.5%	15 784	15 189

## APPROPRIATION STATEMENT

For the year ended 31 March 2015

## PROGRAMME 1: ADMINISTRATION – continued

Programme 1: Administration per economic classification	2014/15						2013/14		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Training and development	4 026	(756)	-	3 270	2 739	531	83.7%	2 209	2 028
Operating payments	627	70	-	697	530	167	76.3%	478	433
Venues and facilities	329	(202)	-	127	10	117	8.7%	151	132
<b>Transfers and subsidies</b>	<b>4 157</b>	<b>202</b>	<b>-</b>	<b>4 359</b>	<b>4 274</b>	<b>85</b>	<b>98.1%</b>	<b>4 056</b>	<b>3 540</b>
<i>Departmental agencies and accounts</i>	<i>2 358</i>	<i>-</i>	<i>-</i>	<i>2 358</i>	<i>2 304</i>	<i>54</i>	<i>97.7%</i>	<i>2 140</i>	<i>1 866</i>
Departmental agencies (non-business entities)	2 358	-	-	2 358	2 304	54	97.7%	2 140	1 866
<b>Households</b>	<b>1 799</b>	<b>202</b>	<b>-</b>	<b>2 001</b>	<b>1 970</b>	<b>31</b>	<b>98.5%</b>	<b>1 916</b>	<b>1 674</b>
Social benefits	231	202	-	433	413	20	95.4%	332	323
Other transfers to households	1 568	-	-	1 568	1 557	11	99.3%	1 584	1 351
<b>Payments for capital assets</b>	<b>11 503</b>	<b>1 669</b>	<b>-</b>	<b>13 172</b>	<b>13 110</b>	<b>62</b>	<b>99.5%</b>	<b>25 376</b>	<b>17 201</b>
<i>Buildings and other fixed structures</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>5 000</i>	<i>-</i>
Buildings	-	-	-	-	-	-	-	5 000	-
<b>Machinery and equipment</b>	<b>11 503</b>	<b>1 669</b>	<b>-</b>	<b>13 172</b>	<b>13 110</b>	<b>62</b>	<b>99.5%</b>	<b>20 376</b>	<b>17 201</b>
Transport equipment	1 550	238	-	1 788	1 787	1	99.9%	660	300
Other machinery and equipment	9 953	1 431	-	11 384	11 323	61	99.5%	19 716	16 901
<b>Payment for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>62</b>	<b>(62)</b>	<b>-</b>	<b>-</b>	<b>273</b>
<b>Total</b>	<b>372 382</b>	<b>-</b>	<b>-</b>	<b>372 382</b>	<b>362 527</b>	<b>9 855</b>	<b>97.4%</b>	<b>334 769</b>	<b>319 596</b>



NATIONAL TREASURY VOTE 10

# APPROPRIATION STATEMENT

For the year ended 31 March 2015

Sub-programme: 1.1: Ministry	2014/15							2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification	4 005	-	-	4 005	3 309	696	82.6%	3 796	3 301
Current payments	4 005	-	-	4 005	3 309	696	82.6%	3 796	3 301
Salaries and wages	4 005	-	-	4 005	3 309	696	82.6%	3 796	3 301
<b>Total</b>	<b>4 005</b>	<b>-</b>	<b>-</b>	<b>4 005</b>	<b>3 309</b>	<b>696</b>	<b>82.6%</b>	<b>3 796</b>	<b>3 301</b>

# APPROPRIATION STATEMENT

For the year ended 31 March 2015

## PROGRAMME 1: ADMINISTRATION – continued

Sub-programme: 1.2: Departmental Management

	2014/15						2013/14		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Economic classification</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
Current payments	44 551	1 313	-	45 864	45 395	469	99.0%	42 382	42 040
<b>Compensation of employees</b>	<b>27 145</b>	<b>(222)</b>	<b>-</b>	<b>26 923</b>	<b>26 688</b>	<b>235</b>	<b>99.1%</b>	<b>22 556</b>	<b>22 545</b>
Salaries and wages	24 520	(667)	-	23 853	23 809	44	99.8%	19 922	19 915
Social contributions	2 625	445	-	3 070	2 879	191	93.8%	2 634	2 630
<b>Goods and services</b>	<b>17 406</b>	<b>1 535</b>	<b>-</b>	<b>18 941</b>	<b>18 707</b>	<b>234</b>	<b>98.8%</b>	<b>19 826</b>	<b>19 495</b>
Administrative fees	287	(92)	-	195	194	1	99.0%	212	205
Advertising	49	(34)	-	15	14	1	93.3%	20	8
Minor assets	96	(74)	-	22	21	1	95.5%	30	3
Bursaries: Employees	191	68	-	259	211	48	81.9%	42	41
Catering: Departmental activities	252	-	-	252	233	19	92.9%	265	253
Communication (G&S)	875	(17)	-	858	854	4	99.5%	841	840
Computer services	40	(32)	-	8	5	3	75.0%	9	3
Consultants: Business and advisory services	2 315	(172)	-	2 143	2 141	2	100.0%	3 093	3 088
Legal services	1 875	253	-	2 128	2 127	1	100.0%	974	973
Contractors	40	(17)	-	23	5	18	17.4%	20	1
Agency and support / outsourced services	35	(30)	-	5	5	-	100.0%	8	8
Entertainment	79	-	-	79	35	44	45.6%	87	39
Fleet services (including government motor transport)	464	51	-	515	514	1	99.6%	394	393
Consumable supplies	180	(103)	-	77	75	2	93.5%	73	68

# APPROPRIATION STATEMENT

For the year ended 31 March 2015

	2014/15							2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Consumable: Stationery, printing and office supplies	771	(308)	-	463	459	4	99.1%	507	494
Operating leases	353	(74)	-	279	246	33	88.5%	312	254
Travel and subsistence	8 826	2 477	-	11 303	11 283	20	99.8%	12 684	12 593
Training and development	307	(115)	-	192	187	5	97.9%	82	63
Operating payments	221	(118)	-	103	98	5	96.1%	124	122
Venues and facilities	150	(128)	-	22	-	22	-	49	46
Transfers and subsidies	-	22	-	22	22	-	100.0%	-	-
Households	-	22	-	22	22	-	100.0%	-	-
Social benefits	-	22	-	22	22	-	100.0%	-	-
Payments for capital assets	1 789	225	-	2 014	2 011	3	99.9%	610	142
Machinery and equipment	1 789	225	-	2 014	2 011	3	99.9%	610	142
Transport equipment	1 550	238	-	1 788	1 787	1	99.9%	360	-
Other machinery and equipment	239	(13)	-	226	224	2	99.1%	250	142
Payment for financial assets	-	-	-	-	30	(30)	-	-	3
<b>Total</b>	<b>46 340</b>	<b>1 560</b>	<b>-</b>	<b>47 900</b>	<b>47 458</b>	<b>442</b>	<b>99.1%</b>	<b>42 993</b>	<b>42 185</b>

## APPROPRIATION STATEMENT

For the year ended 31 March 2015

	PROGRAMME 1: ADMINISTRATION – continued						2013/14		
	Sub-programme: 1.3: Corporate Services						2014/15		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	101 714	(4 356)	-	97 358	93 007	4 351	95.5%	83 262	81 528
Compensation of employees	62 243	179	-	62 422	61 765	657	98.9%	53 655	53 509
Salaries and wages	56 841	54	-	56 895	56 436	459	99.2%	48 975	48 890
Social contributions	5 402	125	-	5 527	5 329	198	96.4%	4 680	4 619
Goods and services	39 471	(4 535)	-	34 936	31 242	3 694	89.4%	29 607	28 019
Administrative fees	324	99	-	423	297	126	70.2%	659	606
Advertising	495	14	-	509	331	178	65.0%	389	345
Minor assets	38	273	-	311	290	21	93.2%	54	24
Audit costs: External	-	335	-	335	335	-	100.0%	906	846
Bursaries: Employees	536	(226)	-	310	166	144	53.5%	560	480
Catering: Departmental activities	113	-	-	113	20	93	18.6%	284	173
Communication (G&S)	3 152	(906)	-	2 246	1 845	401	82.1%	3 289	2 865
Computer services	23 968	(884)	-	23 084	21 742	1 342	94.2%	16 707	16 366
Consultants: Business and advisory services	6 690	(2 330)	-	4 360	3 819	541	87.6%	3 746	3 743
Legal services	100	(100)	-	-	-	-	-	231	230
Contractors	650	(377)	-	273	257	16	93.8%	281	231
Entertainment	17	(1)	-	16	4	12	25.1%	24	10
Fleet services (including government motor transport)	-	8	-	8	8	-	100.0%	1	-
Consumable supplies	162	96	-	258	223	35	86.0%	173	137

# APPROPRIATION STATEMENT

For the year ended 31 March 2015

	2014/15						2013/14		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Consumable: Stationery, printing and office supplies	295	11	-	306	207	99	67.6%	234	167
Operating leases	187	(9)	-	178	154	24	86.5%	172	129
Travel and subsistence	782	24	-	806	504	302	62.4%	756	668
Training and development	1 825	(643)	-	1 182	901	281	76.1%	1 086	959
Operating payments	125	91	-	216	137	79	63.9%	33	29
Venues and facilities	12	(10)	-	2	2	-	100.0%	22	11
<b>Transfers and subsidies</b>	<b>4 032</b>	<b>154</b>	-	<b>4 186</b>	<b>4 121</b>	<b>65</b>	<b>98.4%</b>	<b>3 937</b>	<b>3 426</b>
<i>Departmental agencies and accounts</i>	<b>2 343</b>	-	-	<b>2 343</b>	<b>2 295</b>	<b>48</b>	<b>98.0%</b>	<b>2 130</b>	<b>1 857</b>
Departmental agencies (non-business entities)	2 343	-	-	2 343	2 295	48	98.0%	2 130	1 857
<b>Households</b>	<b>1 689</b>	<b>154</b>	-	<b>1 843</b>	<b>1 826</b>	<b>17</b>	<b>99.1%</b>	<b>1 807</b>	<b>1 569</b>
Social benefits	121	154	-	275	269	6	97.8%	223	218
Other transfers to households	1 568	-	-	1 568	1 557	11	99.3%	1 584	1 351
<b>Payments for capital assets</b>	<b>4 082</b>	<b>6 065</b>	-	<b>10 147</b>	<b>10 142</b>	<b>5</b>	<b>100.0%</b>	<b>7 191</b>	<b>5 231</b>
<b>Machinery and equipment</b>	<b>4 082</b>	<b>6 065</b>	-	<b>10 147</b>	<b>10 142</b>	<b>5</b>	<b>100.0%</b>	<b>7 191</b>	<b>5 231</b>
Other machinery and equipment	4 082	6 065	-	10 147	10 142	5	100.0%	7 191	5 231
<b>Payment for financial assets</b>	-	-	-	-	<b>2</b>	<b>(2)</b>	-	-	<b>266</b>
<b>Total</b>	<b>109 828</b>	<b>1 863</b>	-	<b>111 691</b>	<b>107 272</b>	<b>4 419</b>	<b>96.0%</b>	<b>94 390</b>	<b>90 451</b>

# APPROPRIATION STATEMENT

For the year ended 31 March 2015

	2014/15						2013/14		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Economic classification</b>									
<b>Current payments</b>	23 129	359	-	23 488	22 447	1 041	95.6%	21 536	20 861
<b>Compensation of employees</b>	15 771	359	-	16 130	16 016	114	99.3%	13 344	13 248
Salaries and wages	13 812	335	-	14 147	14 039	108	99.2%	11 602	11 515
Social contributions	1 959	24	-	1 983	1 977	6	99.7%	1 742	1 733
<b>Goods and services</b>	7 358	-	-	7 358	6 431	927	87.4%	8 192	7 613
Administrative fees	24	(9)	-	15	8	7	46.7%	21	9
Advertising	49	(6)	-	43	1	42	2.3%	72	2
Minor assets	43	-	-	43	12	31	27.9%	32	3
Bursaries: Employees	160	-	-	160	102	58	63.8%	122	75
Catering: Departmental activities	14	-	-	14	13	1	92.9%	55	40
Communication (G&S)	114	-	-	114	99	15	86.8%	128	107
Computer services	95	(3)	-	92	91	1	98.9%	-	-
Consultants: Business and advisory services	100	2	-	102	2	100	2.0%	13	-
Contractors	905	(757)	-	148	147	1	99.3%	461	440
Agency and support / outsourced services	5 000	605	-	5 605	5 224	381	93.2%	6 298	6 298
Entertainment	4	-	-	4	-	4	-	7	2
Fleet services (including government motor transport)	2	7	-	9	7	2	77.8%	2	-
Consumable supplies	7	71	-	78	73	5	93.6%	158	64
Consumable: Stationery, printing and office supplies	85	34	-	119	59	60	49.6%	56	24

**PROGRAMME 1: ADMINISTRATION** – continued  
 Sub-programme: 1.4: Enterprise Wide Risk Management

# APPROPRIATION STATEMENT

For the year ended 31 March 2015

	2014/15							2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Operating leases	35	9	-	44	41	3	93.2%	31	25
Travel and subsistence	412	3	-	415	290	125	69.9%	490	279
Training and development	246	41	-	287	254	33	88.2%	244	244
Operating payments	6	2	-	8	8	-	100.0%	2	-
Venues and facilities	57	1	-	58	-	58	-	-	-
<b>Transfers and subsidies</b>	<b>15</b>	<b>-</b>	<b>-</b>	<b>15</b>	<b>5</b>	<b>10</b>	<b>33.3%</b>	<b>35</b>	<b>34</b>
<i>Households</i>	<i>15</i>	<i>-</i>	<i>-</i>	<i>15</i>	<i>5</i>	<i>10</i>	<i>33.3%</i>	<i>35</i>	<i>34</i>
Social benefits	15	-	-	15	5	10	33.3%	35	34
<b>Payments for capital assets</b>	<b>4 201</b>	<b>(4 156)</b>	<b>-</b>	<b>45</b>	<b>44</b>	<b>1</b>	<b>97.8%</b>	<b>11 150</b>	<b>11 148</b>
<i>Machinery and equipment</i>	<i>4 201</i>	<i>(4 156)</i>	<i>-</i>	<i>45</i>	<i>44</i>	<i>1</i>	<i>97.8%</i>	<i>11 150</i>	<i>11 148</i>
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	4 201	(4 156)	-	45	44	1	97.8%	11 150	11 148
<b>Payment for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2</b>
<b>Total</b>	<b>27 345</b>	<b>(3 797)</b>	<b>-</b>	<b>23 548</b>	<b>22 496</b>	<b>1 052</b>	<b>95.5%</b>	<b>32 721</b>	<b>32 044</b>

# APPROPRIATION STATEMENT

For the year ended 31 March 2015

## PROGRAMME 1: ADMINISTRATION – continued

	Subprogramme: 1.5: Financial Administration						2014/15		2013/14
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Economic classification</b>	R'000		R'000	R'000	R'000	R'000		R'000	R'000
<b>Current payments</b>	40 594	(820)	-	39 774	38 410	1 364	96.6%	36 128	35 476
<b>Compensation of employees</b>	28 000	56	-	28 056	27 361	695	97.5%	25 157	24 873
Salaries and wages	24 454	46	-	24 500	23 894	606	97.5%	21 905	21 698
Social contributions	3 546	10	-	3 556	3 467	89	97.5%	3 252	3 175
<b>Goods and services</b>	12 594	(876)	-	11 718	11 049	669	94.3%	10 971	10 603
Administrative fees	293	71	-	364	310	54	85.2%	892	858
Advertising	316	(149)	-	167	76	91	45.5%	91	68
Minor assets	58	(13)	-	45	23	22	51.1%	32	6
Audit costs: External	8 170	(280)	-	7 890	7 890	-	100.0%	7 059	7 059
Bursaries: Employees	226	(79)	-	147	90	57	61.2%	14	13
Catering: Departmental activities	15	-	-	15	5	10	33.3%	20	13
Communication (G&S)	170	(1)	-	169	162	7	95.9%	228	222
Computer services	797	(75)	-	722	686	36	95.0%	726	725
Consultants: Business and advisory services	219	(143)	-	76	53	23	69.7%	154	139
Contractors	30	19	-	49	18	31	36.7%	13	9
Entertainment	4	1	-	5	2	3	40.0%	7	3
Fleet services (including government motor transport)	-	1	-	1	1	-	100.0%	2	-
Consumable supplies	71	106	-	177	155	22	87.6%	90	60
Consumable: Stationery, printing and office supplies	1 131	(239)	-	892	760	132	85.2%	974	930



# APPROPRIATION STATEMENT

For the year ended 31 March 2015

	2014/15							2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Operating leases	141	-	-	141	50	91	35.5%	114	65
Travel and subsistence	338	(81)	-	257	191	66	74.3%	225	119
Training and development	585	(25)	-	560	557	3	99.5%	271	269
Operating payments	30	11	-	41	20	21	48.8%	30	17
Venues and facilities	-	-	-	-	-	-	-	29	28
<b>Transfers and subsidies</b>	<b>4</b>	<b>11</b>	-	<b>15</b>	<b>13</b>	<b>2</b>	<b>86.7%</b>	<b>42</b>	<b>39</b>
<i>Households</i>	<i>4</i>	<i>11</i>	-	<i>15</i>	<i>13</i>	<i>2</i>	<i>86.7%</i>	<i>42</i>	<i>39</i>
Social benefits	4	11	-	15	13	2	86.7%	42	39
<b>Payments for capital assets</b>	<b>313</b>	<b>(51)</b>	-	<b>262</b>	<b>209</b>	<b>53</b>	<b>79.8%</b>	<b>341</b>	<b>148</b>
<i>Machinery and equipment</i>	<i>313</i>	<i>(51)</i>	-	<i>262</i>	<i>209</i>	<i>53</i>	<i>79.8%</i>	<i>341</i>	<i>148</i>
Other machinery and equipment	313	(51)	-	262	209	53	79.8%	341	148
<b>Total</b>	<b>40 911</b>	<b>(860)</b>	-	<b>40 051</b>	<b>38 632</b>	<b>1 419</b>	<b>96.5%</b>	<b>36 511</b>	<b>35 663</b>

# APPROPRIATION STATEMENT

For the year ended 31 March 2015

## PROGRAMME 1: ADMINISTRATION – continued

### Subprogramme: 1.6: Legal Services

	2014/15							2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Economic classification</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
Current payments	16 518	151	-	16 669	16 469	200	98.8%	16 572	16 353
<b>Compensation of employees</b>	<b>6 193</b>	<b>(300)</b>	<b>-</b>	<b>5 893</b>	<b>5 715</b>	<b>178</b>	<b>97.0%</b>	<b>6 610</b>	<b>6 466</b>
Salaries and wages	5 532	(300)	-	5 232	5 119	113	97.8%	5 979	5 843
Social contributions	661	-	-	661	596	65	90.2%	631	623
<b>Goods and services</b>	<b>10 325</b>	<b>451</b>	<b>-</b>	<b>10 776</b>	<b>10 754</b>	<b>22</b>	<b>99.8%</b>	<b>9 962</b>	<b>9 887</b>
Administrative fees	108	(102)	-	6	6	-	83.3%	3	2
Advertising	35	(18)	-	17	16	1	94.1%	85	84
Minor assets	12	(2)	-	10	8	2	80.0%	1	-
Bursaries: Employees	57	(57)	-	-	-	-	-	32	31
Catering: Departmental activities	2	-	-	2	-	2	-	2	2
Communication (G&S)	57	(30)	-	27	26	1	96.3%	51	48
Computer services	-	-	-	-	-	-	-	-	-
Consultants: Business and advisory services	65	(50)	-	15	14	1	93.3%	46	46
Legal services	9 432	755	-	10 187	10 186	1	100.0%	9 475	9 474
Entertainment	5	1	-	6	1	5	16.7%	8	1
Fleet services (including government motor transport)	-	6	-	6	5	1	83.3%	2	1
Consumable supplies	3	(2)	-	1	1	-	100.0%	2	1
Consumable: Stationery, printing and office supplies	42	(18)	-	24	22	2	91.7%	45	27
Operating leases	35	22	-	57	57	-	100.0%	41	37

# APPROPRIATION STATEMENT

For the year ended 31 March 2015

	2014/15							2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Travel and subsistence	283	(147)	-	136	132	4	97.1%	57	37
Training and development	172	110	-	282	280	2	99.3%	105	90
Operating payments	2	(2)	-	-	-	-	-	-	-
Venues and facilities	15	(15)	-	-	-	-	-	7	6
<b>Transfers and subsidies</b>	<b>91</b>	<b>-</b>	<b>-</b>	<b>91</b>	<b>90</b>	<b>1</b>	<b>98.9%</b>	<b>-</b>	<b>-</b>
<i>Households</i>	<i>91</i>	<i>-</i>	<i>-</i>	<i>91</i>	<i>90</i>	<i>1</i>	<i>98.9%</i>	<i>-</i>	<i>-</i>
Social benefits	91	-	-	91	90	1	98.9%	-	-
Payments for capital assets	110	(76)	-	34	34	-	100.0%	130	85
<i>Machinery and equipment</i>	<i>110</i>	<i>(76)</i>	<i>-</i>	<i>34</i>	<i>34</i>	<i>-</i>	<i>100.0%</i>	<i>130</i>	<i>85</i>
Other machinery and equipment	110	(76)	-	34	34	-	100.0%	130	85
<b>Total</b>	<b>16 719</b>	<b>75</b>	<b>-</b>	<b>16 794</b>	<b>16 593</b>	<b>201</b>	<b>98.8%</b>	<b>16 702</b>	<b>16 438</b>

# APPROPRIATION STATEMENT

For the year ended 31 March 2015

**PROGRAMME 1: ADMINISTRATION** – continued

Sub-programme: 1.7: Internal Audit

	2014/15						2013/14		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Economic classification</b>	<b>18 429</b>	<b>(375)</b>	<b>-</b>	<b>18 054</b>	<b>16 862</b>	<b>1 192</b>	<b>93.4%</b>	<b>23 157</b>	<b>21 917</b>
<b>Current payments</b>	<b>12 246</b>	<b>(63)</b>	<b>-</b>	<b>12 163</b>	<b>12 039</b>	<b>124</b>	<b>99.0%</b>	<b>8 724</b>	<b>8 489</b>
Salaries and wages	11 116	(35)	-	11 081	11 054	27	99.8%	7 803	7 676
Social contributions	1 130	(48)	-	1 082	985	97	91.0%	921	813
<b>Goods and services</b>	<b>6 183</b>	<b>(292)</b>	<b>-</b>	<b>5 891</b>	<b>4 823</b>	<b>1 068</b>	<b>81.9%</b>	<b>14 433</b>	<b>13 428</b>
Administrative fees	14	80	-	94	74	20	78.7%	76	75
Advertising	30	-	-	30	15	15	50.0%	108	107
Minor assets	10	-	-	10	7	3	70.0%	8	6
Audit costs: External	-	6	-	6	5	1	100.0%	351	351
Bursaries: Employees	138	49	-	187	187	-	100.0%	38	38
Catering: Departmental activities	22	-	-	22	20	2	90.9%	27	22
Communication (G&S)	21	6	-	27	27	-	100.0%	20	20
Computer services	319	539	-	858	810	48	94.4%	803	36
Consultants: Business and advisory services	4 485	(962)	-	3 523	2 919	604	82.9%	12 115	11 903
Entertainment	5	-	-	5	1	4	20.0%	7	1
Fleet services (including government motor transport)	-	3	-	3	3	-	100.0%	1	1
Consumable: Stationery, printing and office supplies	71	-	-	71	42	29	59.2%	67	66
Operating leases	80	51	-	131	126	5	96.2%	99	98
Travel and subsistence	132	23	-	155	94	61	60.6%	296	290

# APPROPRIATION STATEMENT

For the year ended 31 March 2015

	Sub-programme: 1.7: Internal Audit									
	2014/15					2013/14				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Training and development	710	(37)	-	673	472	201	70.1%	371	369	
Operating payments	66	-	-	66	21	45	31.8%	6	5	
Venues and facilities	80	(50)	-	30	-	30	-	40	40	
<b>Transfers and subsidies</b>	-	<b>12</b>	-	<b>12</b>	<b>12</b>	-	<b>100.0%</b>	-	-	
<i>Households</i>	-	<b>12</b>	-	<b>12</b>	<b>12</b>	-	<b>100.0%</b>	-	-	
Social benefits	-	12	-	12	12	-	100.0%	-	-	
<b>Payments for capital assets</b>	<b>217</b>	<b>28</b>	-	<b>245</b>	<b>245</b>	-	<b>100.0%</b>	<b>290</b>	<b>98</b>	
<i>Machinery and equipment</i>	<b>217</b>	<b>28</b>	-	<b>245</b>	<b>245</b>	-	<b>100.0%</b>	<b>290</b>	<b>98</b>	
Other machinery and equipment	217	28	-	245	245	-	100.0%	290	98	
<b>Total</b>	<b>18 646</b>	<b>(335)</b>	-	<b>18 311</b>	<b>17 119</b>	<b>1 192</b>	<b>93.5%</b>	<b>23 447</b>	<b>22 015</b>	

## APPROPRIATION STATEMENT

For the year ended 31 March 2015

## PROGRAMME 1: ADMINISTRATION – continued

## Sub-programme: 1.8: Communications

	2014/15						2013/14		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Economic classification</b>	<b>9 993</b>	<b>70</b>	<b>-</b>	<b>10 063</b>	<b>9 884</b>	<b>179</b>	<b>98.2%</b>	<b>9 196</b>	<b>8 792</b>
<b>Current payments</b>	<b>5 909</b>	<b>71</b>	<b>-</b>	<b>5 980</b>	<b>5 964</b>	<b>16</b>	<b>99.7%</b>	<b>5 053</b>	<b>4 896</b>
Salaries and wages	5 398	68	-	5 466	5 452	14	99.7%	4 608	4 472
Social contributions	511	3	-	514	512	2	99.6%	445	424
<b>Goods and services</b>	<b>4 084</b>	<b>(7)</b>	<b>-</b>	<b>4 083</b>	<b>3 920</b>	<b>163</b>	<b>96.0%</b>	<b>4 143</b>	<b>3 896</b>
Administrative fees	117	(6)	-	111	110	1	99.1%	95	84
Advertising	-	1	-	1	-	1	-	12	3
Minor assets	20	(5)	-	15	5	10	33.3%	15	8
Bursaries: Employees	48	(37)	-	11	11	-	100.0%	21	11
Catering: Departmental activities	103	-	-	103	101	2	98.1%	120	107
Communication (G&S)	70	(10)	-	60	60	-	100.0%	107	106
Computer services	1 188	343	-	1 531	1 443	88	94.3%	1 256	1 255
Consultants: Business and advisory services	21	(20)	-	1	-	1	-	10	2
Contractors	18	(18)	-	-	-	-	-	-	-
Entertainment	4	(1)	-	3	1	2	33.3%	5	3
Fleet services (including government motor transport)	1	-	-	1	-	1	-	1	-
Consumable supplies	46	(11)	-	35	33	2	94.3%	16	8
Consumable: Stationery, printing and office supplies	1 540	(146)	-	1 394	1 379	15	98.9%	1 418	1 306
Operating leases	87	20	-	107	106	1	99.1%	107	99

# APPROPRIATION STATEMENT

For the year ended 31 March 2015

	Sub-programme: 1.8: Communications									
	2014/15					2013/14				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Travel and subsistence	744	(74)	-	670	645	25	96.3%	806	760	
Training and development	59	(37)	-	22	17	5	77.3%	10	4	
Operating payments	3	-	-	3	1	2	33.3%	140	139	
Venues and facilities	15	-	-	15	8	7	60.0%	4	1	
<b>Transfers and subsidies</b>	-	-	-	-	-	-	-	5	5	
<b>Households</b>	-	-	-	-	-	-	-	5	5	
Social benefits	-	-	-	-	-	-	-	5	5	
<b>Payments for capital assets</b>	171	42	-	213	213	-	100.0%	37	37	
<b>Machinery and equipment</b>	171	42	-	213	213	-	100.0%	37	37	
Transport equipment	-	-	-	-	-	-	-	-	-	
Other machinery and equipment	171	42	-	213	213	-	100.0%	37	37	
<b>Payment for financial assets</b>	-	-	-	-	23	(23)	-	-	2	
<b>Total</b>	<b>10 164</b>	<b>112</b>	<b>-</b>	<b>10 276</b>	<b>10 120</b>	<b>156</b>	<b>98.5%</b>	<b>9 238</b>	<b>8 836</b>	

# APPROPRIATION STATEMENT

For the year ended 31 March 2015

## PROGRAMME 1: ADMINISTRATION – continued

### Sub-programme: 1.9: Office Accommodation

	2014/15						2013/14		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Economic classification</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
Current payments	97 789	1 787	-	99 576	99 298	278	99.7%	69 308	68 313
<b>Compensation of employees</b>	<b>7 788</b>	<b>(262)</b>	<b>-</b>	<b>7 526</b>	<b>7 519</b>	<b>7</b>	<b>99.9%</b>	<b>7 004</b>	<b>6 977</b>
Salaries and wages	6 600	(221)	-	6 379	6 374	5	99.9%	5 911	5 893
Social contributions	1 188	(41)	-	1 147	1 145	2	99.8%	1 093	1 084
<b>Goods and services</b>	<b>90 001</b>	<b>2 049</b>	<b>-</b>	<b>92 050</b>	<b>91 779</b>	<b>271</b>	<b>99.7%</b>	<b>62 304</b>	<b>61 336</b>
Administrative fees	3	-	-	3	3	-	100.0%	2	1
Advertising	40	(20)	-	20	19	1	95.0%	15	1
Minor assets	312	500	-	812	807	5	99.3%	86	48
Bursaries: Employees	60	7	-	67	66	1	98.5%	-	-
Communication (G&S)	1 020	(365)	-	655	474	181	72.4%	624	492
Computer services	50	41	-	91	91	-	100.0%	10	3
Consultants: Business and advisory services	25	(25)	-	-	-	-	-	7	6
Contractors	1 864	(22)	-	1 842	1 820	22	98.8%	1 588	1 494
Agency and support / outsourced services	4 452	58	-	4 510	4 509	1	100.0%	4 062	4 062
Entertainment	1	-	-	1	-	1	-	2	-
Fleet services (including government motor transport)	1 755	(65)	-	1 690	1 688	2	99.9%	1 215	1 213
Consumable supplies	2 100	222	-	2 322	2 328	(6)	100.3%	2 516	2 510
Consumable: Stationery, printing and office supplies	117	(34)	-	83	54	29	97.6%	119	102
Operating leases	58 757	(621)	-	58 136	58 132	4	100.0%	39 016	38 784



# APPROPRIATION STATEMENT

For the year ended 31 March 2015

	2014/15							2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Property payments	19 055	2 337	-	21 392	21 389	3	100.0%	12 390	12 026
Travel and subsistence	94	-	-	94	83	11	88.3%	470	443
Training and development	1 22	(50)	-	72	71	1	98.6%	39	30
Operating payments	174	86	-	260	245	15	94.2%	143	121
<b>Transfers and subsidies</b>	<b>15</b>	<b>3</b>	-	<b>18</b>	<b>11</b>	<b>7</b>	<b>61.1%</b>	<b>37</b>	<b>36</b>
<b>Departmental agencies and accounts</b>	<b>15</b>	-	-	<b>15</b>	<b>9</b>	<b>6</b>	<b>60.0%</b>	<b>10</b>	<b>9</b>
Departmental agencies (non-business entities)	15	-	-	15	9	6	60.0%	10	9
<b>Households</b>	-	<b>3</b>	-	<b>3</b>	<b>2</b>	<b>1</b>	<b>66.7%</b>	<b>27</b>	<b>27</b>
Social benefits	-	3	-	3	2	1	66.7%	27	27
<b>Payments for capital assets</b>	<b>620</b>	<b>(408)</b>	-	<b>212</b>	<b>212</b>	-	<b>100.0%</b>	<b>5 627</b>	<b>313</b>
<b>Buildings and other fixed structures</b>	-	-	-	-	-	-	-	<b>5 000</b>	-
Buildings	-	-	-	-	-	-	-	5 000	-
<b>Machinery and equipment</b>	<b>620</b>	<b>(408)</b>	-	<b>212</b>	<b>212</b>	-	<b>100.0%</b>	<b>627</b>	<b>313</b>
Transport equipment	-	-	-	-	-	-	-	300	300
Other machinery and equipment	620	(408)	-	212	212	-	100.0%	327	13
<b>Payment for financial assets</b>	-	-	-	-	<b>7</b>	<b>(7)</b>	-	-	-
<b>Total</b>	<b>98 424</b>	<b>1 382</b>	-	<b>99 806</b>	<b>99 528</b>	<b>278</b>	<b>99.7%</b>	<b>74 972</b>	<b>68 662</b>

# APPROPRIATION STATEMENT

For the year ended 31 March 2015

## PROGRAMME 2: ECONOMIC POLICY, TAX, FINANCIAL REGULATION AND RESEARCH

Programme 2: Economic Policy, Tax, Financial Regulation and Research per sub-programme

	2014/15						2013/14		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Programme Management for Economic Policy, Tax, Financial Regulation and Research	21 068	65	-	21 133	20 668	465	97.8%	21 263	20 220
2. Research	10 700	830	-	11 530	11 529	1	100.0%	16 764	16 657
3. Financial Sector Policy	33 558	(1 165)	-	32 393	27 974	4 419	86.4%	27 032	25 111
4. Tax Policy	23 705	(8)	-	23 697	21 589	2 108	91.1%	24 252	23 401
5. Economic Policy	28 489	278	-	28 767	25 731	3 036	89.4%	28 377	22 473
6. Cooperative Banks Development Agency	16 838	-	-	16 838	16 838	-	100.0%	16 236	16 236
<b>Total</b>	<b>134 358</b>	<b>-</b>	<b>-</b>	<b>134 358</b>	<b>124 329</b>	<b>10 029</b>	<b>92.5%</b>	<b>133 924</b>	<b>124 098</b>

Programme 2: Economic Policy, Tax, Financial Regulation and Research per economic classification

	2014/15						2013/14		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	106 152	(2)	-	106 150	96 288	9 862	90.7%	106 535	97 123
Compensation of employees	75 327	(2)	-	75 325	70 770	4 555	94.0%	72 115	66 731

# APPROPRIATION STATEMENT

For the year ended 31 March 2015

	Programme 2: Economic Policy, Tax, Financial Regulation and Research per economic classification							2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Salaries and wages	68 262	9	-	68 271	64 202	4 069	94.0%	65 562	60 638
Social contributions	7 065	(11)	-	7 054	6 568	486	93.1%	6 553	6 093
<b>Goods and services</b>	<b>30 825</b>	<b>-</b>	<b>-</b>	<b>30 825</b>	<b>25 518</b>	<b>5 307</b>	<b>82.8%</b>	<b>34 420</b>	<b>30 392</b>
Administrative fees	404	(33)	-	371	120	251	32.5%	853	133
Advertising	581	(35)	-	546	408	138	74.8%	616	343
Minor assets	63	(29)	-	34	15	19	43.4%	97	16
Bursaries: Employees	737	85	-	822	760	62	92.5%	924	819
Catering: Departmental activities	167	-	-	167	93	74	55.4%	184	147
Communication (G&S)	455	(66)	-	389	297	92	76.3%	437	351
Computer services	108	43	-	151	144	7	95.3%	102	37
Consultants: Business and advisory services	15 171	(300)	-	14 871	11 843	3 028	79.6%	17 345	16 721
Contractors	1	9	-	10	4	6	40.0%	19	8
Entertainment	45	-	-	45	10	35	21.8%	70	18
Fleet services (including government motor transport)	-	-	-	-	-	-	-	4	3
Consumable supplies	103	100	-	203	124	79	61.1%	166	71
Consumable: Stationery, printing and office supplies	1 142	192	-	1 334	1 047	287	78.5%	1 263	884

# APPROPRIATION STATEMENT

For the year ended 31 March 2015

## PROGRAMME 2: ECONOMIC POLICY, TAX, FINANCIAL REGULATION AND RESEARCH – continued

Programme 2: Economic Policy, Tax, Financial Regulation and Research per economic classification

	2014/15						2013/14		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Operating leases	306	(42)	-	264	239	25	90.7%	309	202
Travel and subsistence	6 359	(26)	-	6 333	5 368	965	84.8%	6 582	5 448
Training and development	634	165	-	799	669	130	83.7%	730	562
Operating payments	3 873	244	-	4 117	4 041	76	98.1%	4 422	4 412
Venues and facilities	676	(307)	-	369	336	33	91.2%	297	217
<b>Transfers and subsidies</b>	<b>27 653</b>	<b>2</b>	<b>-</b>	<b>27 655</b>	<b>27 653</b>	<b>2</b>	<b>100.0%</b>	<b>26 535</b>	<b>26 531</b>
<b>Departmental agencies and accounts</b>	<b>16 838</b>	<b>-</b>	<b>-</b>	<b>16 838</b>	<b>16 838</b>	<b>-</b>	<b>100.0%</b>	<b>16 236</b>	<b>16 236</b>
Departmental agencies (non-business entities)	16 838	-	-	16 838	16 838	-	100.0%	16 236	16 236
<b>Public corporations and private enterprises</b>	<b>10 780</b>	<b>-</b>	<b>-</b>	<b>10 780</b>	<b>10 780</b>	<b>-</b>	<b>100.0%</b>	<b>9 900</b>	<b>9 900</b>
Other transfers to public corporations	10 780	-	-	10 780	10 780	-	100.0%	9 900	9 900
<b>Households</b>	<b>35</b>	<b>2</b>	<b>-</b>	<b>37</b>	<b>35</b>	<b>2</b>	<b>94.6%</b>	<b>399</b>	<b>395</b>
Social benefits	35	2	-	37	35	2	94.6%	399	395
<b>Payments for capital assets</b>	<b>553</b>	<b>-</b>	<b>-</b>	<b>553</b>	<b>386</b>	<b>167</b>	<b>69.7%</b>	<b>854</b>	<b>443</b>
<b>Machinery and equipment</b>	<b>553</b>	<b>-</b>	<b>-</b>	<b>553</b>	<b>386</b>	<b>167</b>	<b>69.7%</b>	<b>854</b>	<b>443</b>
Other machinery and equipment	553	-	-	553	386	167	69.7%	854	443

# APPROPRIATION STATEMENT

For the year ended 31 March 2015

	2014/15							2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Payment for financial assets	-	-	-	-	2	(2)	-	-	1
<b>Total</b>	<b>134 358</b>	<b>-</b>	<b>-</b>	<b>134 358</b>	<b>124 329</b>	<b>10 029</b>	<b>92.5%</b>	<b>133 924</b>	<b>124 098</b>

# APPROPRIATION STATEMENT

For the year ended 31 March 2015

## PROGRAMME 2: ECONOMIC POLICY, TAX, FINANCIAL REGULATION AND RESEARCH – continued

Sub-programme: 2.1: Programme Management for Economic Policy, Tax, Financial Regulation and Research

	2014/15						2013/14		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	10 234	65	-	10 299	9 856	443	95.7%	11 256	10 264
<b>Compensation of employees</b>	<b>7 143</b>	-	-	<b>7 143</b>	<b>6 982</b>	<b>161</b>	<b>97.7%</b>	<b>6 289</b>	<b>6 283</b>
Salaries and wages	6 369	-	-	6 369	6 231	138	97.8%	5 566	5 563
Social contributions	774	-	-	774	751	23	97.0%	723	720
<b>Goods and services</b>	<b>3 091</b>	<b>65</b>	-	<b>3 156</b>	<b>2 874</b>	<b>282</b>	<b>91.1%</b>	<b>4 967</b>	<b>3 981</b>
Administrative fees	41	(3)	-	38	29	9	77.4%	38	33
Advertising	52	(2)	-	50	-	50	-	102	78
Minor assets	30	(20)	-	10	5	5	52.0%	15	4
Bursaries: Employees	10	-	-	10	-	10	-	21	-
Catering: Departmental activities	47	-	-	47	20	27	45.5%	50	49
Communication (G&S)	106	(32)	-	74	73	1	98.9%	86	81
Computer services	5	2	-	7	2	5	28.6%	29	2
Consultants: Business and advisory services	375	(86)	-	289	280	9	96.9%	730	328
Entertainment	5	-	-	5	3	2	60.0%	10	7
Consumable supplies	24	87	-	111	77	34	69.4%	22	10
Consumable: Stationery, printing and office supplies	246	330	-	576	573	3	99.5%	309	27
Travel and subsistence	1 965	(87)	-	1 878	1 778	100	94.7%	2 108	1 949
Training and development	28	9	-	37	20	17	54.1%	118	118
Operating payments	7	-	-	7	3	4	42.9%	1 146	1 145

# APPROPRIATION STATEMENT

For the year ended 31 March 2015

	Sub-programme: 2.1: Programme Management for Economic Policy, Tax, Financial Regulation and Research							2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Venues and facilities	150	(133)	-	17	9	8	52.9%	181	150
Transfers and subsidies	10 780	-	-	10 780	10 780	-	100.0%	9 900	9 900
Public corporations and private enterprises	10 780	-	-	10 780	10 780	-	100.0%	9 900	9 900
Other transfers to public corporations	10 780	-	-	10 780	10 780	-	100.0%	9 900	9 900
Payments for capital assets	54	-	-	54	30	24	55.6%	107	56
Machinery and equipment	54	-	-	54	30	24	55.6%	107	56
Other machinery and equipment	54	-	-	54	30	24	55.6%	107	56
Payment for financial assets	-	-	-	-	2	(2)	-	-	-
<b>Total</b>	<b>21 068</b>	<b>65</b>	<b>-</b>	<b>21 133</b>	<b>20 668</b>	<b>465</b>	<b>97.8%</b>	<b>21 263</b>	<b>20 220</b>

# APPROPRIATION STATEMENT

For the year ended 31 March 2015

**PROGRAMME 2: ECONOMIC POLICY, TAX, FINANCIAL REGULATION AND RESEARCH** – continued

Sub-programme: 2.2: Research	2014/15						2013/14		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification	10 700	830	-	11 530	11 529	1	100.0%	16 764	16 657
Current payments	10 700	830	-	11 530	11 529	1	100.0%	16 764	16 657
Goods and services	10 700	830	-	11 530	11 529	1	100.0%	16 364	16 257
Consultants: Business and advisory services	-	-	-	-	-	-	-	400	400
Operating payments	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>10 700</b>	<b>830</b>	<b>-</b>	<b>11 530</b>	<b>11 529</b>	<b>1</b>	<b>100.0%</b>	<b>16 764</b>	<b>16 657</b>

Sub-programme: 2.3: Financial Sector Policy	2014/15						2013/14		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification	33 498	(1 174)	-	32 324	27 946	4 378	86.5%	26 870	24 997
Current payments	33 498	(1 174)	-	32 324	27 946	4 378	86.5%	26 870	24 997
Compensation of employees	25 631	-	-	25 631	24 964	667	97.4%	22 315	22 062
Salaries and wages	23 294	12	-	23 306	22 679	627	97.3%	20 261	20 139
Social contributions	2 337	(12)	-	2 325	2 285	40	98.3%	2 054	1 923
Goods and services	7 867	(1 174)	-	6 693	2 982	3 711	44.5%	4 555	2 935
Administrative fees	240	(22)	-	218	39	179	17.9%	714	43
Advertising	105	1	-	106	101	5	95.3%	192	38
Minor assets	6	1	-	7	-	7	-	25	3



# APPROPRIATION STATEMENT

For the year ended 31 March 2015

	Sub-programme: 2.3: Financial Sector Policy									
	2014/15					2013/14				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Bursaries: Employees	195	109	-	304	276	28	90.9%	330	311	
Catering: Departmental activities	40	-	-	40	14	26	38.5%	48	27	
Communication (G&S)	145	5	-	150	108	42	72.8%	144	124	
Computer services	34	33	-	67	66	1	98.5%	67	29	
Consultants: Business and advisory services	4 045	(1 052)	-	2 993	12	2 981	0.4%	98	7	
Contractors	-	-	-	-	-	-	-	5	-	
Entertainment	13	-	-	13	1	12	7.7%	15	4	
Fleet services (including government motor transport)	-	-	-	-	-	-	-	1	-	
Consumable supplies	19	(5)	-	14	4	10	28.6%	11	5	
Consumable: Stationery, printing and office supplies	326	(137)	-	189	72	117	38.1%	359	335	
Operating leases	160	(45)	-	115	106	9	92.2%	182	104	
Travel and subsistence	1 728	103	-	1 831	1 549	282	84.6%	2 031	1 703	
Training and development	236	(4)	-	232	218	14	94.1%	230	123	
Operating payments	115	(1)	-	114	112	2	98.4%	69	66	
Venues and facilities	460	(160)	-	300	300	-	100.0%	34	13	
<b>Transfers and subsidies</b>	-	-	-	-	-	-	-	17	16	
<b>Households</b>	-	-	-	-	-	-	-	17	16	
Social benefits	-	-	-	-	-	-	-	17	16	
<b>Payments for capital assets</b>	60	9	-	69	28	41	41.2%	145	96	
<b>Machinery and equipment</b>	60	9	-	69	28	41	41.2%	145	96	

# APPROPRIATION STATEMENT

For the year ended 31 March 2015

**PROGRAMME 2: ECONOMIC POLICY, TAX, FINANCIAL REGULATION AND RESEARCH** – continued

Sub-programme: 2.3: Financial Sector Policy	2014/15						2013/14		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Other machinery and equipment	60	9	-	69	28	41	41.2%	145	96
Payment for financial assets	-	-	-	-	-	-	-	-	1
<b>Total</b>	<b>33 558</b>	<b>(1 165)</b>	<b>-</b>	<b>32 393</b>	<b>27 974</b>	<b>4 419</b>	<b>86.4%</b>	<b>27 032</b>	<b>25 111</b>

Sub-programme: 2.4: Tax Policy	2014/15						2013/14		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	23 544	1	-	23 545	21 464	2 081	91.2%	23 703	22 923
<b>Compensation of employees</b>	<b>20 058</b>	<b>-</b>	<b>-</b>	<b>20 058</b>	<b>19 212</b>	<b>846</b>	<b>95.8%</b>	<b>20 637</b>	<b>20 636</b>
Salaries and wages	18 230	(1)	-	18 229	17 556	673	96.3%	18 913	18 912
Social contributions	1 828	1	-	1 829	1 656	173	90.6%	1 724	1 724
<b>Goods and services</b>	<b>3 486</b>	<b>1</b>	<b>-</b>	<b>3 487</b>	<b>2 252</b>	<b>1 235</b>	<b>64.6%</b>	<b>3 066</b>	<b>2 287</b>
Administrative fees	84	-	-	84	24	60	26.9%	63	35
Advertising	264	(21)	-	243	162	81	66.6%	173	108
Minor assets	13	-	-	13	6	7	45.4%	38	2
Bursaries: Employees	325	(63)	-	262	239	23	91.2%	70	28
Catering: Departmental activities	55	-	-	55	50	5	90.9%	60	47

# APPROPRIATION STATEMENT

For the year ended 31 March 2015

	2014/15						2013/14		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Communication (G&S)	93	-	-	93	43	50	46.2%	89	49
Consultants: Business and advisory services	51	8	-	59	22	37	37.3%	32	9
Contractors	-	10	-	10	4	6	40.0%	13	8
Entertainment	13	-	-	13	2	11	15.4%	25	-
Consumable supplies	38	25	-	63	43	20	68.3%	48	24
Consumable: Stationery, printing and office supplies	515	45	-	560	396	164	70.7%	550	505
Operating leases	54	20	-	74	61	13	82.4%	60	57
Travel and subsistence	1 374	(59)	-	1 315	750	565	57.0%	1 315	952
Training and development	239	80	-	319	221	98	69.3%	264	219
Operating payments	325	(53)	-	272	203	69	74.8%	193	192
Venues and facilities	43	9	-	52	27	25	52.7%	73	52
<b>Transfers and subsidies</b>	<b>14</b>	<b>-</b>	<b>-</b>	<b>14</b>	<b>13</b>	<b>1</b>	<b>92.9%</b>	<b>270</b>	<b>269</b>
<b>Households</b>	<b>14</b>	<b>-</b>	<b>-</b>	<b>14</b>	<b>13</b>	<b>1</b>	<b>92.9%</b>	<b>270</b>	<b>269</b>
Social benefits	14	-	-	14	13	1	92.9%	270	269
<b>Payments for capital assets</b>	<b>147</b>	<b>(9)</b>	<b>-</b>	<b>138</b>	<b>112</b>	<b>26</b>	<b>81.2%</b>	<b>279</b>	<b>209</b>
<b>Machinery and equipment</b>	<b>147</b>	<b>(9)</b>	<b>-</b>	<b>138</b>	<b>112</b>	<b>26</b>	<b>81.2%</b>	<b>279</b>	<b>209</b>
Other machinery and equipment	147	(9)	-	138	112	26	81.2%	279	209
<b>Total</b>	<b>23 705</b>	<b>(8)</b>	<b>-</b>	<b>23 697</b>	<b>21 589</b>	<b>2 108</b>	<b>91.1%</b>	<b>24 252</b>	<b>23 401</b>

## APPROPRIATION STATEMENT

For the year ended 31 March 2015

## PROGRAMME 2: ECONOMIC POLICY, TAX, FINANCIAL REGULATION AND RESEARCH - continued

	2014/15							2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	28 176	276	-	28 452	25 494	2 958	89.6%	27 942	22 282
Compensation of employees	22 495	(2)	-	22 493	19 612	2 881	87.2%	22 874	17 750
Salaries and wages	20 369	(2)	-	20 367	17 737	2 630	87.1%	20 822	16 024
Social contributions	2 126	-	-	2 126	1 876	250	88.2%	2 052	1 726
Goods and services	5 681	278	-	5 959	5 882	77	98.7%	5 068	4 531
Administrative fees	39	(8)	-	31	29	2	95.0%	38	22
Advertising	160	(13)	-	147	145	2	98.8%	149	118
Minor assets	14	(10)	-	4	4	0	91.3%	19	8
Bursaries: Employees	207	39	-	246	246	0	99.7%	502	480
Catering: Departmental activities	25	-	-	25	6	19	23.0%	26	25
Communication (G&S)	111	(39)	-	72	72	0	99.2%	118	97
Computer services	69	8	-	77	76	1	98.6%	6	6
Consultants: Business and advisory services	-	-	-	-	-	-	-	121	120
Contractors	1	(1)	-	-	-	-	-	1	-
Entertainment	14	-	-	14	4	10	27.1%	20	7
Fleet services (including government motor transport)	-	-	-	-	-	-	-	2	2
Consumable supplies	22	(7)	-	15	-	15	-	85	32
Consumable: Stationery, printing and office supplies	55	(46)	-	9	6	3	68.2%	45	17

# APPROPRIATION STATEMENT

For the year ended 31 March 2015

	2014/15							2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Operating leases	92	(17)	-	75	72	3	96.5%	67	41
Travel and subsistence	1 292	17	-	1 309	1 291	18	98.6%	1 128	844
Training and development	131	80	-	211	209	2	99.3%	118	102
Operating payments	3 426	298	-	3 724	3 722	2	99.9%	2 614	2 609
Venues and facilities	23	(23)	-	-	-	-	-	9	2
<b>Transfers and subsidies</b>	<b>21</b>	<b>2</b>	-	<b>23</b>	<b>22</b>	<b>1</b>	<b>95.7%</b>	<b>112</b>	<b>110</b>
<i>Households</i>	<i>21</i>	<i>2</i>	-	<i>23</i>	<i>22</i>	<i>1</i>	<i>95.7%</i>	<i>112</i>	<i>110</i>
Social benefits	21	2	-	23	22	1	95.7%	112	110
<b>Payments for capital assets</b>	<b>292</b>	-	-	<b>292</b>	<b>215</b>	<b>77</b>	<b>73.7%</b>	<b>323</b>	<b>82</b>
Machinery and equipment	292	-	-	292	215	77	73.7%	323	82
Other machinery and equipment	292	-	-	292	215	77	73.7%	323	82
<b>Total</b>	<b>28 489</b>	<b>278</b>	-	<b>28 767</b>	<b>25 731</b>	<b>3 036</b>	<b>89.4%</b>	<b>28 377</b>	<b>22 473</b>

# APPROPRIATION STATEMENT

For the year ended 31 March 2015

**PROGRAMME 2: ECONOMIC POLICY, TAX, FINANCIAL REGULATION AND RESEARCH** – continued

Sub-programme: 2.6: Cooperative Banking Development Agency

	2014/15							2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Transfers and subsidies</b>	<b>16 838</b>	-	-	<b>16 838</b>	<b>16 838</b>	-	<b>100.0%</b>	<b>16 236</b>	<b>16 236</b>
Departmental agencies and accounts	16 838	-	-	16 838	16 838	-	100.0%	16 236	16 236
Departmental agencies (non-business entities)	16 838	-	-	16 838	16 838	-	100.0%	16 236	16 236
<b>Total</b>	<b>16 838</b>	-	-	<b>16 838</b>	<b>16 838</b>	-	<b>100.0%</b>	<b>16 236</b>	<b>16 236</b>

# APPROPRIATION STATEMENT

For the year ended 31 March 2015

## PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT

Programme 3: Public Finance and Budget Management per sub programme

	2014/15						2013/14		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Programme Management for Public Finance and Budget Management	22 092	995	-	23 087	20 615	2 472	89.3%	18 563	17 322
2. Public Finance	54 760	10	-	54 770	52 330	2 440	95.5%	59 326	55 771
3. Budget Office and Coordination	59 014	(882)	-	58 132	53 225	4 907	91.6%	56 419	52 429
4. Intergovernmental Relations	79 523	(923)	-	78 600	73 813	4 787	93.9%	51 759	47 629
5. Financial and Fiscal Commission	44 488	800	-	45 288	45 288	-	100.0%	39 567	39 567
<b>Total</b>	<b>259 877</b>	<b>-</b>	<b>-</b>	<b>259 877</b>	<b>245 271</b>	<b>14 606</b>	<b>94.4%</b>	<b>225 634</b>	<b>212 718</b>

# APPROPRIATION STATEMENT

For the year ended 31 March 2015

## PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT – continued

Programme 3: Public Finance and Budget Management per economic classification

	2014/15						2013/14		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>213 654</b>	<b>(904)</b>	-	<b>212 750</b>	<b>198 419</b>	<b>14 331</b>	<b>93.3%</b>	<b>183 065</b>	<b>170 531</b>
<b>Compensation of employees</b>	<b>180 921</b>	<b>(104)</b>	-	<b>180 817</b>	<b>175 122</b>	<b>5 695</b>	<b>96.9%</b>	<b>150 659</b>	<b>143 755</b>
Salaries and wages	163 065	194	-	163 259	158 549	4 710	97.1%	135 707	129 787
Social contributions	17 856	(298)	-	17 558	16 573	985	94.4%	14 952	13 968
<b>Goods and services</b>	<b>32 733</b>	<b>(800)</b>	-	<b>31 933</b>	<b>23 297</b>	<b>8 636</b>	<b>73.0%</b>	<b>32 406</b>	<b>26 776</b>
Administrative fees	674	(85)	-	589	417	172	70.7%	862	577
Advertising	603	(73)	-	530	277	253	52.2%	522	352
Minor assets	167	11	-	178	37	141	20.9%	222	129
Bursaries: Employees	965	94	-	1 059	689	370	65.1%	672	509
Catering: Departmental activities	460	-	-	460	374	86	81.3%	507	418
Communication (G&S)	742	29	-	771	643	128	83.4%	834	761
Computer services	1 430	(189)	-	1 241	1 002	239	80.7%	1 227	662
Consultants: Business and advisory services	8 028	(1 291)	-	6 737	4 407	2 330	65.4%	9 431	7 889
Legal services	-	-	-	-	-	-	-	8	-
Contractors	39	9	-	48	10	38	20.8%	25	8
Agency and support / outsourced services	112	20	-	132	95	37	72.0%	60	55
Entertainment	95	1	-	96	40	56	41.7%	130	46



# APPROPRIATION STATEMENT

For the year ended 31 March 2015

	2014/15							2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Fleet services (including government motor transport)	11	(4)	-	7	2	5	28.6%	17	1
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	2	-
Consumable supplies	450	(40)	-	410	328	82	80.1%	372	296
Consumable: Stationery, printing and office supplies	7 221	148	-	7 369	5 828	1 541	79.1%	6 141	5 671
Operating leases	561	173	-	734	589	145	80.2%	530	443
Travel and subsistence	9 527	601	-	10 128	7 867	2 261	77.7%	9 293	7 909
Training and development	931	(99)	-	832	389	443	46.8%	601	348
Operating payments	169	(54)	-	115	39	76	33.9%	211	189
Venues and facilities	548	(51)	-	497	264	233	53.1%	739	513
<b>Transfers and subsidies</b>	<b>44 577</b>	<b>904</b>	-	<b>45 481</b>	<b>45 473</b>	<b>8</b>	<b>100.0%</b>	<b>41 324</b>	<b>41 316</b>
<b>Departmental agencies and accounts</b>	<b>44 488</b>	<b>800</b>	-	<b>45 288</b>	<b>45 288</b>	-	<b>100.0%</b>	<b>39 567</b>	<b>39 567</b>
Departmental agencies (non-business entities)	44 488	800	-	45 288	45 288	-	100.0%	39 567	39 567
<b>Households</b>	<b>89</b>	<b>104</b>	-	<b>193</b>	<b>185</b>	<b>8</b>	<b>95.9%</b>	<b>1 757</b>	<b>1 749</b>
Social benefits	89	104	-	193	185	8	95.9%	1 757	1 749
<b>Payments for capital assets</b>	<b>1 646</b>	-	-	<b>1 646</b>	<b>1 338</b>	<b>308</b>	<b>81.3%</b>	<b>1 245</b>	<b>863</b>

## APPROPRIATION STATEMENT

For the year ended 31 March 2015

## PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT – continued

Programme 3: Public Finance and Budget Management per economic classification									
	2014/15					2013/14			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<i>Machinery and equipment</i>	1 646	-	-	1 646	1 338	308	81.3%	1 245	863
Other machinery and equipment	1 646	-	-	1 646	1 338	308	81.3%	1 245	863
Payment for financial assets	-	-	-	-	42	(42)	-	-	8
<b>Total</b>	<b>259 877</b>	<b>-</b>	<b>-</b>	<b>259 877</b>	<b>245 271</b>	<b>14 606</b>	<b>94.4%</b>	<b>225 634</b>	<b>212 718</b>

Sub-programme: 3.1: Programme Management for Public Finance and Budget Management									
	2014/15					2013/14			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<i>Economic classification</i>	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>22 054</b>	<b>997</b>	<b>-</b>	<b>23 051</b>	<b>20 546</b>	<b>2 505</b>	<b>89.1%</b>	<b>18 459</b>	<b>17 236</b>
<i>Compensation of employees</i>	<b>12 572</b>	<b>882</b>	<b>-</b>	<b>13 454</b>	<b>13 105</b>	<b>349</b>	<b>97.4%</b>	<b>9 578</b>	<b>9 213</b>
Salaries and wages	11 635	758	-	12 393	12 218	175	98.6%	8 889	8 645
Social contributions	937	124	-	1 061	887	174	83.6%	689	568
<b>Goods and services</b>	<b>9 482</b>	<b>115</b>	<b>-</b>	<b>9 597</b>	<b>7 441</b>	<b>2 156</b>	<b>77.5%</b>	<b>8 881</b>	<b>8 023</b>
Administrative fees	62	7	-	69	49	20	71.0%	75	68
Advertising	75	9	-	84	55	29	65.5%	62	41
Minor assets	31	-	-	31	4	27	12.9%	87	79
Bursaries: Employees	55	-	-	55	-	55	-	2	-

# APPROPRIATION STATEMENT

For the year ended 31 March 2015

	2014/15						2013/14		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Catering: Departmental activities	102	-	-	102	93	9	91.2%	102	95
Communication (G&S)	88	(10)	-	78	56	22	70.5%	125	118
Computer services	2	14	-	16	13	3	81.3%	2	2
Consultants: Business and advisory services	994	105	-	1 099	958	141	87.2%	691	511
Contractors	4	1	-	5	2	3	40.0%	7	-
Entertainment	9	-	-	9	7	2	77.8%	17	12
Fleet services (including government motor transport)	1	2	-	3	2	1	66.7%	3	1
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	1	-
Consumable supplies	53	3	-	56	42	14	75.4%	73	56
Consumable: Stationery, printing and office supplies	6 085	(103)	-	5 982	4 655	1 327	77.8%	5 094	5 011
Operating leases	116	-	-	116	99	17	85.3%	76	61
Travel and subsistence	1 556	119	-	1 675	1 246	429	74.4%	2 332	1 931
Training and development	53	(5)	-	48	7	41	14.6%	13	-
Operating payments	48	(45)	-	3	-	3	-	4	-
Venues and facilities	148	18	-	166	153	13	92.2%	115	37
<b>Transfers and subsidies</b>	-	-	-	-	-	-	-	<b>25</b>	<b>24</b>
Households	-	-	-	-	-	-	-	25	24
Social benefits	-	-	-	-	-	-	-	25	24
<b>Payments for capital assets</b>	<b>38</b>	<b>(2)</b>	-	<b>36</b>	<b>28</b>	<b>8</b>	<b>77.8%</b>	<b>79</b>	<b>61</b>
Machinery and equipment	38	(2)	-	36	28	8	77.8%	79	61

# APPROPRIATION STATEMENT

For the year ended 31 March 2015

## PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT – continued

Sub-programme: 3.1: Programme Management for Public Finance and Budget Management

	2014/15							2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Other machinery and equipment	38	(2)	-	36	28	8	77.8%	79	61
Payment for financial assets	-	-	-	-	41	(41)	-	-	1
<b>Total</b>	<b>22 092</b>	<b>995</b>	<b>-</b>	<b>23 087</b>	<b>20 615</b>	<b>2 472</b>	<b>89.3%</b>	<b>18 563</b>	<b>17 322</b>

# APPROPRIATION STATEMENT

For the year ended 31 March 2015

	2014/15							2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Economic classification</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
Current payments	54 239	(21)	-	54 218	51 817	2 401	95.6%	57 472	54 030
<b>Compensation of employees</b>	<b>50 741</b>	<b>(21)</b>	<b>-</b>	<b>50 720</b>	<b>49 488</b>	<b>1 232</b>	<b>97.6%</b>	<b>51 360</b>	<b>48 916</b>
Salaries and wages	45 545	(1)	-	45 544	44 492	1 052	97.7%	46 195	44 141
Social contributions	5 196	(20)	-	5 176	4 996	180	96.5%	5 165	4 775
<b>Goods and services</b>	<b>3 498</b>	<b>-</b>	<b>-</b>	<b>3 498</b>	<b>2 329</b>	<b>1 169</b>	<b>66.6%</b>	<b>6 112</b>	<b>5 114</b>
Administrative fees	73	40	-	113	81	32	71.3%	472	249
Advertising	148	(50)	-	98	73	25	74.1%	165	149
Minor assets	27	3	-	30	8	22	26.0%	18	2
Bursaries: Employees	388	(37)	-	351	261	90	74.4%	366	313
Catering: Departmental activities	71		-	71	46	25	64.8%	110	82
Communication (G&S)	155	33	-	188	167	21	88.8%	223	202
Computer services	6	(1)	-	5	4	1	80.0%	-	-
Consultants: Business and advisory services	623	(69)	-	554	241	313	43.5%	2 095	1 886
Legal services	-	-	-	-	-	-	-	8	-
Contractors	1	-	-	1	-	1	-	1	1
Agency and support / outsourced services	112	20	-	132	95	37	72.0%	60	55
Entertainment	26	1	-	27	9	18	33.3%	45	17
Fleet services (including government motor transport)	3	-	-	3	-	3	-	1	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	1	-

# APPROPRIATION STATEMENT

For the year ended 31 March 2015

## PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT - continued

	2014/15						2013/14		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Consumable supplies	63	(22)	-	41	27	14	65.9%	79	60
Consumable: Stationery, printing and office supplies	140	2	-	142	97	45	68.3%	188	120
Operating leases	122	80	-	202	174	28	86.1%	254	244
Travel and subsistence	1 280	(40)	-	1 240	880	360	71.0%	1 793	1 521
Training and development	155	33	-	188	112	76	60.1%	162	149
Operating payments	33	(7)	-	26	25	1	96.2%	15	10
Venues and facilities	72	14	-	86	29	57	33.7%	56	54
<b>Transfers and subsidies</b>	<b>30</b>	<b>21</b>	-	<b>51</b>	<b>46</b>	<b>5</b>	<b>90.2%</b>	<b>1 427</b>	<b>1 424</b>
<i>Households</i>	<b>30</b>	<b>21</b>	-	<b>51</b>	<b>46</b>	<b>5</b>	<b>90.2%</b>	<b>1 427</b>	<b>1 424</b>
Social benefits	30	21	-	51	46	5	90.2%	1 427	1 424
<b>Payments for capital assets</b>	<b>491</b>	<b>10</b>	-	<b>501</b>	<b>467</b>	<b>34</b>	<b>93.2%</b>	<b>427</b>	<b>313</b>
<i>Machinery and equipment</i>	<b>491</b>	<b>10</b>	-	<b>501</b>	<b>467</b>	<b>34</b>	<b>93.2%</b>	<b>427</b>	<b>313</b>
Other machinery and equipment	491	10	-	501	467	34	93.2%	427	313
<b>Total</b>	<b>54 760</b>	<b>10</b>	-	<b>54 770</b>	<b>52 330</b>	<b>2 440</b>	<b>95.5%</b>	<b>59 326</b>	<b>55 771</b>

# APPROPRIATION STATEMENT

For the year ended 31 March 2015

	2014/15							2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Economic classification</b>									
Current payments	58 304	(688)	-	57 616	52 942	4 674	91.9%	55 941	52 130
<i>Compensation of employees</i>	52 452	(32)	-	52 420	49 732	2 688	94.9%	49 195	47 234
Salaries and wages	47 016	(51)	-	46 965	44 694	2 271	95.2%	44 273	42 494
Social contributions	5 436	19	-	5 455	5 038	417	92.4%	4 922	4 740
<b>Goods and services</b>	<b>5 852</b>	<b>(656)</b>	-	<b>5 196</b>	<b>3 210</b>	<b>1 986</b>	<b>61.8%</b>	<b>6 746</b>	<b>4 896</b>
Administrative fees	100	(27)	-	73	47	26	64.9%	75	62
Advertising	181	(16)	-	165	64	101	39.0%	173	51
Minor assets	56	11	-	67	17	50	24.2%	90	48
Bursaries: Employees	258	29	-	287	167	120	58.2%	197	121
Catering: Departmental activities	51		-	51	18	33	35.3%	63	34
Communication (G&S)	171	11	-	182	156	26	85.7%	186	167
Computer services	6	106	-	112	98	14	87.5%	1	1
Consultants: Business and advisory services	2 831	(828)	-	2 003	1 153	850	57.6%	3 066	2 590
Contractors	24	-	-	24	-	24	-	10	1
Entertainment	24	-	-	24	8	16	33.3%	32	11
Fleet services (including government motor transport)	1	-	-	1	-	1	-	1	-
Consumable supplies	91	(48)	-	43	30	13	69.8%	92	56
Consumable: Stationery, printing and office supplies	164	(11)	-	153	78	75	51.0%	177	52
Operating leases	163	37	-	200	137	63	68.7%	195	133

# APPROPRIATION STATEMENT

For the year ended 31 March 2015

## PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT – continued

	2014/15						2013/14		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Travel and subsistence	1 341	176	-	1 517	1 148	369	75.7%	1 584	1 071
Training and development	272	(6)	-	266	89	177	33.5%	303	129
Operating payments	5	-	-	5	-	5	-	8	-
Venues and facilities	113	(90)	-	23	-	23	-	493	369
<b>Transfers and subsidies</b>	<b>7</b>	<b>63</b>	-	<b>70</b>	<b>68</b>	<b>2</b>	<b>97.1%</b>	<b>30</b>	<b>28</b>
Households	7	63	-	70	68	2	97.1%	30	28
Social benefits	7	63	-	70	68	2	97.1%	30	28
<b>Payments for capital assets</b>	<b>703</b>	<b>(257)</b>	-	<b>446</b>	<b>215</b>	<b>231</b>	<b>48.2%</b>	<b>448</b>	<b>271</b>
<b>Machinery and equipment</b>	<b>703</b>	<b>(257)</b>	-	<b>446</b>	<b>215</b>	<b>231</b>	<b>48.2%</b>	<b>448</b>	<b>271</b>
Other machinery and equipment	703	(257)	-	446	215	231	48.2%	448	271
<b>Total</b>	<b>59 014</b>	<b>(882)</b>	-	<b>58 132</b>	<b>53 225</b>	<b>4 907</b>	<b>91.6%</b>	<b>56 419</b>	<b>52 429</b>

	2014/15						2013/14		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	79 057	(1 192)	-	77 865	73 113	4 752	93.9%	51 193	47 135
Compensation of employees	65 156	(933)	-	64 223	62 797	1 426	97.8%	40 526	38 392



# APPROPRIATION STATEMENT

For the year ended 31 March 2015

	2014/15						2013/14		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Salaries and wages	58 869	(512)	-	58 357	57 145	1 212	97.9%	36 350	34 507
Social contributions	6 287	(421)	-	5 866	5 652	214	96.4%	4 176	3 885
<b>Goods and services</b>	<b>13 901</b>	<b>(259)</b>	-	<b>13 642</b>	<b>10 316</b>	<b>3 326</b>	<b>75.6%</b>	<b>10 667</b>	<b>8 743</b>
Administrative fees	439	(105)	-	334	239	95	71.7%	239	197
Advertising	199	(16)	-	183	84	99	46.1%	122	111
Minor assets	53	(3)	-	50	9	41	18.4%	27	-
Bursaries: Employees	264	102	-	366	261	105	71.3%	107	75
Catering: Departmental activities	236	-	-	236	218	18	91.9%	232	208
Communication (C&S)	328	(5)	-	323	265	58	82.0%	300	274
Computer services	1 416	(308)	-	1 108	887	221	80.1%	1 224	659
Consultants: Business and advisory services	3 580	(499)	-	3 081	2 055	1 026	66.7%	3 580	2 902
Contractors	10	8	-	18	8	10	44.4%	7	6
Entertainment	36	-	-	36	16	20	44.4%	36	6
Fleet services (including government motor transport)	6	(6)	-	-	-	-	-	12	-
Consumable supplies	243	27	-	270	229	41	84.8%	128	124
Consumable: Stationery, printing and office supplies	832	260	-	1 092	998	94	91.4%	682	487
Operating leases	160	56	-	216	178	38	82.4%	5	5
Travel and subsistence	5 350	346	-	5 696	4 593	1 103	80.6%	3 584	3 387
Training and development	451	(121)	-	330	180	150	54.5%	123	70
Operating payments	83	(2)	-	81	14	67	17.3%	184	179

# APPROPRIATION STATEMENT

For the year ended 31 March 2015

## PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT – continued

	Sub-programme: 3.4: Intergovernmental Relations							2014/15			2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure	Final Appropriation	Actual Expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000	
Venues and facilities	215	7	-	222	82	140	36.9%	75	53	75	53	
Transfers and subsidies	52	20	-	72	71	1	98.6%	275	273	275	273	
Households	52	20	-	72	71	1	98.6%	275	273	275	273	
Social benefits	52	20	-	72	71	1	98.6%	275	273	275	273	
Payments for capital assets	414	249	-	663	628	35	94.7%	291	218	291	218	
Machinery and equipment	414	249	-	663	628	35	94.7%	291	218	291	218	
Other machinery and equipment	414	249	-	663	628	35	94.7%	291	218	291	218	
Payment for financial assets	-	-	-	-	1	(1)	-	-	3	-	3	
<b>Total</b>	<b>79 523</b>	<b>(923)</b>	<b>-</b>	<b>78 600</b>	<b>73 813</b>	<b>4 787</b>	<b>93.9%</b>	<b>51 759</b>	<b>47 629</b>	<b>51 759</b>	<b>47 629</b>	

	Sub-programme: 3.5: Financial and Fiscal Commission							2014/15			2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure	Final Appropriation	Actual Expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000	
Economic classification	44 488	800	-	45 288	45 288	-	100.0%	39 567	39 567	39 567	39 567	
Transfers and subsidies	44 488	800	-	45 288	45 288	-	100.0%	39 567	39 567	39 567	39 567	
Departmental agencies and accounts	44 488	800	-	45 288	45 288	-	100.0%	39 567	39 567	39 567	39 567	
Departmental agencies (non-business entities)	44 488	800	-	45 288	45 288	-	100.0%	39 567	39 567	39 567	39 567	
<b>Total</b>	<b>44 488</b>	<b>800</b>	<b>-</b>	<b>45 288</b>	<b>45 288</b>	<b>-</b>	<b>100.0%</b>	<b>39 567</b>	<b>39 567</b>	<b>39 567</b>	<b>39 567</b>	

# APPROPRIATION STATEMENT

For the year ended 31 March 2015

## PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT

Programme 4: Asset and Liability Management per sub programme

	2014/15							2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Programme for Management for Asset and Liability Management	11 321	765	-	12 086	11 951	135	98.9%	16 853	16 419
2. State Owned Entity Financial Management and Governance	29 769	(293)	-	29 476	29 171	305	99.0%	27 369	26 321
3. Government Debt Management	19 216	209	-	19 425	19 286	139	99.3%	17 734	17 316
4. Financial Operations	20 780	(308)	-	20 472	20 031	441	97.8%	17 747	17 245
5. Strategy and Risk Management	10 286	(373)	-	9 913	8 964	949	90.4%	9 291	8 621
6. Financial Investments	3 252 000	-	-	3 252 000	3 000 000	252 000	92.3%	2 905 000	2 905 000
<b>Total</b>	<b>3 343 372</b>	<b>-</b>	<b>-</b>	<b>3 343 372</b>	<b>3 089 403</b>	<b>253 969</b>	<b>92.4%</b>	<b>2 993 994</b>	<b>2 990 922</b>

# APPROPRIATION STATEMENT

For the year ended 31 March 2015

## PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT – continued

Programme 4: Asset and Liability Management per economic classification

	2014/15							2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	90 992	(124)	-	90 868	88 909	1 959	97.8%	88 254	85 385
Compensation of employees	70 602	(125)	-	70 477	69 334	1 143	98.4%	64 740	62 790
Salaries and wages	62 938	16	-	62 954	62 014	940	98.5%	57 467	55 778
Social contributions	7 664	(141)	-	7 523	7 320	203	97.3%	7 273	7 012
<b>Goods and services</b>	<b>20 390</b>	<b>1</b>	<b>-</b>	<b>20 391</b>	<b>19 575</b>	<b>816</b>	<b>96.0%</b>	<b>23 514</b>	<b>22 595</b>
Administrative fees	50	256	-	306	302	4	98.5%	77	53
Advertising	222	(134)	-	87	62	25	71.6%	129	123
Minor assets	51	(19)	-	32	1	31	4.4%	25	4
Audit costs: External	600	(53)	-	547	546	1	99.8%	674	674
Bursaries: Employees	869	(240)	-	629	569	60	90.4%	690	499
Catering: Departmental activities	101	-	-	101	44	57	43.8%	125	100
Communication (G&S)	494	(268)	-	226	218	8	96.4%	291	250
Computer services	8 088	1 905	-	9 993	9 598	395	96.0%	10 574	10 491
Consultants: Business and advisory services	4 663	259	-	4 922	4 922	-	100.0%	6 030	6 022
Contractors	34	(12)	-	22	7	15	31.1%	33	8
Entertainment	28	(1)	-	27	9	18	32.2%	40	23

# APPROPRIATION STATEMENT

For the year ended 31 March 2015

	Programme 4: Asset and Liability Management per economic classification									
	2014/15					2013/14				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Fleet services (including government motor transport)	20	3	-	23	21	2	91.3%	24	23	23
Consumable supplies	6	2	-	8	8	-	100.0%	25	23	23
Consumable: Stationery, printing and office supplies	571	(88)	-	484	468	16	96.8%	461	449	449
Operating leases	428	(81)	-	347	298	49	85.8%	357	327	327
Travel and subsistence	3 101	(1 304)	-	1 797	1 685	112	93.8%	3 042	2 766	2 766
Training and development	820	(378)	-	443	424	18	95.9%	545	425	425
Operating payments	80	(48)	-	32	28	4	87.5%	52	16	16
Venues and facilities	164	201	-	365	365	-	100.0%	320	319	319
<b>Transfers and subsidies</b>	<b>155</b>	<b>75</b>	-	<b>230</b>	<b>227</b>	<b>3</b>	<b>98.7%</b>	<b>104</b>	<b>102</b>	<b>102</b>
<i>Households</i>	<i>155</i>	<i>75</i>	-	<i>230</i>	<i>227</i>	<i>3</i>	<i>98.7%</i>	<i>104</i>	<i>102</i>	<i>102</i>
Social benefits	155	75	-	230	227	3	98.7%	104	102	102
<b>Payments for capital assets</b>	<b>225</b>	<b>49</b>	-	<b>274</b>	<b>263</b>	<b>11</b>	<b>96.0%</b>	<b>636</b>	<b>430</b>	<b>430</b>
<i>Machinery and equipment</i>	<i>225</i>	<i>49</i>	-	<i>274</i>	<i>263</i>	<i>11</i>	<i>96.0%</i>	<i>636</i>	<i>430</i>	<i>430</i>
Other machinery and equipment	225	49	-	274	263	11	96.0%	636	430	430
<b>Payment for financial assets</b>	<b>3 252 000</b>	-	-	<b>3 252 000</b>	<b>3 000 004</b>	<b>251 996</b>	<b>92.3%</b>	<b>2 905 000</b>	<b>2 905 005</b>	<b>2 905 005</b>
<b>Total</b>	<b>3 343 372</b>	-	-	<b>3 343 372</b>	<b>3 089 403</b>	<b>253 969</b>	<b>92.4%</b>	<b>2 993 994</b>	<b>2 990 922</b>	<b>2 990 922</b>

## APPROPRIATION STATEMENT

For the year ended 31 March 2015

PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT – continued  
Sub-programme: 4.1: Programme Management for Asset and Liability Management

	2014/15						2013/14		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	10 995	663	-	11 658	11 532	126	98.9%	16 217	15 989
Compensation of employees	2 559	(201)	-	2 358	2 327	31	98.7%	2 593	2 588
Salaries and wages	2 267	(192)	-	2 075	2 074	1	100.0%	2 307	2 305
Social contributions	292	(9)	-	283	253	30	89.4%	286	283
Goods and services	8 436	864	-	9 300	9 205	95	99.0%	13 624	13 401
Administrative fees	15	184	-	199	197	2	99.0%	25	9
Advertising	220	(133)	-	87	63	24	72.4%	127	122
Minor assets	15	(14)	-	1	-	1	-	10	4
Bursaries: Employees	63	(2)	-	61	61	-	100.0%	59	59
Catering: Departmental activities	72	-	-	72	39	33	54.2%	90	74
Communication (G&S)	274	(255)	-	19	19	-	100.0%	72	60
Computer services	976	1 904	-	2 880	2 876	4	99.9%	5 226	5 225
Consultants: Business and advisory services	4 663	259	-	4 922	4 922	-	100.0%	6 030	6 022
Contractors	26	(14)	-	12	6	6	50.0%	24	8
Entertainment	3	-	-	3	-	3	-	6	5
Fleet services (including government motor transport)	20	(9)	-	11	11	-	100.0%	11	10
Consumable supplies	6	2	-	8	8	-	100.0%	21	20
Consumable: Stationery, printing and office supplies	571	(87)	-	484	468	16	96.8%	459	447

# APPROPRIATION STATEMENT

For the year ended 31 March 2015

	2014/15							2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Operating leases	52	(50)	-	2	2	-	100.0%	5	-
Travel and subsistence	1 166	(1 064)	-	102	100	2	98.0%	1 087	1 001
Training and development	50	(10)	-	40	40	-	98.8%	-	-
Operating payments	80	(48)	-	32	28	4	87.5%	52	16
Venues and facilities	164	201	-	365	365	-	100.0%	320	319
<b>Transfers and subsidies</b>	<b>101</b>	<b>53</b>	-	<b>154</b>	<b>152</b>	<b>2</b>	<b>98.7%</b>	-	-
<i>Households</i>	<i>101</i>	<i>53</i>	-	<i>154</i>	<i>152</i>	<i>2</i>	<i>98.7%</i>	-	-
Social benefits	101	53	-	154	152	2	98.7%	-	-
<b>Payments for capital assets</b>	<b>225</b>	<b>49</b>	-	<b>274</b>	<b>263</b>	<b>11</b>	<b>96.0%</b>	<b>636</b>	<b>430</b>
<i>Machinery and equipment</i>	<i>225</i>	<i>49</i>	-	<i>274</i>	<i>263</i>	<i>11</i>	<i>96.0%</i>	<i>636</i>	<i>430</i>
Other machinery and equipment	225	49	-	274	263	11	96.0%	636	430
<b>Payment for financial assets</b>	<b>-</b>	<b>-</b>	-	<b>-</b>	<b>4</b>	<b>(4)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>11 321</b>	<b>765</b>	-	<b>12 086</b>	<b>11 951</b>	<b>135</b>	<b>98.9%</b>	<b>16 853</b>	<b>16 419</b>

# APPROPRIATION STATEMENT

For the year ended 31 March 2015

## PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT – continued

Sub-programme: 4.2: State Owned Entity Financial Management and Governance

	2014/15							2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	29 734	(293)	-	29 441	29 136	305	99.0%	27 359	26 312
Compensation of employees	28 322	(184)	-	28 138	27 954	184	99.3%	26 009	25 111
Salaries and wages	25 376	(102)	-	25 274	25 114	160	99.4%	23 149	22 381
Social contributions	2 946	(82)	-	2 864	2 840	24	99.2%	2 860	2 730
Goods and services	1 412	(109)	-	1 303	1 182	121	90.7%	1 350	1 201
Administrative fees	16	(2)	-	14	13	1	92.9%	20	16
Minor assets	13	(2)	-	11	-	11	-	3	-
Bursaries: Employees	393	10	-	403	368	35	91.3%	318	314
Catering: Departmental activities	12	-	-	12	1	11	8.3%	14	9
Communication (G&S)	99	5	-	104	99	5	95.2%	113	102
Contractors	-	-	-	-	-	-	-	1	-
Entertainment	11	-	-	11	6	5	54.5%	16	6
Fleet services (including government motor transport)	-	11	-	11	10	1	90.9%	-	-
Consumable supplies	-	-	-	-	-	-	-	1	1
Operating leases	84	(61)	-	23	18	5	78.3%	39	35
Travel and subsistence	471	57	-	528	497	31	94.1%	544	467
Training and development	313	(127)	-	186	170	16	91.4%	281	251
Transfers and subsidies	35	-	-	35	35	-	100.0%	10	9
Households	35	-	-	35	35	-	100.0%	10	9



# APPROPRIATION STATEMENT

For the year ended 31 March 2015

	Sub-programme: 4.2.: State Owned Entity Financial Management and Governance							2014/15		2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000
Social benefits	35	-	-	35	35	-	100.0%	10	9	10	9
<b>Total</b>	<b>29 769</b>	<b>(293)</b>	<b>-</b>	<b>29 476</b>	<b>29 171</b>	<b>305</b>	<b>99.0%</b>	<b>27 369</b>	<b>26 321</b>	<b>27 369</b>	<b>26 321</b>

## APPROPRIATION STATEMENT

For the year ended 31 March 2015

## PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT – continued

	2014/15						2013/14		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub-programme: 4.3: Government Debt Management									
Current payments	19 197	194	-	19 391	19 253	138	99.3%	17 675	17 255
Compensation of employees	17 691	193	-	17 884	17 882	2	100.0%	16 205	15 817
Salaries and wages	15 592	213	-	15 805	15 804	1	100.0%	14 282	13 928
Social contributions	2 099	(20)	-	2 079	2 078	1	100.0%	1 923	1 889
<b>Goods and services</b>	<b>1 506</b>	<b>7</b>	-	<b>1 507</b>	<b>1 371</b>	<b>136</b>	<b>91.0%</b>	<b>1 470</b>	<b>1 438</b>
Administrative fees	9	8	-	17	17	-	100.0%	19	19
Advertising	2	(1)	-	1	-	1	-	1	1
Minor assets	10	-	-	10	-	10	-	6	-
Bursaries: Employees	140	(73)	-	67	63	4	94.0%	95	95
Catering: Departmental activities	5	-	-	5	4	1	80.0%	7	5
Communication (G&S)	38	16	-	54	53	1	98.1%	51	51
Contractors	8	-	-	8	-	8	-	8	-
Entertainment	4	1	-	5	2	3	40.0%	7	5
Fleet services (including government motor transport)	-	1	-	1	-	1	-	13	13
Consumable: Stationery, printing and office supplies	-	-	-	-	-	-	-	2	2
Operating leases	250	30	-	280	244	36	87.1%	265	252
Travel and subsistence	800	74	-	874	803	71	91.9%	874	873
Training and development	240	(55)	-	185	185	-	100.0%	122	122

# APPROPRIATION STATEMENT

For the year ended 31 March 2015

	2014/15						2013/14		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Transfers and subsidies</b>	19	15	-	34	33	1	97.1%	59	58
<b>Households</b>	19	15	-	34	33	1	97.1%	59	58
Social benefits	19	15	-	34	33	1	97.1%	59	58
Payment for financial assets	-	-	-	-	-	-	-	-	3
<b>Total</b>	19 216	209	-	19 425	19 286	139	99.3%	17 734	17 316

	2014/15						2013/14		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Economic classification</b>	20 780	(308)	-	20 472	20 031	441	97.8%	17 712	17 209
<b>Current payments</b>	12 533	74	-	12 607	12 601	6	100.0%	11 358	10 976
Salaries and wages	11 232	104	-	11 336	11 330	6	100.0%	10 073	9 755
Social contributions	1 301	(30)	-	1 271	1 271	0	100.0%	1 285	1 221
<b>Goods and services</b>	8 247	(382)	-	7 865	7 430	435	94.5%	6 354	6 233
Administrative fees	5	(1)	-	4	4	0	90.2%	8	5
Minor assets	8	(3)	-	5	-	5	-	2	-
Audit costs: External	600	(53)	-	547	546	1	99.8%	674	674
Bursaries: Employees	71	(50)	-	21	-	21	-	20	19

# APPROPRIATION STATEMENT

For the year ended 31 March 2015

## PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT – continued

	Sub-programme: 4.4: Financial Operations						2014/15		2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Catering: Departmental activities	6	-	-	6	-	6	-	7	6	
Communication (G&S)	45	(22)	-	23	21	2	93.3%	17	16	
Computer services	7 112	1	-	7 113	6 722	391	94.5%	5 349	5 267	
Contractors	-	1	-	1	1	0	53.7%	-	-	
Entertainment	5	(1)	-	4	1	3	17.2%	6	3	
Travel and subsistence	299	(184)	-	115	111	4	97.0%	241	213	
Training and development	96	(70)	-	26	24	2	93.3%	30	30	
<b>Transfers and subsidies</b>	-	-	-	-	-	-	-	<b>35</b>	<b>35</b>	
<b>Households</b>	-	-	-	-	-	-	-	<b>35</b>	<b>35</b>	
Social benefits	-	-	-	-	-	-	-	35	35	
Payment for financial assets	-	-	-	-	-	-	-	-	2	
<b>Total</b>	<b>20 780</b>	<b>(308)</b>	<b>-</b>	<b>20 472</b>	<b>20 031</b>	<b>441</b>	<b>97.8%</b>	<b>17 747</b>	<b>17 245</b>	

# APPROPRIATION STATEMENT

For the year ended 31 March 2015

	2014/15							2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	10 286	(380)	-	9 906	8 957	949	90.4%	9 291	8 621
<i>Compensation of employees</i>	9 497	(7)	-	9 490	8 570	920	90.3%	8 575	8 299
Salaries and wages	8 471	(7)	-	8 464	7 691	773	90.9%	7 656	7 409
Social contributions	1 026	-	-	1 026	879	147	85.7%	919	890
<b>Goods and services</b>	<b>789</b>	<b>(373)</b>	-	<b>416</b>	<b>387</b>	<b>29</b>	<b>93.0%</b>	<b>716</b>	<b>322</b>
Administrative fees	5	67	-	72	71	1	98.5%	5	4
Minor assets	5	-	-	5	1	4	28.0%	4	-
Bursaries: Employees	202	(125)	-	77	77	0	99.4%	198	11
Catering: Departmental activities	6	-	-	6	0	6	4.5%	7	6
Communication (C&S)	38	(12)	-	26	25	1	97.5%	38	21
Contractors	-	1	-	1	0	1	31.4%	-	-
Entertainment	5	(1)	-	4	-	4	-	7	5
Operating leases	42	-	-	42	35	7	80.4%	48	40
Travel and subsistence	365	(187)	-	178	173	5	97.3%	297	212
Training and development	121	(116)	-	5	5	(0)	103.0%	112	23
<b>Transfers and subsidies</b>	-	<b>7</b>	-	<b>7</b>	<b>7</b>	<b>0</b>	<b>99.8%</b>	-	-
Households	-	7	-	7	7	0	99.8%	-	-
Social benefits	-	7	-	7	7	0	99.8%	-	-
<b>Total</b>	<b>10 286</b>	<b>(373)</b>	-	<b>9 913</b>	<b>8 964</b>	<b>949</b>	<b>90.4%</b>	<b>9 291</b>	<b>8 621</b>

# APPROPRIATION STATEMENT

For the year ended 31 March 2015

## PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT – continued

Sub-programme: 4.6: Financial Investments		2014/15					2013/14		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification	3 252 000	-	-	3 252 000	3 000 000	252 000	92.3%	2 905 000	2 905 000
Payment for financial assets	3 252 000	-	-	3 252 000	3 000 000	252 000	92.3%	2 905 000	2 905 000
Total	3 252 000	-	-	3 252 000	3 000 000	252 000	92.3%	2 905 000	2 905 000

## PROGRAMME 5: FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS

Programme 5: Financial Accounting and Supply Chain Management Systems per sub programme		2014/15					2013/14		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Programme Management for Financial Accounting and Supply Chain Management Systems	16 128	1 296	-	17 424	15 158	2 266	87.0%	19 414	18 367
2. Office of the Chief Procurement Officer	46 915	(4 587)	-	42 328	38 635	3 693	91.3%	38 097	33 342
3. Financial Systems	429 626	(15 783)	-	413 843	412 147	1 696	99.6%	428 840	424 110
4. Financial Reporting for National Accounts	88 096	-	-	88 096	86 385	1 711	98.1%	88 465	85 444

# APPROPRIATION STATEMENT

For the year ended 31 March 2015

Programme 5: Financial Accounting and Supply Chain Management Systems per sub programme									
		2014/15						2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
5.	147 755	(966)	-	146 789	117 812	28 977	80.3%	117 015	105 610
6.	41 218	20 040	-	61 258	61 257	1	100.0%	40 812	40 812
7.	297	-	-	297	102	195	34.3%	280	87
<b>Total</b>	<b>770 035</b>	<b>-</b>	<b>-</b>	<b>770 035</b>	<b>731 496</b>	<b>38 539</b>	<b>95.0%</b>	<b>732 923</b>	<b>707 772</b>

# APPROPRIATION STATEMENT

For the year ended 31 March 2015

## PROGRAMME 5: FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS – continued

Programme 5: Financial Accounting and Supply Chain Management Systems per economic classification

	2014/15							2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current Payments</b>	514 140	143 867	-	658 007	619 792	38 215	94.2%	644 418	621 052
<b>Compensation of Employees</b>	165 357	(242)	-	165 115	158 331	6 784	95.9%	157 710	149 541
Salaries and wages	149 228	(103)	-	149 125	143 353	5 772	96.1%	142 412	135 255
Social contributions	16 129	(139)	-	15 990	14 978	1 012	93.7%	15 298	14 286
<b>Goods and services</b>	348 783	144 109	-	492 892	461 461	31 431	93.6%	486 708	471 511
Administrative fees	936	148	-	1 084	674	410	62.2%	1 363	640
Advertising	937	(41)	-	896	511	385	57.0%	900	513
Minor assets	332	(76)	-	256	80	176	31.3%	495	69
Audit costs: External	4 003	2 536	-	6 539	6 523	16	99.8%	4 058	3 657
Bursaries: Employees	1 823	(251)	-	1 572	1 292	280	82.2%	1 728	1 411
Catering: Departmental activities	410	-	-	410	289	121	70.5%	423	352
Communication (G&S)	1 240	(63)	-	1 177	944	233	80.2%	1 199	963
Computer services	237 177	148 223	-	385 400	384 567	833	99.8%	405 440	402 947
Consultants: Business and advisory services	75 315	(3 483)	-	71 832	49 883	21 949	69.4%	46 142	41 896
Legal services	1 500	191	-	1 691	354	1 337	20.9%	200	-
Contractors	69	(1)	-	68	30	38	44.1%	307	190
Agency and support/ outsourced services	-	-	-	-	-	-	-	97	-



# APPROPRIATION STATEMENT

For the year ended 31 March 2015

	2014/15							2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Entertainment	73	3	-	76	12	64	15.8%	118	62
Fleet services (including government motor transport)	20	(12)	-	8	5	3	62.5%	252	11
Consumable supplies	236	(64)	-	172	36	136	20.9%	230	75
Consumable: Stationery, printing and office supplies	2 040	(102)	-	1 938	1 001	937	51.7%	1 629	745
Operating leases	718	142	-	860	573	287	66.6%	744	579
Travel and subsistence	12 014	(1 846)	-	10 168	7 221	2 947	71.0%	9 346	6 982
Travel and development	2 832	(113)	-	2 719	2 091	628	76.9%	3 351	2 407
Operating payments	553	312	-	865	656	209	75.8%	1 130	907
Venues and facilities	6 555	(1 394)	-	5 161	4 719	442	91.4%	7 556	7 105
<b>Transfers and subsidies</b>	<b>86 227</b>	<b>20 282</b>	-	<b>106 509</b>	<b>106 495</b>	<b>14</b>	<b>100.0%</b>	<b>84 473</b>	<b>84 454</b>
<b>Departmental agencies and accounts</b>	<b>86 045</b>	<b>20 040</b>	-	<b>106 085</b>	<b>106 084</b>	<b>1</b>	<b>100.0%</b>	<b>83 806</b>	<b>83 806</b>
Departmental agencies (non-business entities)	86 045	20 040	-	106 085	106 084	1	100.0%	83 806	83 806
<b>Households</b>	<b>182</b>	<b>242</b>	-	<b>424</b>	<b>411</b>	<b>13</b>	<b>96.9%</b>	<b>667</b>	<b>648</b>
Social benefits	182	242	-	424	411	13	96.9%	667	648
<b>Payments for capital assets</b>	<b>169 668</b>	<b>(164 149)</b>	-	<b>5 519</b>	<b>3 893</b>	<b>1 626</b>	<b>70.5%</b>	<b>4 032</b>	<b>2 068</b>

## APPROPRIATION STATEMENT

For the year ended 31 March 2015

## PROGRAMME 5: FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS – continued

Programme 5: Financial Accounting and Supply Chain Management Systems per economic classification

	2014/15						2013/14		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<i>Buildings and other fixed structures</i>	-	356	-	356	356	-	99.7%	-	-
Buildings	-	356	-	356	356	-	99.7%	-	-
<i>Machinery and equipment</i>	5 519	(356)	-	5 163	3 537	1 626	68.5%	4 032	2 068
Other machinery and equipment	5 519	(356)	-	5 163	3 537	1 626	68.5%	4 032	2 068
<i>Software and other intangible assets</i>	164 149	(164 149)	-	-	-	-	-	-	-
Payment for financial assets	-	-	-	-	1 316	(1 316)	-	-	198
<b>Total</b>	770 035	-	-	770 035	731 496	38 539	95.0%	732 923	707 772

Sub-programme 5.1: Programme Management for Financial Accounting and Supply Chain Management Systems

	2014/15						2013/14		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<i>Economic classification</i>	15 903	1 279	-	17 182	15 061	2 121	87.7%	18 886	17 751
<i>Current payments</i>	8 777	1 279	-	10 056	9 329	727	92.8%	11 204	10 951
<i>Compensation of employees</i>	7 996	1 248	-	9 244	8 590	654	92.9%	10 430	10 212
Salaries and wages	781	31	-	812	739	73	91.0%	774	739
Social contributions	7 126	-	-	7 126	5 732	1 394	80.4%	7 682	6 800
<i>Goods and services</i>	72	(20)	-	52	29	23	55.8%	32	31
Administrative fees	72	(20)	-	52	29	23	55.8%	32	31

# APPROPRIATION STATEMENT

For the year ended 31 March 2015

	Sub-programme: 5.1: Programme Management for Financial Accounting and Supply Chain Management Systems									
	2014/15					2013/14				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure	
R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	
Advertising	279	(100)	-	179	136	43	76.0%	232	112	
Minor assets	20	9	-	29	12	17	41.4%	14	2	
Bursaries: Employees	1 090	(528)	-	562	521	41	92.7%	987	943	
Catering: Departmental activities	56		-	56	44	12	78.6%	37	15	
Communication (G&S)	100		-	100	73	27	73.0%	91	91	
Computer services	5		-	5	-	5	-	1	-	
Consultants: Business and advisory services	3 027	(140)	-	2 887	2 459	428	85.2%	2 521	2 377	
Legal services	-	150	-	150	113	37	75.3%	-	-	
Contractors	-	2	-	2	2	-	100.0%	1	-	
Agency and support / outsourced services	-		-	-	-	-	-	50	-	
Entertainment	6		-	6	2	4	33.3%	10	7	
Fleet services (including government motor transport)	-	1	-	1	-	1		1		
Consumable supplies	23	4	-	27	23	4	85.2%	37	30	
Consumable: Stationery, printing and office supplies	66	68	-	134	22	112	16.4%	118	5	
Operating leases	170	-	-	170	81	89	47.6%	191	129	

## APPROPRIATION STATEMENT

For the year ended 31 March 2015

**PROGRAMME 5: FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS** – continued

Sub-programme: 5.1: Programme Management for Financial Accounting and Supply Chain Management Systems

	2014/15							2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Travel and subsistence	1 392	(81)	-	1 311	1 065	246	81.2%	953	781
Training and development	131	498	-	629	542	87	86.2%	86	5
Operating payments	140	246	-	386	355	31	92.0%	222	222
Venues and facilities	549	(109)	-	440	253	187	57.5%	2 098	2 050
<b>Transfers and subsidies</b>	-	<b>17</b>	-	<b>17</b>	<b>16</b>	<b>1</b>	<b>94.1%</b>	<b>229</b>	<b>229</b>
<i>Households</i>	-	<b>17</b>	-	<b>17</b>	<b>16</b>	<b>1</b>	<b>94.1%</b>	<b>229</b>	<b>229</b>
Social benefits	-	17	-	17	16	1	94.1%	229	229
Payments for capital assets	225	-	-	225	80	145	35.6%	299	206
<i>Machinery and equipment</i>	225	-	-	225	80	145	35.6%	299	206
Other machinery and equipment	225	-	-	225	80	145	35.6%	299	206
Payment for financial assets	-	-	-	-	1	(1)	-	-	181
<b>Total</b>	<b>16 128</b>	<b>1 296</b>	-	<b>17 424</b>	<b>15 158</b>	<b>2 266</b>	<b>87.0%</b>	<b>19 414</b>	<b>18 367</b>

# APPROPRIATION STATEMENT

For the year ended 31 March 2015

	2014/15						2013/14		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Economic classification</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
Current payments	46 420	(4 604)	-	41 816	36 985	4 831	88.4%	37 487	33 089
<b>Compensation of employees</b>	<b>36 744</b>	<b>(1 313)</b>	<b>-</b>	<b>35 431</b>	<b>34 454</b>	<b>977</b>	<b>97.2%</b>	<b>28 881</b>	<b>26 927</b>
Salaries and wages	32 811	(1 143)	-	31 668	30 811	857	97.3%	25 489	24 013
Social contributions	3 933	(170)	-	3 763	3 643	120	96.8%	3 392	2 914
<b>Goods and services</b>	<b>9 676</b>	<b>(3 297)</b>	<b>-</b>	<b>6 385</b>	<b>2 537</b>	<b>3 854</b>	<b>39.6%</b>	<b>8 606</b>	<b>6 162</b>
Administrative fees	160	100	-	260	182	78	70.0%	307	229
Advertising	279	15	-	294	140	154	47.6%	268	58
Minor assets	47	11	-	58	6	52	10.3%	51	4
Audit costs: External	10	-	-	10	-	10	-	10	-
Bursaries: Employees	239	(25)	-	214	111	103	51.9%	199	64
Catering: Departmental activities	83	-	-	83	51	32	61.4%	67	62
Communication (c&S)	240	(2)	-	238	136	102	57.1%	145	117
Computer services	844	(43)	-	801	377	424	47.1%	4 764	4 269
Consultants: Business and advisory services	3 697	(3 002)	-	695	232	463	33.4%	607	100
Legal services	1 300	-	-	1 300	-	1 300	-	-	-
Contractors	11	1	-	12	11	1	91.7%	8	-
Agency and support / outsourced services	-	-	-	-	-	-	-	47	-
Entertainment	15	-	-	15	5	10	33.3%	21	7

## APPROPRIATION STATEMENT

For the year ended 31 March 2015

## PROGRAMME 5: FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS - continued

	2014/15						2013/14		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Fleet services (including government motor transport)	-	-	-	-	-	-	-	2	-
Consumable supplies	85	(44)	-	41	-	41	-	33	4
Consumable: Stationery, printing and office supplies	275	25	-	300	235	65	78.3%	272	158
Operating leases	172	41	-	213	128	85	60.1%	153	103
Travel and subsistence	1 758	(208)	-	1 550	724	826	46.7%	941	462
Training and development	417	(211)	-	206	127	79	61.7%	198	57
Operating payments	41	51	-	92	66	26	71.7%	497	468
Venues and facilities	3	-	-	3	-	3	-	16	-
<b>Transfers and subsidies</b>	<b>12</b>	<b>17</b>	<b>-</b>	<b>29</b>	<b>28</b>	<b>1</b>	<b>96.6%</b>	<b>46</b>	<b>42</b>
<b>Households</b>	<b>12</b>	<b>17</b>	<b>-</b>	<b>29</b>	<b>28</b>	<b>1</b>	<b>96.6%</b>	<b>46</b>	<b>42</b>
Social benefits	12	17	-	29	28	1	96.6%	46	42
<b>Payments for capital assets</b>	<b>483</b>	<b>-</b>	<b>-</b>	<b>483</b>	<b>342</b>	<b>141</b>	<b>70.8%</b>	<b>564</b>	<b>201</b>
<b>Machinery and equipment</b>	<b>483</b>	<b>-</b>	<b>-</b>	<b>483</b>	<b>342</b>	<b>141</b>	<b>70.8%</b>	<b>564</b>	<b>201</b>
Other machinery and equipment	483	-	-	483	342	141	70.8%	564	201
<b>Payment for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 280</b>	<b>(1 280)</b>	<b>-</b>	<b>-</b>	<b>10</b>
<b>Total</b>	<b>46 915</b>	<b>(4 587)</b>	<b>-</b>	<b>42 328</b>	<b>38 635</b>	<b>3 693</b>	<b>91.3%</b>	<b>38 097</b>	<b>33 342</b>

# APPROPRIATION STATEMENT

For the year ended 31 March 2015

	2014/15							2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>262 266</b>	<b>148 364</b>	-	<b>410 630</b>	<b>409 844</b>	<b>786</b>	<b>99.8%</b>	<b>426 862</b>	<b>423 169</b>
<i>Compensation of employees</i>	<i>19 858</i>	<i>(2)</i>	-	<i>19 856</i>	<i>19 526</i>	<i>330</i>	<i>98.3%</i>	<i>18 929</i>	<i>18 790</i>
Salaries and wages	17 468	(2)	-	17 466	17 212	254	98.5%	16 602	16 486
Social contributions	2 390	-	-	2 390	2 314	76	96.8%	2 327	2 304
<b>Goods and services</b>	<b>242 408</b>	<b>148 366</b>	-	<b>390 774</b>	<b>390 318</b>	<b>456</b>	<b>99.9%</b>	<b>407 933</b>	<b>404 379</b>
Administrative fees	35	(12)	-	23	9	14	39.1%	42	19
Minor assets	162	(98)	-	64	24	40	37.5%	209	5
Audit costs: External	100	1 565	-	1 665	1 664	1	99.9%	352	-
Bursaries: Employees	44	(44)	-	-	-	-	-	17	2
Catering: Departmental activities	40	-	-	40	16	24	40.0%	50	47
Communication (G&S)	478	(82)	-	396	371	25	93.7%	538	377
Computer services	235 044	148 730	-	383 774	383 649	125	100.0%	400 240	398 399
Contractors	28	(5)	-	23	-	23	-	57	2
Entertainment	3	1	-	4	1	3	25.0%	5	4
Fleet services (including government motor transport)	20	(20)	-	-	-	-	-	249	11
Consumable supplies	12	(11)	-	1	-	1	-	23	1
Consumable: Stationery, printing and office supplies	327	(45)	-	282	227	55	80.5%	366	200
Operating leases	167	2	-	169	103	66	60.9%	169	138
Travel and subsistence	848	(514)	-	334	261	73	78.1%	776	548
Training and development	225	(154)	-	71	67	4	94.4%	257	116

# APPROPRIATION STATEMENT

For the year ended 31 March 2015

## PROGRAMME 5: FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS - continued

	2014/15							2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Operating payments	5	(5)	-	-	-	-	-	4	1
Venues and facilities	4 870	(942)	-	3 928	3 926	2	99.9%	4 579	4 509
Transfers and subsidies	-	2	-	2	2	-	100.0%	26	26
Households	-	2	-	2	2	-	100.0%	26	26
Social benefits	-	2	-	2	2	-	100.0%	26	26
<b>Payments for capital assets</b>	<b>167 360</b>	<b>(164 149)</b>	<b>-</b>	<b>3 211</b>	<b>2 301</b>	<b>910</b>	<b>71.7%</b>	<b>1 952</b>	<b>913</b>
<i>Machinery and equipment</i>	<i>3 211</i>	<i>-</i>	<i>-</i>	<i>3 211</i>	<i>2 301</i>	<i>910</i>	<i>71.7%</i>	<i>1 952</i>	<i>913</i>
Other machinery and equipment	3 211	-	-	3 211	2 301	910	71.7%	1 952	913
<i>Software and other intangible assets</i>	<i>164 149</i>	<i>(164 149)</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Payment for financial assets	-	-	-	-	-	-	-	-	2
<b>Total</b>	<b>429 626</b>	<b>(15 783)</b>	<b>-</b>	<b>413 843</b>	<b>412 147</b>	<b>1 696</b>	<b>99.6%</b>	<b>428 840</b>	<b>424 110</b>



# APPROPRIATION STATEMENT

For the year ended 31 March 2015

	2014/15							2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>43 009</b>	-	-	<b>43 009</b>	<b>41 381</b>	<b>1 628</b>	<b>96.2%</b>	<b>45 038</b>	<b>42 039</b>
<i>Compensation of employees</i>	<i>29 459</i>	-	-	<i>29 459</i>	<i>28 659</i>	<i>800</i>	<i>97.3%</i>	<i>28 378</i>	<i>26 948</i>
Salaries and wages	26 443	-	-	26 443	25 801	642	97.6%	25 472	24 181
Social contributions	3 016	-	-	3 016	2 858	158	94.8%	2 906	2 767
<b>Goods and services</b>	<b>13 550</b>	-	-	<b>13 550</b>	<b>12 722</b>	<b>828</b>	<b>93.9%</b>	<b>16 660</b>	<b>15 091</b>
Administrative fees	120	(38)	-	82	45	37	54.9%	150	44
Advertising	120	(20)	-	100	39	61	39.0%	114	97
Minor assets	24	5	-	29	23	6	79.3%	68	5
Audit costs: External	3 893	971	-	4 864	4 859	5	99.9%	3 696	3 657
Bursaries: Employees	149	146	-	295	232	63	78.6%	161	118
Catering: Departmental activities	36	-	-	36	28	8	77.8%	42	39
Communication (G&S)	149	-	-	149	117	32	78.5%	134	122
Computer services	511	(465)	-	46	2	44	4.3%	173	165
Consultants: Business and advisory services	5 380	210	-	5 590	5 571	19	99.7%	9 123	9 006
Contractors	-	-	-	-	-	-	-	7	7
Agency and support / outsourced services	-	-	-	-	-	-	-	-	-
Entertainment	18	-	-	18	1	17	5.6%	27	19
Fleet services (including government motor transport)	-	1	-	1	-	1	-	-	-
Consumable supplies	65	(38)	-	27	6	21	22.2%	64	31

## APPROPRIATION STATEMENT

For the year ended 31 March 2015

## PROGRAMME 5: FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS - continued

	2014/15							2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Consumable: Stationery, printing and office supplies	448	9	-	457	374	83	81.8%	345	229
Operating leases	118	90	-	208	191	17	91.8%	151	140
Travel and subsistence	1 484	(350)	-	1 134	897	237	79.1%	1 537	1 081
Training and development	404	(179)	-	225	163	62	72.4%	296	21
Operating payments	110	-	-	110	58	52	52.7%	119	79
Venues and facilities	521	(342)	-	179	116	63	64.8%	453	231
<b>Transfers and subsidies</b>	<b>44 877</b>	-	-	<b>44 877</b>	<b>44 875</b>	<b>2</b>	<b>100.0%</b>	<b>43 138</b>	<b>43 137</b>
<b>Departmental agencies and accounts</b>	<b>44 827</b>	-	-	<b>44 827</b>	<b>44 827</b>	-	<b>100.0%</b>	<b>42 994</b>	<b>42 994</b>
Departmental agencies (non-business entities)	44 827	-	-	44 827	44 827	-	100.0%	42 994	42 994
Households	50	-	-	50	48	2	96.0%	144	143
Social benefits	50	-	-	50	48	2	96.0%	144	143
<b>Payments for capital assets</b>	<b>210</b>	-	-	<b>210</b>	<b>99</b>	<b>111</b>	<b>47.1%</b>	<b>289</b>	<b>268</b>
<b>Machinery and equipment</b>	<b>210</b>	-	-	<b>210</b>	<b>99</b>	<b>111</b>	<b>47.1%</b>	<b>289</b>	<b>268</b>
Other machinery and equipment	210	-	-	210	99	111	47.1%	289	268
<b>Payment for financial assets</b>	-	-	-	-	<b>30</b>	<b>(30)</b>	-	-	-
<b>Total</b>	<b>88 096</b>	-	-	<b>88 096</b>	<b>86 385</b>	<b>1 711</b>	<b>98.1%</b>	<b>88 465</b>	<b>85 444</b>

# APPROPRIATION STATEMENT

For the year ended 31 March 2015

	2014/15							2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Economic classification</b>									
Current payments	146 245	(1 172)	-	145 073	116 419	28 654	80.2%	115 865	104 917
<i>Compensation of employees</i>	70 519	(206)	-	70 313	66 363	3 950	94.4%	70 318	65 925
Salaries and wages	64 510	(206)	-	64 304	60 939	3 365	94.8%	64 419	60 363
Social contributions	6 009	-	-	6 009	5 424	585	90.3%	5 899	5 562
<b>Goods and services</b>	75 726	(966)	-	74 760	50 056	24 704	67.0%	45 547	38 992
Administrative fees	252	118	-	370	307	63	83.0%	552	230
Advertising	259	64	-	323	196	127	60.7%	286	246
Minor assets	79	(3)	-	76	15	61	19.7%	153	53
Bursaries: Employees	301	200	-	501	428	73	85.4%	364	284
Catering: Departmental activities	195	-	-	195	150	45	76.9%	227	189
Communication (G&S)	273	21	-	294	247	47	84.0%	291	256
Computer services	773	1	-	774	539	235	69.6%	262	114
Consultants: Business and advisory services	63 211	(551)	-	62 660	41 621	21 039	66.4%	33 891	30 413
Legal services	200	41	-	241	241	-	100.0%	200	-
Contractors	30	1	-	31	17	14	54.8%	234	181
Entertainment	31	2	-	33	3	30	9.1%	55	25
Fleet services (including government motor transport)	-	6	-	6	5	1	83.3%	-	-
Consumable supplies	51	25	-	76	7	69	9.2%	73	9
Consumable: Stationery, printing and office supplies	924	(159)	-	765	143	622	18.7%	528	153

## APPROPRIATION STATEMENT

For the year ended 31 March 2015

## PROGRAMME 5: FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS - continued

Sub-programme: 5.5: Financial Management Policy and Compliance Improvement

	2014/15						2013/14		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Operating leases	91	9	-	100	70	30	70.0%	80	69
Travel and subsistence	6 532	(693)	-	5 839	4 274	1 565	73.2%	5 139	4 110
Training and development	1 655	(67)	-	1 588	1 192	396	75.1%	2 514	2 208
Operating payments	257	20	-	277	177	100	63.9%	288	137
Venues and facilities	612	(1)	-	611	424	187	69.4%	410	315
<b>Transfers and subsidies</b>	<b>120</b>	<b>206</b>	-	<b>326</b>	<b>317</b>	<b>9</b>	<b>97.2%</b>	<b>222</b>	<b>208</b>
<i>Households</i>	<i>120</i>	<i>206</i>	-	<i>326</i>	<i>317</i>	<i>9</i>	<i>97.2%</i>	<i>222</i>	<i>208</i>
Social benefits	120	206	-	326	317	9	97.2%	222	208
Payments for capital assets	1 390	-	-	1 390	1 071	319	77.0%	928	480
<i>Buildings and other fixed structures</i>	-	356	-	356	356	-	99.7%	-	-
Buildings	-	356	-	356	356	-	99.7%	-	-
<b>Machinery and equipment</b>	<b>1 390</b>	<b>(356)</b>	-	<b>1 034</b>	<b>715</b>	<b>319</b>	<b>69.1%</b>	<b>928</b>	<b>480</b>
Other machinery and equipment	1 390	(356)	-	1 034	715	319	69.1%	928	480
Payment for financial assets	-	-	-	-	5	(5)	-	-	5
<b>Total</b>	<b>147 755</b>	<b>(966)</b>	-	<b>146 789</b>	<b>117 812</b>	<b>28 977</b>	<b>80.3%</b>	<b>117 015</b>	<b>105 610</b>

# APPROPRIATION STATEMENT

For the year ended 31 March 2015

	2014/15							2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
<b>Economic classification</b>	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers and subsidies	41 218	20 040	-	61 258	61 257	1	100.0%	40 812	40 812
Departmental agencies and accounts	41 218	20 040	-	61 258	61 257	1	100.0%	40 812	40 812
Departmental agencies (non-business entities)	41 218	20 040	-	61 258	61 257	1	100.0%	40 812	40 812
<b>Total</b>	<b>41 218</b>	<b>20 040</b>	<b>-</b>	<b>61 258</b>	<b>61 257</b>	<b>1</b>	<b>100.0%</b>	<b>40 812</b>	<b>40 812</b>

	2014/15							2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
<b>Economic classification</b>	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	297	-	-	297	102	195	34.3%	280	87
Goods and services	297	-	-	297	102	195	34.3%	280	87
Administrative fees	297	-	-	297	102	195	34.3%	280	87
<b>Total</b>	<b>297</b>	<b>-</b>	<b>-</b>	<b>297</b>	<b>102</b>	<b>195</b>	<b>34.3%</b>	<b>280</b>	<b>87</b>

# APPROPRIATION STATEMENT

For the year ended 31 March 2015

## PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS

Programme 6: International Financial Relations per sub programme									
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	2014/15		2013/14
							Expenditure as % of final appropriation	Final Appropriation	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Programme Management for International Financial Relations	9 203	(472)	-	8 731	8 318	413	95.3%	19 416	19 107
2. International Economic Cooperation	27 908	(105)	-	27 803	27 265	538	98.1%	24 531	23 813
3. African Integration and Support	644 393	(56 000)	-	588 393	588 292	101	100.0%	583 850	558 783
4. International Development Funding Institutions	501 923	55 672	-	557 595	557 582	13	100.0%	450 035	450 034
5. International Projects	16 290	905	-	17 195	17 195	-	100.0%	16 004	16 003
<b>Total</b>	<b>1 199 717</b>	<b>-</b>	<b>-</b>	<b>1 199 717</b>	<b>1 198 652</b>	<b>1 065</b>	<b>99.9%</b>	<b>1 093 836</b>	<b>1 067 740</b>

Programme 6: International Financial Relations per economic classification									
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	2014/15		2013/14
							Expenditure as % of final appropriation	Final Appropriation	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	36 957	(624)	-	36 333	35 393	940	97.4%	43 541	42 551
Compensation of employees	27 460	(913)	-	26 547	26 085	462	98.3%	22 807	21 752

# APPROPRIATION STATEMENT

For the year ended 31 March 2015

	2014/15							2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Salaries and wages	24 906	(921)	-	23 985	23 666	319	98.7%	20 784	19 741
Social contributions	2 554	8	-	2 562	2 419	143	94.4%	2 023	2 011
<b>Goods and services</b>	<b>9 497</b>	<b>289</b>	-	<b>9 786</b>	<b>9 308</b>	<b>478</b>	<b>95.1%</b>	<b>20 734</b>	<b>20 799</b>
Administrative fees	124	(24)	-	100	100	-	100.0%	111	107
Advertising	70	8	-	78	76	2	97.4%	163	146
Minor assets	25	(19)	-	6	5	1	89.9%	23	15
Bursaries: Employees	165	(77)	-	88	87	1	98.9%	117	117
Catering: Departmental activities	60	-	-	60	14	46	23.3%	70	61
Communication (G&S)	559	(156)	-	403	401	2	99.5%	468	467
Computer services	77	188	-	265	265	-	100.0%	-	-
Consultants: Business and advisory services	279	364	-	643	643	-	100.0%	1 933	1 933
Contractors	3	-	-	3	-	3	-	91	87
Agency and support / outsourced services	10	(10)	-	-	-	-	-	5 234	5 233
Entertainment	14	(1)	-	13	5	8	38.5%	19	4
Fleet services (including government motor transport)	-	2	-	2	1	1	50.0%	-	-
Consumable supplies	63	(45)	-	18	18	-	100.0%	6	6

# APPROPRIATION STATEMENT

For the year ended 31 March 2015

**PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS** – continued  
 Programme 6: international Financial Relations per economic classification

	2014/15						2013/14		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Consumable: Stationery, printing and office supplies	140	(97)	-	43	37	6	86.0%	101	99
Operating leases	120	(23)	-	97	97	-	100.0%	47	39
Travel and subsistence	6 145	823	-	6 968	6 941	27	99.6%	7 455	7 590
Training and development	169	(8)	-	161	160	1	99.4%	46	46
Operating payments	329	(137)	-	192	192	-	100.0%	343	343
Venues and facilities	1 145	(499)	-	646	266	380	41.2%	4 507	4 506
<b>Transfers and subsidies</b>	<b>774 954</b>	<b>13 458</b>	-	<b>788 412</b>	<b>788 309</b>	<b>103</b>	<b>100.0%</b>	<b>735 373</b>	<b>710 305</b>
Foreign governments and international organisations	774 954	13 411	-	788 365	788 263	102	100.0%	735 262	710 194
<b>Households</b>	-	<b>47</b>	-	<b>47</b>	<b>46</b>	<b>1</b>	<b>97.9%</b>	<b>111</b>	<b>111</b>
Social benefits	-	47	-	47	46	1	97.9%	111	111
<b>Payments for capital assets</b>	<b>154</b>	-	-	<b>154</b>	<b>126</b>	<b>28</b>	<b>81.8%</b>	<b>295</b>	<b>258</b>
<b>Machinery and equipment</b>	<b>154</b>	-	-	<b>154</b>	<b>126</b>	<b>28</b>	<b>81.8%</b>	<b>295</b>	<b>258</b>
Other machinery and equipment	154	-	-	154	126	28	81.8%	295	258
<b>Payment for financial assets</b>	<b>387 652</b>	<b>(12 834)</b>	-	<b>374 818</b>	<b>374 824</b>	<b>(6)</b>	<b>100.0%</b>	<b>314 627</b>	<b>314 626</b>
<b>Total</b>	<b>1 199 717</b>	-	-	<b>1 199 717</b>	<b>1 198 652</b>	<b>1 065</b>	<b>99.9%</b>	<b>1 093 836</b>	<b>1 067 740</b>



# APPROPRIATION STATEMENT

For the year ended 31 March 2015

	2014/15							2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Economic classification</b>									
Current payments	9 163	(450)	-	8 713	8 301	412	95.3%	19 345	19 038
<b>Compensation of employees</b>	4 829	(244)	-	4 585	4 581	4	99.9%	4 860	4 572
Salaries and wages	4 374	(154)	-	4 220	4 218	2	100.0%	4 561	4 281
Social contributions	455	(90)	-	365	363	2	99.5%	299	291
<b>Goods and services</b>	4 334	(206)	-	4 128	3 720	408	90.1%	14 485	14 466
Administrative fees	40	(26)	-	14	14	-	100.0%	23	23
Advertising	23	30	-	53	52	1	98.1%	87	86
Minor assets	5	-	-	5	5	-	100.0%	4	4
Bursaries: Employees	20	1	-	21	20	1	95.2%	-	-
Catering: Departmental activities	21	-	-	21	2	19	9.5%	27	22
Communication (G&S)	325	(149)	-	176	176	-	100.0%	191	191
Computer services	4	128	-	132	132	-	100.0%	-	-
Consultants: Business and advisory services	264	236	-	500	500	-	100.0%	1 439	1 439
Contractors	-	-	-	-	-	-	-	22	22
Agency and support / outsourced services	10	(10)	-	-	-	-	-	5 234	5 233
Entertainment	5	(1)	-	4	2	2	50.0%	6	1
Fleet services (including government motor transport)	-	2	-	2	1	1	50.0%	-	-
Consumable supplies	23	(6)	-	17	17	-	100.0%	5	5

# APPROPRIATION STATEMENT

For the year ended 31 March 2015

## PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS – continued

Sub-programme: 6.1: Programme Management for International Financial Relations

	2014/15						2013/14		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Consumable: Stationery, printing and office supplies	37	(34)	-	3	2	1	66.7%	13	13
Operating leases	120	(23)	-	97	97	-	100.0%	7	-
Travel and subsistence	2 106	395	-	2 501	2 498	3	99.9%	2 737	2 737
Training and development	31	(25)	-	6	6	-	100.0%	28	28
Operating payments	300	(113)	-	187	187	-	100.0%	343	343
Venues and facilities	1 000	(611)	-	389	9	380	2.3%	4 319	4 319
<b>Payments for capital assets</b>	<b>40</b>	<b>(22)</b>	<b>-</b>	<b>18</b>	<b>-</b>	<b>18</b>	<b>-</b>	<b>71</b>	<b>69</b>
<b>Machinery and equipment</b>	<b>40</b>	<b>(22)</b>	<b>-</b>	<b>18</b>	<b>-</b>	<b>18</b>	<b>-</b>	<b>71</b>	<b>69</b>
Other machinery and equipment	40	(22)	-	18	-	18	-	71	69
<b>Payment for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17</b>	<b>(17)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>9 203</b>	<b>(472)</b>	<b>-</b>	<b>8 731</b>	<b>8 318</b>	<b>413</b>	<b>95.3%</b>	<b>19 416</b>	<b>19 107</b>

# APPROPRIATION STATEMENT

For the year ended 31 March 2015

	2014/15							2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Economic classification</b>	<b>27 794</b>	<b>(174)</b>	<b>-</b>	<b>27 620</b>	<b>27 092</b>	<b>528</b>	<b>98.1%</b>	<b>24 196</b>	<b>23 513</b>
Current payments	22 631	(669)	-	21 962	21 504	458	97.9%	17 947	17 180
Compensation of employees	20 532	(767)	-	19 765	19 448	317	98.4%	16 223	15 460
Salaries and wages	2 099	98	-	2 197	2 056	141	93.6%	1 724	1 720
Social contributions	5 163	495	-	5 658	5 588	70	98.8%	6 249	6 333
Goods and services	84	2	-	86	86	-	100.0%	88	84
Administrative fees	47	(22)	-	25	24	1	96.0%	76	60
Advertising	20	(19)	-	1	0	1	39.4%	19	11
Minor assets	145	(78)	-	67	67	-	100.0%	117	117
Bursaries: Employees	39	-	-	39	12	27	30.8%	43	39
Catering: Departmental activities	234	(7)	-	227	225	2	99.1%	277	276
Communication (G&S)	73	60	-	133	133	-	100.0%	-	-
Computer services	15	128	-	143	143	-	100.0%	494	494
Consultants: Business and advisory services	3	-	-	3	-	3	-	69	65
Contractors	9	-	-	9	3	6	33.3%	13	3
Entertainment	40	(39)	-	1	1	-	100.0%	1	1
Consumable supplies	103	(63)	-	40	35	5	87.5%	88	86
Consumable: Stationery, printing and office supplies	-	-	-	-	-	-	-	40	39
Operating leases	4 039	428	-	4 467	4 443	24	99.5%	4 718	4 853
Travel and subsistence	-	-	-	-	-	-	-	-	-

# APPROPRIATION STATEMENT

For the year ended 31 March 2015

## PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS – continued

Sub-programme: 6.2: International Economic Cooperation

	2014/15							2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Training and development	138	17	-	155	154	1	99.4%	18	18
Operating payments	29	(24)	-	5	5	-	100.0%	-	-
Venues and facilities	145	112	-	257	257	-	100.0%	188	187
<b>Transfers and subsidies</b>	-	<b>47</b>	-	<b>47</b>	<b>46</b>	<b>1</b>	<b>97.9%</b>	<b>111</b>	<b>111</b>
<b>Households</b>	-	<b>47</b>	-	<b>47</b>	<b>46</b>	<b>1</b>	<b>97.9%</b>	<b>111</b>	<b>111</b>
Social benefits	-	47	-	47	46	1	97.9%	111	111
Payments for capital assets	114	22	-	136	126	10	92.6%	224	189
<b>Machinery and equipment</b>	114	22	-	136	126	10	92.6%	224	189
Other machinery and equipment	114	22	-	136	126	10	92.6%	224	189
Payment for financial assets	-	-	-	-	1	(1)	-	-	-
<b>Total</b>	<b>27 908</b>	<b>(105)</b>	<b>-</b>	<b>27 803</b>	<b>27 265</b>	<b>538</b>	<b>98.1%</b>	<b>24 531</b>	<b>23 813</b>

# APPROPRIATION STATEMENT

For the year ended 31 March 2015

	2014/15							2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
<b>Economic classification</b>	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers and subsidies	644 393	(56 000)	-	588 393	588 292	101	100.0%	583 850	558 783
Foreign governments and international organisations	644 393	(56 000)	-	588 393	588 292	101	100.0%	583 850	558 783
<b>Total</b>	<b>644 393</b>	<b>(56 000)</b>	<b>-</b>	<b>588 393</b>	<b>588 292</b>	<b>101</b>	<b>100.0%</b>	<b>583 850</b>	<b>558 783</b>

	2014/15							2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
<b>Economic classification</b>	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers and subsidies	114 271	68 506	-	182 777	182 776	1	100.0%	135 408	135 408
Foreign governments and international organisations	114 271	68 506	-	182 777	182 776	1	100.0%	135 408	135 408
Payment for financial assets	387 652	(12 834)	-	374 818	374 806	12	100.0%	314 627	314 626
<b>Total</b>	<b>501 923</b>	<b>55 672</b>	<b>-</b>	<b>557 595</b>	<b>557 582</b>	<b>13</b>	<b>100.0%</b>	<b>450 035</b>	<b>450 034</b>

# APPROPRIATION STATEMENT

For the year ended 31 March 2015

**PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS** – continued

Sub-programme: 6.5: International Projects

	2014/15						2013/14		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers and subsidies	16 290	905	-	17 195	17 195	-	100.0%	16 004	16 003
Foreign governments and international organisations	16 290	905	-	17 195	17 195	-	100.0%	16 004	16 003
<b>Total</b>	<b>16 290</b>	<b>905</b>	<b>-</b>	<b>17 195</b>	<b>17 195</b>	<b>-</b>	<b>100.0%</b>	<b>16 004</b>	<b>16 003</b>

# APPROPRIATION STATEMENT

For the year ended 31 March 2015

## PROGRAMME 7: CIVIL AND MILITARY PENSIONS, CONTRIBUTIONS TO FUNDS AND OTHER BENEFITS

Programme 7: Civil and Military Pensions, Contributions to Funds and Other Benefits per sub programme

	2014/15							2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Government Pensions Administration Agency	55 633	-	(1 200)	54 433	54 395	38	99.9%	57 507	57 507
2. Civil Pensions and Contributions to Funds	2 721 868	-	(107 941)	2 613 927	2 613 931	(4)	100.0%	2 673 840	2 673 495
3. Military Pensions and Other Benefits	940 337	-	122 274	1 062 611	1 062 609	2	100.0%	792 217	792 096
<b>Total</b>	<b>3 717 838</b>	<b>-</b>	<b>13 133</b>	<b>3 730 971</b>	<b>3 730 935</b>	<b>36</b>	<b>100.0%</b>	<b>3 523 564</b>	<b>3 523 098</b>





# APPROPRIATION STATEMENT

For the year ended 31 March 2015

Sub-programme: 7.1: Government Pensions Administration Agency									
	2014/15					2013/14			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Goods and services</b>	<b>55 633</b>	-	(1 200)	<b>54 433</b>	<b>54 395</b>	<b>38</b>	<b>99.9%</b>	<b>57 507</b>	<b>57 507</b>
Consultants: Business and advisory services	55 633	-	(1 200)	54 433	54 395	38	99.9%	57 507	57 507
<b>Total</b>	<b>55 633</b>	-	<b>(1 200)</b>	<b>54 433</b>	<b>54 395</b>	<b>38</b>	<b>99.9%</b>	<b>57 507</b>	<b>57 507</b>
Sub-programme: 7.2: Civil Pensions and Contributions to Funds									
	2014/15					2013/14			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Economic classification</b>	<b>2 721 868</b>	-	(107 941)	<b>2 613 927</b>	<b>2 613 922</b>	<b>5</b>	<b>100.0%</b>	<b>2 673 840</b>	<b>2 673 481</b>
Transfers and subsidies	2 721 868	-	(107 941)	2 613 927	2 613 922	5	100.0%	2 673 840	2 673 481
<i>Foreign governments and international organisations</i>	<i>2 219</i>	-	<i>68</i>	<i>2 287</i>	<i>2 286</i>	<i>1</i>	<i>100.0%</i>	<i>2 127</i>	<i>2 109</i>
<b>Households</b>	<b>2 719 649</b>	-	(108 009)	<b>2 611 640</b>	<b>2 611 636</b>	<b>4</b>	<b>100.0%</b>	<b>2 671 713</b>	<b>2 671 372</b>
Social benefits	2 719 649	-	(108 009)	2 611 640	2 611 636	4	100.0%	2 671 713	2 671 372
Payment for financial assets	-	-	-	-	9	(9)	-	-	14
<b>Total</b>	<b>2 721 868</b>	-	<b>(107 941)</b>	<b>2 613 927</b>	<b>2 613 931</b>	<b>(4)</b>	<b>100.0%</b>	<b>2 673 840</b>	<b>2 673 495</b>

# APPROPRIATION STATEMENT

For the year ended 31 March 2015

## PROGRAMME 7: CIVIL AND MILITARY PENSIONS, CONTRIBUTIONS TO FUNDS AND OTHER BENEFITS – continued

	2014/15							2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers and subsidies	940 337	-	122 274	1 062 611	1 062 609	2	100.0%	792 217	792 096
Households	940 337	-	122 274	1 062 611	1 062 609	2	100.0%	792 217	792 096
Social benefits	940 337	-	122 274	1 062 611	1 062 609	2	100.0%	792 217	792 096
<b>Total</b>	<b>940 337</b>	<b>-</b>	<b>122 274</b>	<b>1 062 611</b>	<b>1 062 609</b>	<b>2</b>	<b>100.0%</b>	<b>792 217</b>	<b>792 096</b>

# APPROPRIATION STATEMENT

For the year ended 31 March 2015

## PROGRAMME 8: TECHNICAL SUPPORT AND DEVELOPMENT FINANCE

Programme 8: Technical Support and Development Finance per sub programme

	2014/15							2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Programme Management for Technical Support and Development Finance	-	-	-	-	-	-	-	191 964	173 553
2. Local Government Financial Management Support	547 926	-	-	547 926	547 926	-	100.0%	644 796	644 796
3. Urban Development and Support	904 479	-	-	904 479	875 390	29 089	96.8%	693 041	680 935
4. Employment Creation Facilitation	1 338 913	-	-	1 338 913	1 213 162	125 751	90.6%	954 874	952 882
5. Government Technical Advisory Centre	79 752	-	-	79 752	79 752	-	100.0%	-	-
6. Infrastructure Development Support	228 703	-	(13 133)	215 570	177 118	38 452	82.2%	-	-
<b>Total</b>	<b>3 099 773</b>	<b>-</b>	<b>(13 133)</b>	<b>3 086 640</b>	<b>2 893 348</b>	<b>193 292</b>	<b>93.7%</b>	<b>2 484 675</b>	<b>2 452 166</b>

# APPROPRIATION STATEMENT

For the year ended 31 March 2015

## PROGRAMME 8: TECHNICAL SUPPORT AND DEVELOPMENT FINANCE – continued

Programme 8: Technical Support and Development Finance per economic classification

	2014/15							2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>124 278</b>	<b>18 991</b>	<b>(13 133)</b>	<b>130 136</b>	<b>91 659</b>	<b>38 477</b>	<b>70.4%</b>	<b>171 257</b>	<b>151 293</b>
<i>Compensation of employees</i>	-	<b>5 445</b>	-	<b>5 445</b>	<b>5 444</b>	<b>1</b>	<b>100.0%</b>	<b>44 152</b>	<b>42 666</b>
Salaries and wages	-	5 287	-	5 287	5 286	1	100.0%	40 480	39 508
Social contributions	-	158	-	158	158	-	100.0%	3 672	3 157
<b>Goods and services</b>	<b>124 278</b>	<b>13 546</b>	<b>(13 133)</b>	<b>124 691</b>	<b>86 215</b>	<b>38 476</b>	<b>69.1%</b>	<b>127 105</b>	<b>108 627</b>
Administrative fees	-	497	-	497	496	1	99.8%	944	571
Advertising	-	65	-	65	64	1	97.0%	481	146
Minor assets	-	568	-	568	568	-	100.0%	112	1
Busarries	-	-	-	-	-	-	-	253	170
Catering: Departmental activities	-	20	-	20	19	1	95.0%	197	187
Communication (G&S)	-	52	-	52	52	-	100.0%	295	221
Computer services	-	148	-	148	147	1	99.3%	775	6
Consultants: Business and advisory services	124 278	10 357	(13 133)	121 502	83 049	38 453	68.4%	117 220	103 424
Contractors	-	83	-	83	83	-	100.0%	58	0
Entertainment	-	2	-	2	2	-	100.0%	37	17
Agency and support/ outsourced services	-	-	-	-	-	-	-	55	-

# APPROPRIATION STATEMENT

For the year ended 31 March 2015

	Programme 8: Technical Support and Development Finance per economic classification									
	2014/15					2013/14				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Fleet services (including government motor transport)	-	-	-	-	-	-	-	6	-	-
Consumable supplies	-	61	-	61	60	1	98.4%	224	122	122
Consumable: Stationery, printing and office supplies	-	25	-	25	24	1	96.0%	505	141	141
Operating leases	-	89	-	89	89	-	100.0%	384	300	300
Travel and subsistence	-	787	-	787	773	14	98.3%	4 483	2 786	2 786
Training and development	-	19	-	19	18	1	97.3%	345	164	164
Operating payments	-	43	-	43	42	1	97.7%	120	29	29
Venues and facilities	-	730	-	730	729	1	99.9%	611	342	342
<b>Transfers and subsidies</b>	<b>2 975 495</b>	<b>(20 000)</b>	-	<b>2 955 495</b>	<b>2 800 681</b>	<b>154 814</b>	<b>94.8%</b>	<b>2 312 594</b>	<b>2 300 483</b>	<b>2 300 483</b>
<i>Provinces and municipalities</i>	<b>1 399 742</b>	-	-	<b>1 399 742</b>	<b>1 398 953</b>	<b>789</b>	<b>99.9%</b>	<b>1 161 339</b>	<b>1 149 233</b>	<b>1 149 233</b>
Municipal bank accounts	1 399 742	-	-	1 399 742	1 398 953	789	99.9%	1 161 339	1 149 233	1 149 233
<b>Departmental agencies and accounts</b>	<b>229 734</b>	<b>(20 000)</b>	-	<b>209 734</b>	<b>138 052</b>	<b>71 682</b>	<b>65.8%</b>	<b>126 462</b>	<b>126 462</b>	<b>126 462</b>
Departmental agencies (non-business entities)	229 734	(20 000)	-	209 734	138 052	71 682	65.8%	126 462	126 462	126 462
<b>Higher education institutions</b>	<b>5 800</b>	-	-	<b>5 800</b>	-	<b>5 800</b>	-	<b>10 000</b>	<b>10 000</b>	<b>10 000</b>

# APPROPRIATION STATEMENT

For the year ended 31 March 2015

## PROGRAMME 8: TECHNICAL SUPPORT AND DEVELOPMENT FINANCE – continued

Programme 8: Technical Support and Development Finance per economic classification

	2014/15						2013/14		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<i>Public corporations and private enterprises</i>	1 340 219	-	-	1 340 219	1 263 676	76 543	94.3%	1 014 703	1 014 703
Other transfers to public corporations	1 340 219	-	-	1 340 219	1 263 676	76 543	94.3%	1 014 703	1 014 703
<i>Households</i>	-	-	-	-	-	-	-	90	85
Social benefits	-	-	-	-	-	-	-	90	85
Payments for capital assets	-	1 009	-	1 009	1 008	1	99.9%	824	387
<i>Buildings and other fixed structures</i>	-	8	-	8	7	1	87.5%	-	-
Buildings	-	8	-	8	7	1	87.5%	-	-
<i>Machinery and equipment</i>	-	1 001	-	1 001	1 001	-	100.0%	824	387
Other machinery and equipment	-	1 001	-	1 001	1 001	-	100.0%	824	387
Payment for financial assets	-	-	-	-	-	-	-	-	3
<b>Total</b>	<b>3 099 773</b>	<b>-</b>	<b>(13 133)</b>	<b>3 086 640</b>	<b>2 893 348</b>	<b>193 292</b>	<b>93.7%</b>	<b>2 484 675</b>	<b>2 452 165</b>

# APPROPRIATION STATEMENT

For the year ended 31 March 2015

	Subprogramme: 8.1: Programme Management for Technical Support and Development Finance							2014/15		2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000		
<b>Current payments</b>	-	-	-	-	-	-	-	159 548	141 541		
<b>Compensation of employees</b>	-	-	-	-	-	-	-	42 668	42 666		
Salaries and wages	-	-	-	-	-	-	-	39 510	39 508		
Social contributions	-	-	-	-	-	-	-	3 158	3 157		
<b>Goods and services</b>	-	-	-	-	-	-	-	116 880	98 875		
Administrative fees	-	-	-	-	-	-	-	649	405		
Advertising	-	-	-	-	-	-	-	325	146		
Minor assets	-	-	-	-	-	-	-	112	1		
Bursaries: Employees	-	-	-	-	-	-	-	253	170		
Catering: Departmental activities	-	-	-	-	-	-	-	181	176		
Communication (G&S)	-	-	-	-	-	-	-	277	221		
Computer services	-	-	-	-	-	-	-	751	2		
Consultants: Business and advisory services	-	-	-	-	-	-	-	108 356	94 573		
Contractors	-	-	-	-	-	-	-	58	0		
Agency and support / outsourced services	-	-	-	-	-	-	-	55	-		
Entertainment	-	-	-	-	-	-	-	35	16		

# APPROPRIATION STATEMENT

For the year ended 31 March 2015

**PROGRAMME 8: TECHNICAL SUPPORT AND DEVELOPMENT FINANCE** – continued

Subprogramme: 8.1: Programme Management for Technical Support and Development Finance

	2014/15						2013/14		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Fleet services (including government motor transport)	-	-	-	-	-	-	-	6	-
Consumable supplies	-	-	-	-	-	-	-	215	115
Consumable: Stationery, printing and office supplies	-	-	-	-	-	-	-	476	137
Operating leases	-	-	-	-	-	-	-	384	300
Travel and subsistence	-	-	-	-	-	-	-	3 924	2 320
Training and development	-	-	-	-	-	-	-	343	163
Operating payments	-	-	-	-	-	-	-	110	29
Venues and facilities	-	-	-	-	-	-	-	370	101
Transfers and subsidies	-	-	-	-	-	-	-	31 652	31 647
<b>Departmental agencies and accounts</b>	-	-	-	-	-	-	-	<b>31 562</b>	<b>31 562</b>
Departmental agencies (non-business entities)	-	-	-	-	-	-	-	31 562	31 562
<b>Households</b>	-	-	-	-	-	-	-	<b>90</b>	<b>85</b>
Social benefits	-	-	-	-	-	-	-	90	85
<b>Payments for capital assets</b>	-	-	-	-	-	-	-	<b>764</b>	<b>362</b>



# APPROPRIATION STATEMENT

For the year ended 31 March 2015

	Subprogramme: 8.1: Programme Management for Technical Support and Development Finance							2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Machinery and equipment	-	-	-	-	-	-	-	764	362
Other machinery and equipment	-	-	-	-	-	-	-	764	362
Payment for financial assets	-	-	-	-	-	-	-	-	3
<b>Total</b>	-	-	-	-	-	-	-	<b>191 964</b>	<b>173 553</b>

## APPROPRIATION STATEMENT

For the year ended 31 March 2015

## PROGRAMME 8: TECHNICAL SUPPORT AND DEVELOPMENT FINANCE – continued

Sub-programme: 8.2: Local Government Financial Management Support	2014/15						2013/14		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers and subsidies	547 926	-	-	547 926	547 926	-	100.0%	644 796	644 796
Provinces and municipalities	449 138	-	-	449 138	449 138	-	100.0%	523 298	523 298
Municipal bank accounts	449 138	-	-	449 138	449 138	-	100.0%	523 298	523 298
Public corporations and private enterprises	98 788	-	-	98 788	98 788	-	100.0%	121 498	121 498
Other transfers to public corporations	98 788	-	-	98 788	98 788	-	100.0%	121 498	121 498
<b>Total</b>	<b>547 926</b>	<b>-</b>	<b>-</b>	<b>547 926</b>	<b>547 926</b>	<b>-</b>	<b>100.0%</b>	<b>644 796</b>	<b>644 796</b>

Sub-programme: 8.3: Urban Development and Support	2014/15						2013/14		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers and subsidies	904 479	-	-	904 479	875 390	29 089	96.8%	693 041	680 935
Provinces and municipalities	846 179	-	-	846 179	845 390	789	99.9%	638 041	625 935
Municipal bank accounts	846 179	-	-	846 179	845 390	789	99.9%	638 041	625 935
Departmental agencies and accounts	58 300	-	-	58 300	30 000	28 300	51.5%	55 000	55 000
Departmental agencies (non-business entities)	58 300	-	-	58 300	30 000	28 300	51.5%	55 000	55 000
<b>Total</b>	<b>904 479</b>	<b>-</b>	<b>-</b>	<b>904 479</b>	<b>875 390</b>	<b>29 089</b>	<b>96.8%</b>	<b>693 041</b>	<b>680 935</b>

# APPROPRIATION STATEMENT

For the year ended 31 March 2015

	2014/15							2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	-	18 991	-	18 991	18 966	25	99.9%	11 709	9 752
<i>Compensation of employees</i>	-	5 445	-	5 445	5 444	1	100.0%	1 484	-
Salaries and wages	-	5 287	-	5 287	5 286	1	100.0%	970	-
Social contributions	-	158	-	158	158	-	100.0%	514	-
<b>Goods and services</b>	-	<b>13 546</b>	-	<b>13 546</b>	<b>13 522</b>	<b>24</b>	<b>99.8%</b>	<b>10 225</b>	<b>9 752</b>
Administrative fees	-	497	-	497	496	1	99.8%	295	166
Advertising	-	65	-	65	64	1	97.0%	156	-
Minor assets	-	568	-	568	568	-	100.0%	-	-
Catering: Departmental activities	-	20	-	20	19	1	95.0%	16	11
Communication (G&S)	-	52	-	52	52	-	100.0%	18	-
Computer services	-	148	-	148	147	1	99.3%	24	4
Consultants: Business and advisory services	-	10 357	-	10 357	10 356	1	100.0%	8 864	8 851
Contractors	-	83	-	83	83	-	100.0%	-	-
Entertainment	-	2	-	2	2	-	100.0%	2	1
Consumable supplies	-	61	-	61	60	1	98.4%	9	7
Consumable: Stationery, printing and office supplies	-	25	-	25	24	1	96.0%	29	4
Operating leases	-	89	-	89	89	-	100.0%	-	-
Travel and subsistence	-	787	-	787	773	14	98.3%	559	466
Training and development	-	19	-	19	18	1	97.3%	2	1

# APPROPRIATION STATEMENT

For the year ended 31 March 2015

## PROGRAMME 8: TECHNICAL SUPPORT AND DEVELOPMENT FINANCE – continued

### Sub-programme: 8.4: Employment Creation Facilitation

	2014/15						2013/14		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Operating payments	-	43	-	43	42	1	97.7%	10	-
Venues and facilities	-	730	-	730	729	1	99.9%	241	241
<b>Transfers and subsidies</b>	<b>1 338 913</b>	<b>(20 000)</b>	-	<b>1 318 913</b>	<b>1 193 188</b>	<b>125 725</b>	<b>90.5%</b>	<b>943 105</b>	<b>943 105</b>
<b>Departmental agencies and accounts</b>	<b>91 682</b>	<b>(20 000)</b>	-	<b>71 682</b>	<b>28 300</b>	<b>43 382</b>	<b>39.5%</b>	<b>39 900</b>	<b>39 900</b>
Departmental agencies (non-business entities)	91 682	(20 000)	-	71 682	28 300	43 382	39.5%	39 900	39 900
<b>Higher education institutions</b>	<b>5 800</b>	-	-	<b>5 800</b>	-	<b>5 800</b>	-	<b>10 000</b>	<b>10 000</b>
<b>Public corporations and private enterprises</b>	<b>1 241 431</b>	-	-	<b>1 241 431</b>	<b>1 164 888</b>	<b>76 543</b>	<b>93.8%</b>	<b>893 205</b>	<b>893 205</b>
Other transfers to public corporations	1 241 431	-	-	1 241 431	1 164 888	76 543	93.8%	893 205	893 205
<b>Payments for capital assets</b>	-	<b>1 009</b>	-	<b>1 009</b>	<b>1 008</b>	<b>1</b>	<b>99.9%</b>	<b>60</b>	<b>25</b>
<b>Buildings and other fixed structures</b>	-	<b>8</b>	-	<b>8</b>	<b>7</b>	<b>1</b>	<b>87.5%</b>	-	-
Buildings	-	8	-	8	7	1	87.5%	-	-
<b>Machinery and equipment</b>	-	<b>1 001</b>	-	<b>1 001</b>	<b>1 001</b>	-	<b>100.0%</b>	<b>60</b>	<b>25</b>
Other machinery and equipment	-	1 001	-	1 001	1 001	-	100.0%	60	25
<b>Total</b>	<b>1 338 913</b>	-	-	<b>1 338 913</b>	<b>1 213 162</b>	<b>125 751</b>	<b>90.6%</b>	<b>954 874</b>	<b>952 882</b>

# APPROPRIATION STATEMENT

For the year ended 31 March 2015

	2014/15							2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers and subsidies	79 752	-	-	79 752	79 752	-	100.0%	-	-
<i>Departmental agencies and accounts</i>	79 752	-	-	79 752	79 752	-	100.0%	-	-
Departmental agencies (non-business entities)	79 752	-	-	79 752	79 752	-	100.0%	-	-
<b>Total</b>	<b>79 752</b>	<b>-</b>	<b>-</b>	<b>79 752</b>	<b>79 752</b>	<b>-</b>	<b>100.0%</b>	<b>-</b>	<b>-</b>

Sub-programme: 8.5: Government Technical Advisory Centre<sup>4</sup>

<sup>4</sup>Transfer of function from National Treasury to GTAC took effect 1 April 2014 resulting in an introduction of a new transfer payment.

# APPROPRIATION STATEMENT

For the year ended 31 March 2015

## PROGRAMME 8: TECHNICAL SUPPORT AND DEVELOPMENT FINANCE – continued

Sub-programme: 8.6: Infrastructure Development Support		2013/14								
	2014/15	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	124 278	-	(13 133)	111 145	72 693	38 452	65.4%	-	-	-
Goods and services	124 278	-	(13 133)	111 145	72 693	38 452	65.4%	-	-	-
Consultants: Business and advisory services	124 278	-	(13 133)	111 145	72 693	38 452	65.4%	-	-	-
Transfers and subsidies	104 425	-	-	104 425	104 425	-	100.0%	-	-	-
Provinces and municipalities	104 425	-	-	104 425	104 425	-	100.0%	-	-	-
Municipal bank accounts	104 425	-	-	104 425	104 425	-	100.0%	-	-	-
<b>Total</b>	<b>228 703</b>	<b>-</b>	<b>(13 133)</b>	<b>215 570</b>	<b>177 118</b>	<b>38 452</b>	<b>82.2%</b>	<b>-</b>	<b>-</b>	<b>-</b>

# APPROPRIATION STATEMENT

For the year ended 31 March 2015

## PROGRAMME 9: REVENUE ADMINISTRATION

Programme 9: Revenue Administration per sub programme										
		2014/15						2013/14		
		Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
		R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1.	South African Revenue Service	9 440 321	-	-	9 440 321	9 440 321	-	100.0%	9 534 393	9 534 393
	<b>Total</b>	<b>9 440 321</b>	<b>-</b>	<b>-</b>	<b>9 440 321</b>	<b>9 440 321</b>	<b>-</b>	<b>100.0%</b>	<b>9 534 393</b>	<b>9 534 393</b>

Programme 9: Revenue Administration per economic classification										
		2014/15						2013/14		
		Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
		R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
	<b>Transfers and subsidies</b>	<b>9 440 321</b>	<b>-</b>	<b>-</b>	<b>9 440 321</b>	<b>9 440 321</b>	<b>-</b>	<b>100.0%</b>	<b>9 534 393</b>	<b>9 534 393</b>
	<b>Departmental agencies and accounts</b>	<b>9 440 321</b>	<b>-</b>	<b>-</b>	<b>9 440 321</b>	<b>9 440 321</b>	<b>-</b>	<b>100.0%</b>	<b>9 534 393</b>	<b>9 534 393</b>
	Departmental agencies (non-business entities)	9 440 321	-	-	9 440 321	9 440 321	-	100.0%	9 534 393	9 534 393
	<b>Total</b>	<b>9 440 321</b>	<b>-</b>	<b>-</b>	<b>9 440 321</b>	<b>9 440 321</b>	<b>-</b>	<b>100.0%</b>	<b>9 534 393</b>	<b>9 534 393</b>

# APPROPRIATION STATEMENT

For the year ended 31 March 2015

## PROGRAMME 9: REVENUE ADMINISTRATION – continued

Sub-programme: 9.1: South African Revenue Service

	2014/15						2013/14		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers and subsidies	9 440 321	-	-	9 440 321	9 440 321	-	100.0%	9 534 393	9 534 393
<i>Departmental agencies and accounts</i>	<i>9 440 321</i>	<i>-</i>	<i>-</i>	<i>9 440 321</i>	<i>9 440 321</i>	<i>-</i>	<i>100.0%</i>	<i>9 534 393</i>	<i>9 534 393</i>
Departmental agencies (non-business entities)	9 440 321	-	-	9 440 321	9 440 321	-	100.0%	9 534 393	9 534 393
<b>Total</b>	<b>9 440 321</b>	<b>-</b>	<b>-</b>	<b>9 440 321</b>	<b>9 440 321</b>	<b>-</b>	<b>100.0%</b>	<b>9 534 393</b>	<b>9 534 393</b>



# APPROPRIATION STATEMENT

For the year ended 31 March 2015

## PROGRAMME 10: FINANCIAL INTELLIGENCE AND STATE SECURITY

Programme 10: Financial Intelligence and State Security per sub programme

	2014/15							2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Financial Intelligence Centre	198 080	-	-	198 080	198 080	-	100.0%	241 000	241 000
2. Secret Services	4 168 170	-	-	4 168 170	4 168 170	-	100.0%	3 933 554	3 933 554
<b>Total</b>	<b>4 366 250</b>	<b>-</b>	<b>-</b>	<b>4 366 250</b>	<b>4 366 250</b>	<b>-</b>	<b>100.0%</b>	<b>4 174 554</b>	<b>4 174 554</b>

Programme 10: Financial Intelligence and State Security per economic classification

	2014/15							2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers and subsidies	4 366 250	-	-	4 366 250	4 366 250	-	100.0%	4 174 554	4 174 554
<b>Departmental agencies and accounts</b>	<b>4 366 250</b>	<b>-</b>	<b>-</b>	<b>4 366 250</b>	<b>4 366 250</b>	<b>-</b>	<b>100.0%</b>	<b>4 174 554</b>	<b>4 174 554</b>
Departmental agencies (non-business entities)	4 366 250	-	-	4 366 250	4 366 250	-	100.0%	4 174 554	4 174 554
<b>Total</b>	<b>4 366 250</b>	<b>-</b>	<b>-</b>	<b>4 366 250</b>	<b>4 366 250</b>	<b>-</b>	<b>100.0%</b>	<b>4 174 554</b>	<b>4 174 554</b>

# APPROPRIATION STATEMENT

For the year ended 31 March 2015

**PROGRAMME 10: FINANCIAL INTELLIGENCE AND STATE SECURITY** – continued

	2014/15							2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Transfers and subsidies</b>	198 080	-	-	198 080	198 080	-	100.0%	241 000	241 000
Departmental agencies and accounts	198 080	-	-	198 080	198 080	-	100.0%	241 000	241 000
Departmental agencies (non-business entities)	198 080	-	-	198 080	198 080	-	100.0%	241 000	241 000
<b>Total</b>	<b>198 080</b>	<b>-</b>	<b>-</b>	<b>198 080</b>	<b>198 080</b>	<b>-</b>	<b>100.0%</b>	<b>241 000</b>	<b>241 000</b>

# APPROPRIATION STATEMENT

For the year ended 31 March 2015

Sub-programme: 10.2: Secret Services	2014/15							2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers and subsidies	4 168 170	-	-	4 168 170	4 168 170	-	100.0%	3 933 554	3 933 554
Departmental agencies and accounts	4 168 170	-	-	4 168 170	4 168 170	-	100.0%	3 933 554	3 933 554
Departmental agencies (non-business entities)	4 168 170	-	-	4 168 170	4 168 170	-	100.0%	3 933 554	3 933 554
<b>Total</b>	<b>4 168 170</b>	<b>-</b>	<b>-</b>	<b>4 168 170</b>	<b>4 168 170</b>	<b>-</b>	<b>100.0%</b>	<b>3 933 554</b>	<b>3 933 554</b>

NATIONAL TREASURY VOTE 10

# NOTES TO THE APPROPRIATION STATEMENT

For the year ended 31 March 2015

Per economic classification	Final appropriation	Actual expenditure	Variance	Variance as a % of final appropriation
	R'000	R'000	R'000	%
<b>Current payments</b>	<b>1 643 528</b>	<b>1 529 934</b>	<b>113 594</b>	<b>6.9%</b>
Compensation of employees	692 824	671 461	21 363	3.1%
Goods and services	950 704	858 473	92 231	9.7%
<b>Transfers and subsidies</b>	<b>21 411 250</b>	<b>21 256 214</b>	<b>155 036</b>	<b>1.9%</b>
Provinces and municipalities	1 399 742	1 398 953	789	0.0%
Higher education institutions	5 800	-	5 800	100.0%
Departmental agencies and accounts	14 186 874	14 115 137	71 737	0.5%
Public corporations and private enterprises	1 350 999	1 274 456	76 543	5.7%
Foreign governments and international organisations	790 652	790 549	103	0.0%
Households	3 677 183	3 677 119	64	0.0%
<b>Payments for capital assets</b>	<b>22 327</b>	<b>20 124</b>	<b>2 203</b>	<b>0.5%</b>
Buildings and other fixed structures	364	363	1	0.3%
Machinery and equipment	21 964	19 761	2 203	10.0%
<b>Payments for financial assets</b>	<b>3 626 818</b>	<b>3 376 258</b>	<b>250 560</b>	<b>6.9%</b>
<b>Total per economic classification</b>	<b>26 703 923</b>	<b>26 182 531</b>	<b>521 392</b>	<b>2.0%</b>
Per conditional grant	Final appropriation	Actual expenditure	Variance	Variance as a % of final appropriation
	R'000	R'000	R'000	%
Local Gov. Fin Man Grant	449 138	449 138	-	0.0%
Neighbourhood Dev. Partners Grant	591 179	590 390	789	0.1%
Infr Skills Development Grant	104 425	104 425	-	0.0%
Integrated Cities Develop Grant	255 000	255 000	-	0.0%
<b>Total</b>	<b>1 399 742</b>	<b>1 398 953</b>	<b>789</b>	<b>0.0%</b>

## NATIONAL TREASURY VOTE 10

# STATEMENT OF FINANCIAL PERFORMANCE

For the year ended 31 March 2015

	Note	2014/15	2013/14
		R'000	R'000
<b>REVENUE</b>			
Annual appropriation	1	26,703,923	25,232,266
Departmental revenue <sup>1</sup>	2	5,599,130	3,687,531
Aid assistance	3	93,748	96,052
<b>TOTAL REVENUE</b>		<b>32,396,801</b>	<b>29,015,849</b>
<b>EXPENDITURE</b>			
<b>Current expenditure</b>		<b>1,609,033</b>	<b>1,578,061</b>
Compensation of employees	4	671,461	631,541
Goods and services <sup>2</sup>	5	856,821	891,455
Aid assistance	3	80,751	55,065
<b>Transfers and subsidies</b>		<b>21,256,229</b>	<b>20,341,255</b>
Transfers and subsidies	7	21,256,215	20,341,255
Aid Assistance		14	-
<b>Expenditure for capital assets</b>		<b>21,844</b>	<b>22,900</b>
Tangible capital assets	8	21,844	22,900
Payment for financial assets <sup>3</sup>	6	3,376,258	3,220,129
<b>TOTAL EXPENDITURE</b>		<b>26,263,364</b>	<b>25,162,345</b>
<b>SURPLUS FOR THE YEAR</b>		<b>6,133,437</b>	<b>3,853,504</b>
<b>Reconciliation of net surplus for the year</b>			
Voted funds		521,392	125,209
Annual appropriation		521,392	125,209
Departmental revenue	2	5,599,130	3,687,531
Aid assistance	3	12,915	40,764
<b>SURPLUS FOR THE YEAR</b>		<b>6,133,437</b>	<b>3,853,504</b>

<sup>1</sup>The current year revenue amount includes an amount of R5,5 million collected by GPAA at year-end and will be paid over to National Treasury in the new financial year.

<sup>2</sup>Prior year amount was restated due to correction of error in classification of cellular phone contracts which were previously classified under goods and services instead of finance lease, 2014/15: R1,7 million (2013/14: R1 million) refer to sub-note 8.3.

<sup>3</sup>Prior year amount was restated as a result of reclassification of shares purchased from the World Bank and the African Development Bank in the current year in line with the Modified Cash Standard, which were previously classified under transfers and subsidies, 2014/15: R374,8 million (2013/14: R314,6 million).

NATIONAL TREASURY VOTE 10

# STATEMENT OF FINANCIAL POSITION

As at 31 March 2015

	Note	2014/15	2013/14
		R'000	R'000
<b>ASSETS</b>			
<b>Current assets</b>		<b>2,038,768</b>	<b>2,308,222</b>
Cash and cash equivalents	9	578,172	748,709
Prepayments and advances	10	228	1,694
Receivables <sup>4</sup>	11	7,199	6,782
Loans <sup>5</sup>	13	1,453,169	1,551,037
<b>Non-current assets</b>		<b>75,744,539</b>	<b>63,894,586</b>
Investments <sup>6</sup>	12	13,409,714	400,956
Receivables	11	15,691	14,929
Loans	13	62,319,134	63,478,701
<b>TOTAL ASSETS</b>		<b>77,783,307</b>	<b>66,202,808</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>		<b>600,588</b>	<b>771,157</b>
Voted funds to be surrendered to the Revenue Fund	14	521,392	125,209
Departmental revenue to be surrendered to the Revenue Fund <sup>7</sup>	15	29,283	589,948
Payables	16	36,998	15,294
Aid assistance repayable	3	12,915	40,706
<b>TOTAL LIABILITIES</b>		<b>600,588</b>	<b>771,157</b>
<b>NET ASSETS</b>		<b>77,182,719</b>	<b>65,431,651</b>
<b>Represented by:</b>			
Capitalisation reserve		13,409,714	400,956
Recoverable revenue		63,773,005	65,030,695
<b>TOTAL</b>		<b>77,182,719</b>	<b>65,431,651</b>

<sup>4</sup>In the current year a distinction was made between current and non-current receivables as per age analysis on note 11. Prior year amount was adjusted accordingly.

<sup>5</sup>This amount is the current portion of the non-current loan receivable in the 2014/15 financial year which is due to be paid in April 2015.

<sup>6</sup>Increase in investment of R13 billion in the current year resulted from the transfer of the South African Airways from the Minister of Public Enterprise to the Minister of Finance.

<sup>7</sup>The current year revenue amount include R5,5 million (2013/14: R18,9 million) held by the Government Pension Administration Agency at year-end which will be paid over to the National Treasury for surrender to the National Revenue Fund in the new financial year.

NATIONAL TREASURY VOTE 10

# STATEMENT OF CHANGES IN NET ASSETS

For the year ended 31 March 2015

	Note	2014/15	2013/14
		R'000	R'000
<b>Capitalisation reserves</b>			
Opening balance	Annex 2A	400,956	400,956
Movement in equity <sup>8</sup>	Annex 2A	13,008,758	-
<b>Closing balance</b>		<b>13,409,714</b>	<b>400,956</b>
<b>Recoverable revenue</b>			
Opening balance		65,030,695	65,798,362
<b>Transfers:</b>		<b>(1,257,690)</b>	<b>(767,667)</b>
Debts recovered (included in departmental receipts) <sup>9</sup>		(1,551,292)	(1,159,567)
Debts raised		293,602	391,900
Closing balance		63,773,005	65,030,695
<b>TOTAL</b>		<b>77,182,719</b>	<b>65,431,651</b>

<sup>8</sup>Increase in equity resulted from the cost of investment held at South African Airways which was transferred to the Minister of Finance in the current year.

<sup>9</sup>Included in this amount is the repayment of the Gautrain loan which comprises of R840 million capital repayment and R711 million interest repayment.

## NATIONAL TREASURY VOTE 10

# CASH FLOW STATEMENT

For the year ended 31 March 2015

	Note	2014/15	2013/14
		R'000	R'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts		<b>32,191,023</b>	<b>28,908,451</b>
Annual appropriated funds received	1	26,703,923	25,232,266
Departmental revenue received <sup>10</sup>	2	1,018,564	1,100,992
Interest received	2.2	4,374,788	2,479,141
Aid assistance received	3	93,748	96,052
Net decrease/(increase) in working capital		21,991	53,409
Surrendered to Revenue Fund		(6,285,004)	(3,267,971)
Surrendered to RDP Fund/Donor	3	(40,706)	(1,503)
Current payments		(1,609,033)	(1,578,061)
Payments for financial assets	6	(3,376,258)	(3,220,129)
Transfers and subsidies paid <sup>11</sup>	7	(21,256,229)	(20,341,255)
<b>Net cash flow from operating activities</b>	<b>17</b>	<b>(354,216)</b>	<b>552,941</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for capital assets	8	(21,844)	(22,900)
Proceeds from sale of capital assets	2	-	111
Increase in loans	13	1,257,435	768,097
Increase in investments	12	(13,008,758)	
<b>Net cash flows from investing activities</b>		<b>(11,773,167)</b>	<b>745,308</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Distribution/dividend received	2.2	205,778	107,287
Increase in net assets		11,751,068	(767,667)
<b>Net cash flows from financing activities</b>		<b>11,956,846</b>	<b>(660,380)</b>
Net increase/(decrease) in cash and cash equivalents		(170,537)	637,869
Cash and cash equivalents at beginning of period		748,709	110,840
<b>Cash and cash equivalents at end of period</b>	<b>9 &amp; 18</b>	<b>578,172</b>	<b>748,709</b>

<sup>10</sup>The revenue amount excludes interest, dividends and sale of capital assets which are disclosed as separate line items in the cash flow statement.

<sup>11</sup>The transfers and subsidies paid include R21.3 billion from the appropriated funds and R14 000 from aid assistance.



## **ACCOUNTING POLICIES**

**For the year ended 31 March 2015**

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated.

The historical cost convention has been used, except where otherwise indicated. Management has used assessments and estimates in preparing the annual financial statements. These are based on the best information available at the time of preparation.

Where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act (PFMA), Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the PFMA and the annual Division of Revenue Act.

#### **1. BASIS OF PREPARATION**

The financial statements have been prepared in accordance with the Modified Cash Standard.

#### **2. GOING CONCERN**

The financial statements have been prepared on a going concern basis.

#### **3. PRESENTATION CURRENCY**

Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.

#### **4. ROUNDING**

Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).

#### **5. FOREIGN CURRENCY TRANSLATION**

Cash flows arising from foreign currency transactions are translated into South African Rands using the exchange rates prevailing at the date of payment / receipt and end March 2015 for disclosure purposes.

## ACCOUNTING POLICIES

For the year ended 31 March 2015

### 6. CURRENT YEAR COMPARISON WITH BUDGET

#### 6.1 PRIOR PERIOD COMPARATIVE INFORMATION

Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.

#### 6.2 CURRENT YEAR COMPARISON WITH BUDGET

A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.

### 7. REVENUE

#### 7.1 APPROPRIATED FUNDS

Appropriated funds comprises of departmental allocations but exclude direct charges against the revenue fund (i.e. statutory appropriation), which are reported and audited separately as part of the consolidated annual financial statements, this includes extra-ordinary receipts.

Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective.

The net amount of any appropriated funds due to / from the relevant revenue fund at the reporting date is recognised as a payable / receivable in the statement of financial position.

#### 7.2 DEPARTMENTAL REVENUE

Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise.

Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.

## ACCOUNTING POLICIES

For the year ended 31 March 2015

### 7.3 ACCRUED DEPARTMENTAL REVENUE

Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and
- the amount of revenue can be measured reliably.

The accrued revenue is measured at the fair value of the consideration receivable.

Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents.

## 8. EXPENDITURE

### 8.1 COMPENSATION OF EMPLOYEES

#### 8.1.1 Salaries and Wages

Salaries and wages are recognised in the statement of financial performance on the date of payment.

#### 8.1.2 Social Contributions

Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment.

Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.

### 8.2 OTHER EXPENDITURE

Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.

## ACCOUNTING POLICIES

For the year ended 31 March 2015

### 8.3 ACCRUED EXPENDITURE PAYABLE

Accrued expenditure payable is recorded in the notes to the financial statements when the goods are received or, in the case of services, when they are rendered to the department.

Accrued expenditure payable is measured at cost.

### 8.4 LEASES

#### 8.4.1 Operating leases

Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment.

The operating lease commitments are recorded in the notes to the financial statements.

#### 8.4.2 Finance leases

Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment.

The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions.

Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of:

- cost, being the fair value of the asset; or
- the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest;
- with the exception of cellular phones which are scrapped for disposal at the end of the 2 year lease term.

## 9. AID ASSISTANCE

### 9.1 AID ASSISTANCE RECEIVED

Aid assistance received in cash is recognised in the statement of financial performance when received.

In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value.

Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the statement of financial position.

## ACCOUNTING POLICIES

For the year ended 31 March 2015

### 9.2 AID ASSISTANCE PAID

Aid assistance paid is recognised in the statement of financial performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the statement of financial position.

## 10. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are stated at cost in the statement of financial position.

Bank overdrafts are shown separately on the face of the statement of financial position.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.

## 11. PREPAYMENTS AND ADVANCES

Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash.

Prepayments and advances are initially and subsequently measured at cost.

## 12. LOANS AND RECEIVABLES

Loans and receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.

## 13. INVESTMENTS

Investments are recognised in the statement of financial position at cost.

## 14. IMPAIRMENT OF FINANCIAL ASSETS

Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.

## 15. PAYABLES

Loans and payables are recognised in the statement of financial position at fair value.

## ACCOUNTING POLICIES

For the year ended 31 March 2015

### 16. CAPITAL ASSETS

#### 16.1 IMMOVABLE CAPITAL ASSETS

Immovable capital assets are initially recorded in the notes to the financial statements at cost. Immovable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.

Where the cost of immovable capital assets cannot be determined accurately, the immovable capital assets are measured at R1 unless the fair value of the asset has been reliably estimated, in which case the fair value is used.

All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) are recorded at R1.

Immovable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.

Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the immovable asset is recorded by another department in which case the completed project costs are transferred to that department.

#### 16.2 MOVABLE CAPITAL ASSETS

Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.

Where the cost of movable capital assets cannot be determined accurately, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1.

All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) are recorded at R1.

Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.

Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the movable asset is recorded by another department/entity in which case the completed project costs are transferred to that department.

#### 16.3 INTANGIBLE ASSETS

Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition.

Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project.

## ACCOUNTING POLICIES

For the year ended 31 March 2015

Where the cost of intangible assets cannot be determined accurately, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1.

All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) are recorded at R1. Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.

Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the intangible asset is recorded by another department/entity in which case the completed project costs are transferred to that department.

### 17. CAPITALISATION RESERVE

The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the National/Provincial Revenue Fund when the underlying asset is disposed and the related funds are received

### 18. PROVISIONS AND CONTINGENTS

#### 18.1 PROVISIONS

Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.

#### 18.2 CONTINGENT LIABILITIES

Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably

## ACCOUNTING POLICIES

For the year ended 31 March 2015

### 18.3 CONTINGENT ASSETS

Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department.

### 18.4 COMMITMENTS

Commitments are recorded at cost in the notes to the financial statements when there is a contractual arrangement or an approval by management in a manner that raises a valid expectation that the department will discharge its responsibilities thereby incurring future expenditure that will result in the outflow of cash.

## 19. UNAUTHORISED EXPENDITURE

Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either:

- approved by Parliament or the Provincial Legislature with funding and the related funds are received; or
- approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or
- transferred to receivables for recovery.

Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.

## 20. FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred.

Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables for recovery.

Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.

## 21. IRREGULAR EXPENDITURE

Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefore are provided in the note.



## ACCOUNTING POLICIES

For the year ended 31 March 2015

Irregular expenditure is removed from the note when it is either condoned by the relevant authority, transferred to receivables for recovery or not condoned and is not recoverable.

Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.

### **22. RELATED PARTY TRANSACTIONS**

A related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party. Related party transactions are recorded in the notes to the financial statements when the transaction is not at arm's length.

### **23. AGENT-PRINCIPAL ARRANGEMENTS**

Government Pensions Administration Agency render administrative services on behalf of the National Treasury with respect to Post-Retirement Medical subsidies as provided for and regulated by the Public Service Coordinating Bargaining Council resolutions; Military Pensions in terms of the Military Pensions Act, 1976 (Act No. 84 of 1976); Injury on Duty payments in terms of the Compensation for Occupational Injuries and Diseases Act, 1993 (Act No. 130 of 1993); Special Pensions in terms of the Special Pensions Act 1996 (Act No. 69 of 1996); other pensions in relation to Judges, former State Presidents, Magistrates and Parliamentary Office Bearers in terms of relevant legislations; and other administration as agreed between the Parties and specified in the Administration Agreement. refer to note 35 to the financial statements.

### **24. CHANGES IN ACCOUNTING POLICIES, ACCOUNTING ESTIMATES AND ERRORS**

Changes in accounting policies that are effected by management have been applied retrospectively in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such instances the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

Changes in accounting estimates are applied prospectively in accordance with MCS requirements.

Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable..

## ACCOUNTING POLICIES

For the year ended 31 March 2015

### **25 EVENTS AFTER THE REPORTING DATE**

Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.

### **26 RECOVERABLE REVENUE**

Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

## 1. ANNUAL APPROPRIATION

	Final Appropriation	Actual Funds Received	Funds not requested/ not received	Actual Funds received 2013/14
	R'000	R'000	R'000	R'000
Administration	372,382	372,382	-	334,769
Economic Policy, Tax, Financial Regulation and Research	134,358	134,358	-	133,924
Public Finance and Budget Management	259,877	259,877	-	225,634
Asset and Liability Management	3,343,372	3,343,372	-	2,993,994
Financial Accounting and Supply Chain Management Systems	770,035	770,035	-	732,923
International Financial Relations	1,199,717	1,199,717	-	1,093,836
Civil and Military Pensions, Contribution to Funds and Other benefits	3,730,971	3,730,971	-	3,523,564
Technical Support and Development Finance	3,086,640	3,086,640	-	2,484,675
Revenue Administration	9,440,321	9,440,321	-	9,534,393
Financial Intelligence and State Security	4,366,250	4,366,250	-	4,174,554
<b>Total</b>	<b>26,703,923</b>	<b>26,703,923</b>	<b>-</b>	<b>25,232,266</b>

	2014/15	2013/14
	R'000	R'000

### Conditional Grants<sup>12</sup>

<b>Total grants received</b>	<b>1,399,742</b>	<b>1,161,339</b>
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## 2. DEPARTMENTAL REVENUE

Sales of goods and services other than capital assets	2.1	65,791	73,087
Interest, dividends and rent on land	2.2	4,580,566	2,586,428
Sales of capital assets	2.3	-	111
Transactions in financial assets and liabilities	2.4	952,773	1,027,905
<b>Departmental revenue collected</b>		<b>5,599,130</b>	<b>3,687,531</b>

<sup>12</sup>Conditional grants are included in the amounts as per the annual appropriation.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

Note	2014/15	2013/14
	R'000	R'000

## 2.1 SALES OF GOODS AND SERVICES OTHER THAN CAPITAL ASSETS

Sales of goods and services produced by the department	65,752	73,058
Sales by market establishment	100	96
Administrative fees	1	-
Other sales	65,651	72,962
Sales of scrap, waste and other used current goods	39	29
<b>Total</b>	<b>65,791</b>	<b>73,087</b>

## 2.2 INTEREST, DIVIDENDS AND RENT ON LAND <sup>13</sup>

Interest	4,374,788	2,479,141
Dividends	205,778	107,287
<b>Total</b>	<b>4,580,566</b>	<b>2,586,428</b>

## 2.3 SALES OF CAPITAL ASSETS

Machinery and equipment	-	111
<b>Total</b>		<b>111</b>

## 2.4 TRANSACTIONS IN FINANCIAL ASSETS AND LIABILITIES

Loans and advances	840,000	840,000
Receivables	658	376
Other receipts including Recoverable Revenue	112,115	187,529
<b>Total</b>	<b>952,773</b>	<b>1,027,905</b>

<sup>13</sup>In the current year more revenue was received on dividends from Sasria, interest on tax and loan account; foreign currency deposit as well as the surrender of surplus funds from the NT public entities.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

	Note	2014/15	2013/14
		R'000	R'000

## 3. AID ASSISTANCE

### 3.1 AID ASSISTANCE RECEIVED IN CASH FROM RDP

Foreign			
Opening balance		40,706	1,445
Transferred from statement of performance <sup>14</sup>		12,915	40,764
Paid during the year		(40 706)	(1,503)
<b>Closing balance</b>		<b>12,915</b>	<b>40,706</b>

### 3.2 ANALYSIS BY SOURCE

Aid assistance from RDP		12,915	40,706
<b>Closing balance</b>		<b>12,915</b>	<b>40,706</b>

### 3.3 ANALYSIS OF BALANCE

Aid assistance repayable		12,915	40,706
<b>Closing balance</b>		<b>12,915</b>	<b>40,706</b>

## 4. COMPENSATION OF EMPLOYEES

### 4.1 SALARIES AND WAGES

Basic salary		439,113	409,813
Performance award		25,631	18,258
Service Based		184	309
Compensative/circumstantial		3,504	2,435
Other non-pensionable allowances		138,122	139,098
<b>Total</b>		<b>606,554</b>	<b>569,913</b>

<sup>14</sup>This amount represent surplus for the year on aid assistance which comprised of aid assistance revenue of R93.7 million less expenditure of R80.8 million (current expenditure: R80.7 million; Transfers and subsidies: R14 000 and Payment of capital assets: R68 000) refer to annexure 11 for further details.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

	Note	2014/15	2013/14
		R'000	R'000

## 4.2 SOCIAL CONTRIBUTIONS

### Employer contributions

Pension		52,812	49,403
Medical		12,021	12,160
Bargaining council		74	65
<b>Total</b>		<b>64,907</b>	<b>61,628</b>
<b>Total compensation of employees<sup>15</sup></b>		<b>671,461</b>	<b>631,541</b>
Average number of employees		1,217	1,180

## 5. GOODS AND SERVICES

Administrative fees		3,110	3,921
Advertising		1,871	2,245
Minor Assets	5.1	1,880	334
Bursaries (employees)		4,230	4,217
Catering		1,225	1,873
Communication <sup>16</sup>		4,450	6,686
Computer services	5.2	420,591	432,529
Consultants business and advisory services		218,091	254,318
Legal services		12,667	10,679
Contractors		2,381	2,475
Agency and support /outsourced services		9,833	15,656
Entertainment		121	229
Audit cost – external	5.3	15,299	12,586
Fleet services <sup>17</sup>		1,086	674
Consumables	5.4	14,847	14,546
Operating leases		61,966	42,350
Property payments	5.5	21,389	12,025
Travel and subsistence	5.6	43,077	48,672
Venues and facilities		6,689	13,135
Training and staff development		6,490	5,977
Other operating expenditure	5.7	5,528	6,328
<b>Total</b>		<b>856,821</b>	<b>891,455</b>

<sup>15</sup>Transfer of functions from National Treasury to GTAC with effect from 1 April 2014, resulted in reclassification of prior year amounts of (R42.6 million) to transfers and subsidies.

<sup>16</sup>Prior year amount was restated due to correction of the prior year error in classification of cellular phone contracts which were previously classified under goods and services instead of finance lease, 2014/15: R1.7 million (2013/14: R1 million) in line with the Modified Cash Standard refer to sub-note 8.3.

<sup>17</sup>The prior year amount was restated as a result of reclassification of the G-fleet monthly payments to operating leases in line with the Modified Cash Standard, 2014/15: R1.1 million (2013/14: R972 000).

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

	Note	2014/15	2013/14
		R'000	R'000

## 5.1 MINOR ASSETS

### Tangible assets

Machinery and equipment	1,880	334
<b>Total</b>	<b>1,880</b>	<b>334</b>

## 5.2 COMPUTER SERVICES

SITA computer services	35,023	33,990
External computer service providers	385,568	398 539
<b>Total</b>	<b>420,591</b>	<b>432 529</b>

## 5.3 AUDIT COST – EXTERNAL

Regularity audits	14,964	11,740
Performance audits	-	-
Forensic investigations	335	846
<b>Total</b>	<b>15,299</b>	<b>12,586</b>

## 5.4 CONSUMABLES

Consumables supplies	3,459	3,456
Clothing material and accessories		72
Household supplies	2,034	2,004
Building material and supplies	392	513
Communication accessories	6	1
IT consumables	793	776
Other consumables	234	90
Stationery, printing and office supplies	11,388	11,090
<b>Total</b>	<b>14,847</b>	<b>14,546</b>

## 5.5 PROPERTY PAYMENTS

Municipal services	20,010	11,164
Property management fees	1,010	558
Other	369	303
<b>Total</b>	<b>21,389</b>	<b>12,025</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

	Note	2014/15	2013/14
		R'000	R'000

## 5.6 TRAVEL AND SUBSISTENCE

Local		24,557	26,447
Foreign		18,520	22,225
<b>Total</b>		<b>43,077</b>	<b>48,672</b>

## 5.7 OTHER OPERATING EXPENDITURE

Professional bodies, membership and subscription fees		4,604	4,941
Resettlement costs		369	301
Other		555	1,086
<b>Total</b>		<b>5,528</b>	<b>6,328</b>

## 6. PAYMENT FOR FINANCIAL ASSETS

Purchase of equity <sup>18</sup>		374 806	314,626
Extension of loans for policy purposes <sup>19</sup>		3,000,000	2,905,000
Other material losses written off	6.1	-	45
Debts written off	6.2	1,443	458
Forex losses	6.3	9	-
<b>Total</b>		<b>3,376,258</b>	<b>3,220,129</b>

### 6.1 OTHER MATERIAL LOSSES WRITTEN OFF

Miscellaneous		-	45
<b>Total</b>			<b>45</b>

### 6.2 DEBTS WRITTEN OFF

Settlement of claim against the Department <sup>20</sup>		1,278	-
Civil and military pension (bad debts)		-	14
Staff debts written-off		-	444
Losses and damages		165	
<b>Total</b>		<b>1,443</b>	<b>458</b>

<sup>18</sup>Prior year amount was restated as a result of reclassification of shares purchased from the World Bank and the African Development Bank in the current year, which were previously classified under transfers and subsidies.

<sup>19</sup>The current year amount include R500 million (2013/14: R300 million) for Land Bank and R2.5 billion (2013/14: R2.4 billion) for recapitalisation of the Development Bank of Southern Africa.

<sup>20</sup>This amount relates to the settlement of a legal claim which was awarded against the Department for unlawful blacklisting of a service provider on the restricted tenders register which was disclosed as a provision in the prior year.



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

	Note	2014/15	2013/14
		R'000	R'000

## 6.3 FOREX LOSSES

Civil, special and military pensions		9	-
<b>Total</b>		<b>9</b>	<b>-</b>

## 7. TRANSFERS AND SUBSIDIES

Municipalities and Provinces	Note 37	1,398,953	1,149,233
Departmental agencies and accounts	Annex 1B	14,115,136	13,976,884
Higher	Annex 1C	-	10,000
Public corporations and private enterprises	Annex 1D	1,274,456	1,024,603
Foreign governments and international organisations	Annex 1E	790,548	712,302
Households	Annex 1G	3,677,119	3,468,233
<b>Total</b>		<b>21,256,212</b>	<b>20,341,255</b>

## 8. EXPENDITURE FOR CAPITAL ASSETS

Tangible assets			
Building and other fixed structures		363	-
Machinery and equipment		21,481	22,900
<b>Total</b>		<b>21,844</b>	<b>22,900</b>

### 8.1 ANALYSIS OF FUNDS UTILISED TO ACQUIRE CAPITAL ASSETS – 2014/15

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
<b>Tangible assets</b>			
Building and other fixed structures	363	-	363
Machinery and equipment	21,413	68	21,481
<b>Total</b>	<b>21,776</b>	<b>68</b>	<b>21,844</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

## 8.2 ANALYSIS OF FUNDS UTILISED TO ACQUIRE CAPITAL ASSETS – 2013/14

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
<b>Tangible assets</b>			
Machinery and equipment	22,677	223	22,900
<b>Total</b>	<b>22,677</b>	<b>223</b>	<b>22,900</b>

	2014/15	2013/14
	R'000	R'000

## 8.3 FINANCE LEASE INCLUDED IN CAPITAL EXPENDITURE

Machinery and equipment	1,652	1,029
<b>Total</b>	<b>1,652</b>	<b>1,029</b>

## 9. CASH AND CASH EQUIVALENTS

Consolidated Paymaster General Account	573,072	727,506
Cash on hand	23	23
Cash with commercial banks (Local)	5,077	21,180
<b>Total</b>	<b>578,172</b>	<b>748,709</b>

## 10. PREPAYMENTS AND ADVANCES

Travel and subsistence		9	30
Prepayments		97	171
Advances paid	10.1	122	1,493
<b>Total</b>		<b>228</b>	<b>1,694</b>

### 10.1 ADVANCES PAID

National departments	Annex 5A	122	1,493
<b>Total</b>		<b>122</b>	<b>1,493</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

## 11. RECEIVABLES<sup>21</sup>

	Note	2014/15			2013/14	
		R'000	R'000	R'000	R'000	R'000
		<1 year	1-3 years	>3 years	Total	Total
Claims recoverable	11.1	1,647	671	838	3,156	2,239
Recoverable expenditure	11.2	205	810	136	1,151	2,320
Staff debt	11.3	441	297	578	1,316	1,562
Other debtors	11.4	4,906	3,664	8,697	17,267	15,590
<b>Total</b>		<b>7,199</b>	<b>5,442</b>	<b>10,249</b>	<b>22,890</b>	<b>21,711</b>

	2014/15	2013/14
	R'000	R'000

### 11.1 CLAIMS RECOVERABLE

National departments	2,359	1,533
Provincial departments	21	35
Foreign governments	776	671
Households and non-profit institutions	-	-
<b>Total</b>	<b>3,156</b>	<b>2,239</b>

### 11.2 RECOVERABLE EXPENDITURE

Disallowance damages and losses	563	601
Disallowance miscellaneous	561	1,675
Private telephones	27	44
<b>Total</b>	<b>1,151</b>	<b>2,320</b>

<sup>21</sup>Receivables less than a year are classified under current assets i.e. 2014/15: R7.1 million (2013/14:R6.8 million) and receivables older than a year are classified under non-current assets i.e. 2014/15: R15.7 million (2013/14: R14.9 million) refer to the Statement of Financial Position.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

	Note	2014/15	2013/14
		R'000	R'000

## 11.3 STAFF DEBT

Departmental Debt		1,316	1,562
<b>Total</b>		<b>1,316</b>	<b>1,562</b>

## 11.4 OTHER DEBTORS

Value Added Tax (SARS)		1,769	860
Amounts owed by other departments – Civil and Military Pensions		1,702	1,224
Outstanding debt – Civil and Military Pensions		24	9
Disallowance – Civil and Military Pensions		5,124	5,320
Disallowance – Special Pensions		8,648	8,177
<b>Total</b>		<b>17,267</b>	<b>15,590</b>

## 12. INVESTMENTS

### Non-Current (non-current shares)

Development Bank of Southern Africa	Annex 2A	200,000	200,000
Public Investment Corporation Limited	Annex 2A	1	1
Land Bank	Annex 2A	200,955	200,955
South African Airways	Annex 2A	13,008,758	-
<b>Total</b>		<b>13,409,714</b>	<b>400,956</b>

### Analysis of non-current investments

Opening balance		400,956	400,956
Non-cash movement		13,008,758	-
<b>Closing balance</b>		<b>13,409,714</b>	<b>400,956</b>

## 12.1 IMPAIRMENT OF INVESTMENT

Estimate of impairment of investment <sup>22</sup>		13,008,758	-
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<sup>22</sup>The impairment is limited to cost of investment as the losses of SAA are not guaranteed. The estimates are based on provisional amounts as reported and are still subject to the SAA's external audit process.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

	Note	2014/15	2013/14
		R'000	R'000

## 13. LOANS

Public corporations <sup>23</sup>		63,772,303	65,029,738
- Non-Current		62,319,134	63,478,701
- Current		1,453,169	1,551,037
<b>Total</b>		<b>63,772,303</b>	<b>65,029,738</b>

### Analysis of balance

Opening balance		65,029,738	65,797,835
New issues		293,602	391,470
Amount paid		(1,551,037)	(1,159,567)
<b>Closing balance</b>		<b>63,772,303</b>	<b>65,029,738</b>

## 14. VOTED FUNDS TO BE SURRENDERED TO THE REVENUE FUND

Opening balance		125,209	158,584
Transfer from statement of financial performance		521,392	125,209
Paid during the year		(125,209)	(158,584)
<b>Closing balance</b>		<b>521,392</b>	<b>125,209</b>

## 15. DEPARTMENTAL REVENUE TO BE SURRENDERED TO THE REVENUE FUND

Opening balance		589,948	11,804
Transfer from Statement of Financial Performance		5,599,130	3,687,531
Paid during the year		(6,159,795)	(3,109,387)
<b>Closing balance<sup>24</sup></b>		<b>29,283</b>	<b>589,948</b>

<sup>23</sup>This amount includes loan to Eskom of R60 billion and the loan is disclosed excluding accrued interest. The interest to be accrued is only determined upon receipt of a compliance certificate from Eskom auditor which is due 90 days after year-end (31 March). As at 31 March 2015 it had not yet been received.

<sup>24</sup>The reason for a decrease in the closing balance as compared to prior year balance was the amount of R556 million relating to the tax and loan account as well as foreign currency deposit that was collected on time in the current year and surrendered to the Revenue Fund before 31 March 2015.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

	Note	2014/15	2013/14
		R'000	R'000

## 16. PAYABLES – CURRENT

Advances received	16.1	21,532	-
Clearing accounts	16.2	168	274
Other payables	16.3	15,298	15,020
<b>Total</b>		<b>36,998</b>	<b>15,294</b>

### 16.1 ADVANCES RECEIVED

National departments	<i>Annex 5B</i>	21,216	-
Provincial departments	<i>Annex 5B</i>	65	-
Other institutions	<i>Annex 5B</i>	251	-
<b>Total</b>		<b>21,532</b>	<b>-</b>

### 16.2 CLEARING ACCOUNTS

Income tax (PAYE)		135	220
Persal Reversal Account		22	36
Pension Fund		11	18
<b>Total</b>		<b>168</b>	<b>274</b>

### 16.3 OTHER PAYABLES

Civil and military pensions		7 637	7,620
Special pensions		7 661	7,400
<b>Total other pension</b>		<b>15 298</b>	<b>15,020</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

	Note	2014/15	2013/14
		R'000	R'000

## 17. NET CASH FLOW AVAILABLE FROM OPERATING ACTIVITIES

Net surplus as per Statement of Financial Performance		6,133,437	3,853,504
Add back non cash/cash movements not deemed operating activities		(6,487,653)	((3,300,563)
Decrease/(increase) in receivables – current		(1,179)	(3,434)
Increase in prepayments and advances		1,466	60,893
Increase/(decrease) in payables – current		21,704	(4,050)
Proceeds from sale of capital assets		-	(111)
Expenditure on capital assets		21,844	22,900
Surrenders to Revenue Fund		(6,285,004)	(3,267,971)
Surrenders to RDP Fund/Donor		(40,706)	(1,503)
Dividend received		(205,778)	(107,287)
<b>Net cash flow (utilised)/generated by operating activities</b>		<b>(354,216)</b>	<b>552,941</b>

## 18. RECONCILIATION OF CASH AND CASH EQUIVALENTS FOR CASH FLOW PURPOSES

Consolidated Paymaster General account		573,072	727,506
Cash on hand		23	23
Cash with commercial banks (local)		5,077	21,180
<b>Total</b>		<b>578,172</b>	<b>748,709</b>

## 19. CONTINGENT LIABILITIES

Other guarantees <sup>25</sup>	Annex3A	14,651,377	22,035,108
Claims against the department <sup>26</sup>	Annex3B	2,103,047	2,536,516
Other contingent liabilities	Annex3B	519,151	630,915
<b>Total<sup>27</sup></b>		<b>17,273,575</b>	<b>25,202,539</b>

<sup>25</sup>The prior year amount was restated due to an understatement of R200.7 million that was identified and corrected in the current year. An amount of R5 billion reflected as opening balance of SAA guarantees on annexure 3A is excluded from the prior year closing balance. Closing balance is made up of R14.5 billion plus interest of R129.3 million (2013/14: R21.9 billion + R62.6 million).

<sup>26</sup>This amount was adjusted after the reporting date as per the constitutional judgement on 18 June 2015 on the case of 10% exit levy paid on export which was passed before the financial statements were authorised for issue by the accounting officer on 30 July 2015.

<sup>27</sup>Uncertainties relating to amounts disclosed or timing of the outflow could not be disclosed because of the risks and uncertainties that inevitably surround the events and circumstances underlying these amounts.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

	Note	2014/15	2013/14
		R'000	R'000

## 20. COMMITMENTS

Current expenditure			
Approved and contracted <sup>28</sup>		8,365,878	736,777
Approved and not yet contracted		17,199	-
<b>Total</b>		<b>8,383,077</b>	<b>736,777</b>

## 21. ACCRUALS

### Listed by economic classification

	30 Days	30+ Days	Total	Total
Goods and services	27,424	622	28,046	10,385
Transfers and subsidies	13,185	3,168	16,353	28,826
<b>Total</b>	<b>40 609</b>	<b>3,790</b>	<b>44,399</b>	<b>39,211</b>

### Listed by programme level

Administration		6,381	6,476
Economic Policy, Tax, Financial Regulation and Research		468	672
Public Finance and Budget Management		947	915
Asset and Liability Management		599	657
Financial Accounting and Supply Chain Management Systems		19,115	829
International Financial Relations		538	805
Civil and Military Pensions, Contributions to Funds and Other Benefits		16,274	28,739
Technical Support and Development Finance		77	118
<b>Total</b>		<b>44,399</b>	<b>39,211</b>

## 22. EMPLOYEE BENEFITS

Leave entitlement <sup>29</sup>		22,226	13,064
Service bonus (thirteenth cheque)		13,331	12,443
Performance awards		10,335	24,338
Capped leave commitments		14,218	13,963
Long service awards		201	-
<b>Total</b>		<b>60,311</b>	<b>63,808</b>

<sup>28</sup>The increase in commitments in the current year is due to a new contract for the IFMS project for SITA amounting to R3 billion, and the agreement with GEPP for the repayment of the Non-Statutory Forces dispensation amounting to R4.2 billion which was disclosed under provisions in the prior year. Commitments less than one year amount to R792.3 million and more than a year R7.5 billion.

<sup>29</sup>Leave entitlement and capped leave commitments include negative balances of R919 000 and R11 000 respectively.



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

## 23. LEASE COMMITMENTS

### 23.1 OPERATING LEASES COMMITMENTS<sup>30</sup>

2014/15	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000
Not later than 1 year	58,306	2,591	60,897
Later than 1 year and not later than 5 years	60,793	1,596	62,389
<b>Total lease commitments</b>	<b>119,099</b>	<b>4,187</b>	<b>123,286</b>

2013/14	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000
Not later than 1 year	58,007	2,593	60,600
Later than 1 year and not later than 5 years	113,607	2,225	115,832
<b>Total</b>	<b>171,614</b>	<b>4,818</b>	<b>176,432</b>

### 23.2 FINANCE LEASES COMMITMENTS<sup>31</sup>

2014/15	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000
Not later than 1 year	-	1,406	1,406
Later than 1 year and not later than 5 years	-	412	412
<b>Total lease commitments</b>	<b>-</b>	<b>1,818</b>	<b>1,818</b>

2013/14	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000
Not later than 1 year	-	1,466	1,466
Later than 1 year and not later than 5 years	-	919	919
<b>Total</b>	<b>-</b>	<b>2,385</b>	<b>2,385</b>

<sup>30</sup>Prior year amount was restated due to reclassification of GG vehicle expenditure from fleet services to operating lease payments in line with the Modified Cash Standard, total lease commitments for 2014: R2 million (2013/14: R1,4 million).

<sup>31</sup>Prior year amount was restated due to reclassification of cellular phone contracts from communication costs to finance lease in line with the Modified Cash Standard. The correction of the error was done retrospectively based on the valid 2 year lease contracts in the current year and the prior amount was restated based on the best estimate as per available data at the beginning of 2013/14.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

	Note	2014/15	2013/14
		R'000	R'000

## 24. RECEIVABLES FOR DEPARTMENTAL REVENUE

Sales of goods and services other than capital assets	12	33,381	
Interest, dividends and rent on land	278,879	197,328	
Transactions in financial assets and liabilities	12,279	4,749	
<b>Total</b>		<b>291,170</b>	<b>235,458</b>

### 24.1 ANALYSIS OF RECEIVABLES FOR DEPARTMENTAL REVENUE

Opening balance	235,458	242,886	
Less: Amount received	(235,458)	(242,886)	
Add: Amount recognised	291,170	235,458	
<b>Total</b>	<b>291,170</b>	<b>235,458</b>	

## 25. IRREGULAR EXPENDITURE

Reconciliation of irregular expenditure			
Opening balance			-
Add: Irregular expenditure – relating to current year			9,068
Less: Amounts condoned			(9,068)
<b>Irregular expenditure awaiting condonation</b>			<b>-</b>

## 26. FRUITLESS AND WASTEFUL EXPENDITURE

Opening balance			-
Fruitless and wasteful expenditure –relating to prior year			-
Fruitless and wasteful expenditure –relating to current year			1
Less: Amounts Condoned			(1)
<b>Fruitless and wasteful expenditure awaiting condonation</b>			<b>-</b>

## 27. KEY MANAGEMENT PERSONNEL

	No. of Individuals	2014/15	2013/14
Political office bearers	2	4,183	3,991
<b>Officials:</b>			
Level 15 to 16	15	16,915	16,920
Level 14	66	70,872	78,430
<b>Total</b>		<b>91,970</b>	<b>99,341</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

	Note	2014/15	2013/14
		R'000	R'000

## 28. IMPAIRMENT

Ex-Employee debtors		482	450
Other debtors ( <i>Material Losses</i> ) <sup>32</sup>		37,073	37,083
Departmental losses		79	8
Investments <sup>33</sup>		13,008,758	-
<b>Total</b>		<b>13,046,392</b>	<b>37,541</b>

## 29. NON-ADJUSTING EVENTS AFTER THE REPORTING DATE

Amendment of the Eskom Subordinated Loan Special Appropriation Act (2008/9 – 2010/11), 2008, in terms Government Gazette no. 38973 issued on 6 July 2015 before the financial statements were authorised for issue by the accounting officer on 30 July 2015.	(60,000,000)	-
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## 30. PROVISIONS

Military Pension	12 811	6,511
Injury on duty	51 641	63,143
Military Medical benefits	967	3,670
Post-Retirement Medical benefits	761	331
Admin Expense Claim	4 544	4,590
Special Pension	29 357	47,475
Government Employees Pension Fund (GEPF) <sup>34</sup>	-	3,536,500
SARS claim	-	3,595
Adam Smith International Claim	250	250
Unlawful Blacklisting Claim	-	1,395
SA Smit claim	14	-
<b>Total</b>	<b>100,345</b>	<b>3,667,460</b>

<sup>32</sup>Other debtors of R37 million relate to pension pay-outs made to 752 pensioners as a result of misinterpretation of the Special Pensions Act which were approved for write-off annually.

<sup>33</sup>The impairment relates to investment on shares held at SAA which was raised due to significant financial difficulties experienced by the entity, for further details refer to note 12.1.

<sup>34</sup>This amount was reclassified as commitment in the current year in line with the Modified Cash Standard.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

## 30.1 RECONCILIATION OF MOVEMENT IN PROVISIONS – 2014/15

	Military Pensions	Injury on Duty	Military Medical Benefits	Post-retirement Medical Benefits
	R'000	R'000	R'000	R'000
Opening balance	6,511	63,143	3,670	331
Provisions raised	18,134	47,106	6,506	12,120
Settlement of provision	(8,545)	(50,189)	(6,383)	(11,690)
Unused amounts reversed	(3,289)	(8,419)	(2,826)	-
Amounts used	-	-	-	-
<b>Closing balance</b>	<b>12,811</b>	<b>51,641</b>	<b>967</b>	<b>761</b>

	Special Pensions	GEPF	Others	Total provisions
	R'000	R'000	R'000	R'000
Opening balance	47,475	3,536,500	9,830	3,667,460
Provisions raised	21,197	-	4,558	109,621
Unused amounts reversed	(35,608)	(2,799,200)	(3,595)	(823,859)
Settlement of provision	(3,766)	(737,300)	(5,986)	(2,852,877)
Change in provision due to change in estimation inputs	-	-	-	-
<b>Closing balance</b>	<b>29,357</b>	<b>-</b>	<b>4,808</b>	<b>100,345</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

## 31. RELATED PARTIES

### 31.1 PARTIES RELATED TO THE NATIONAL TREASURY

1. The Financial and Fiscal Commission (FFC)
2. Financial Intelligence Centre (FIC)
3. Development Bank of Southern Africa Limited (DBSA)
4. Accounting Standards Board (ASB)
5. Financial Services Board (FSB)
6. Public Investment Corporation (PIC)
7. South African Revenue Service (SARS)
8. Sasria Limited (SASRIA)
9. The Land and Agricultural Development Bank of South Africa (Land Bank)
10. Corporation for Public Deposits
11. DBSA Development Fund
12. Independent Regulatory Board for Auditors (IRBA)
13. Financial Advisory Intermediary Services (FAIS) Ombudsman
14. Office of the Pension Fund Adjudicator (OPFA)
15. The Co-operative Banks Development Agency (CBDA)
16. Government Pensions Administration Agency (GPAA)
17. South African Reserve Bank (SARB)
18. Government Technical Advisory Centre (GTAC)
19. South African Airways (SAA)<sup>35</sup>

### 31.2 RELATED PARTY TRANSACTIONS<sup>36</sup>

#### 31.2.1 In kind Goods and Services Provided

Name	Nature	Space Occupied	2014/15	2013/14
<i>Financial</i>		(m <sup>2</sup> )	R'000	R'000
TAU	<i>Building Occupied</i>	-	-	2,150
CBDA	<i>Building Occupied</i>	656	872	942
Project Development Facility	<i>Building Occupied</i>	-	-	969
Government Technical Advisory Centre (GTAC)		1,406	2,109	-
Department of Public Works	<i>Building Occupied (40 Church Square)</i>		4,451	3,871
<b>Total</b>			<b>7,432</b>	<b>7,932</b>

<sup>35</sup>SAA was transferred from the Ministry of Public Enterprise to the Ministry of Finance during the financial year.

<sup>36</sup>TAU and Project Development Facility which were trading entities of the department were phased out due to the introduction of the GTAC on 1 April 2014.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

	Note	2014/15	2013/14
		R'000	R'000

## 31.2.2 Payments made

Transfers to GTAC			
ECFF		28,300	-
MFIP (II)		98,788	-
NDP		30,000	-
<b>Total</b>		<b>157,088</b>	<b>-</b>

## 31.2.3 Year-end balances arising from revenue/payments

Receivables from GTAC		146	-
Payables to GTAC		640	-
<b>Total</b>		<b>786</b>	<b>-</b>

## 31.2.4 Guarantees issued

South African Airways		8,418,814	-
Land Bank		2,097,749	2,597,411
Development Bank of Southern Africa		4,134,814	19,437,697
<b>Total</b>		<b>14,651,377</b>	<b>22,035,108</b>

## 32. MOVABLE TANGIBLE CAPITAL ASSETS

Movement in movable tangible capital assets per asset register for the year ended 31 March 2015					
	Opening balance	Current Year adjustments to prior year balances	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
<b>Machinery and equipment</b>					
Transport assets	3,640	-	1,787	1,148	4,279
Computer equipment	57,477	-	8,171	4,717	60,931
Furniture and office equipment	18,686	-	354	257	18,783
Other machinery and equipment	30,523	-	9,576	258	39,841
<b>Total movable tangible assets</b>	<b>110,326</b>	<b>-</b>	<b>19,888</b>	<b>6,380</b>	<b>123,834</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

## 32.1 ADDITIONS

Additions to movable tangible capital assets per asset register for the year ended 31 March 2015					
	Cash	Non-cash	(Capital work in Progress current costs and finance lease payments)	Received current, not paid (paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
<b>Description</b>					
Transport assets	1,787	-	-	-	1,787
Computer equipment	8,113	58	-	-	8,171
Furniture and office equipment	354	-	-	-	354
Other machinery and equipment	11,228	-	(1,652)	-	9,576
<b>Total additions of movable tangible capital assets</b>	<b>21,482</b>	<b>58</b>	<b>(1,652)</b>		<b>19,888</b>

Movable tangible capital assets under <sup>37</sup>	Number	Value
		R'(000)
Machinery and equipment	365	8 502

## 32.2 DISPOSALS

Disposals of movable tangible capital assets per asset register for the year ended 31 March 2015				
	Assets Sold	Transfer out or destroyed or scrapped	Total Disposals	Cash received actual
	R'000	R'000	R'000	R'000
<b>Description</b>				
Transport assets	-	1,148	1,148	-
Computer equipment	-	4,717	4,717	-
Furniture and office equipment	-	257	189	-
Other machinery and equipment	-	258	258	-
<b>Total Disposal of movable tangible capital assets</b>	<b>-</b>	<b>6,380</b>	<b>6,312</b>	<b>-</b>

<sup>37</sup>This amount is included in the asset register and relates to assets that could not be verified for physical existence during the asset verification process. Appropriate corrective measures will be instituted once the investigation process has been finalised.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

## 31.3 MOVEMENT FOR 2013/14

Movement in the movable tangible capital assets per asset register for the year ended 31 March 2014					
	Opening balance	Current Year adjustments to prior year balances	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
Transport assets	3,800		300	(460)	3,640
Computer equipment	62,999		6,039	(11,561)	57,477
Furniture and office equipment	17,848	(4)	1,067	(225)	18,686
Other machinery and equipment	16,591	4	14,465	(537)	30,523
<b>Total movable tangible assets</b>	<b>101,238</b>	<b>-</b>	<b>21,871</b>	<b>(12,783)</b>	<b>110,326</b>

Prior period error relating to 2013/14

Asset class adjustment from office equipment to machinery and equipment

## 32.4 MINOR ASSETS

Movement in minor assets per the asset register for the year ended 31 March 2015					
	Intangible Assets	Heritage Assets	Machinery and equipment	Biological assets	Closing balance
	R'000	R'000	R'000	R'000	R'000
Opening balance			32,801		32,801
Current year adjustment to prior year balances					
Additions			1,970		1,970
Disposal			(1,201)		(1,201)
<b>Total</b>			<b>33,570</b>		<b>33,570</b>

	Machinery and equipment	Total
Number of minor assets at cost	23	23
<b>Total number of minor assets</b>	<b>23</b>	<b>23</b>

Minor assets under investigation included in the asset register	Number	Amount
Machinery and equipment	1035	1,621



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

Movement in minor assets per the asset register for the year ended 31 March 2014					
	Intangible Assets	Heritage Assets	Machinery and equipment	Biological assets	Closing balance
	R'000	R'000	R'000	R'000	R'000
Opening balance	-	-	33,864	-	33,864
Additions	-	-	346	-	346
Disposal	-	-	(1,409)	-	(1,409)
<b>Total</b>	-	-	<b>32,801</b>	-	<b>32,801</b>

	Machinery and equipment	Total
Number of minor assets at cost	22	22
<b>Total number of minor assets</b>	<b>22</b>	<b>22</b>

## 32.5 MOVABLE ASSETS WRITTEN OFF

Movable Assets written off for the year ended 31 March 2015					
	Intangible assets	Heritage assets	Specialised military assets	Machinery and equipment	Closing balance
	R'000	R'000	R'000	R'000	R'000
Assets written off	-	-	-	1 201	1 201
<b>Total</b>	-	-	-	<b>1 201</b>	<b>1 201</b>

Movable Assets written off for the year ended 31 March 2014					
	Intangible assets	Heritage assets	Specialised military assets	Machinery and equipment	Closing balance
	R'000	R'000	R'000	R'000	R'000
Assets written off	-	-	-	1 409	1 409
<b>Total</b>	-	-	-	<b>1 409</b>	<b>1 409</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

## 33. INTANGIBLE CAPITAL ASSETS

Movement in Intangible Capital Assets per the asset register for the year ended 31 March 2015					
	Opening Balance	Current year adjustments to prior year balances	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
Computer Software	4	-	-	-	4
<b>Total</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4</b>

### 33.1 ADDITIONS

Additions to Intangible capital assets per asset register for the year ended 31 March 2015					
	Cash	Non-cash	(Development work-in-progress current costs )	Received current, not paid (paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
<b>Description</b>					
Computer Software	-	-	-	-	-
<b>Total additions of Intangible capital assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### 33.2 DISPOSALS

Disposals of Intangible capital assets per asset register for the year ended 31 March 2015				
	Assets Sold	Transfer out or destroyed or scrapped	Total Disposals	Cash received actual
	R'000	R'000	R'000	R'000
<b>Description</b>				
Computer Software	-	-	-	-
<b>Total Disposal of Intangible capital assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

## 34. IMMOVABLE TANGIBLE CAPITAL ASSETS

Movement in Immovable Tangible Capital Assets per the asset register for the year ended 31 March 2015					
	Opening Balance	Current year adjustments to prior year balances	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
Other fixed Structures	615	-	362	26	951
<b>Total</b>	<b>615</b>	<b>-</b>	<b>362</b>	<b>26</b>	<b>951</b>

### 34.1 ADDITIONS

Additions to Immovable Tangible capital assets per asset register for the year ended 31 March 2015					
	Cash	Non-cash	(Capital work-in-progress current costs and finance lease payments)	Received current, not paid (paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
<b>Description</b>					
Other Fixed Structures	362	-	-	-	362
<b>Total additions of Immovable Tangible capital assets</b>	<b>362</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>362</b>

### 34.2 DISPOSALS

Disposals of Immovable Tangible capital assets per asset register for the year ended 31 March 2015				
	Assets Sold	Transfer out or destroyed or scrapped	Total Disposals	Cash received actual
	R'000	R'000	R'000	R'000
<b>Description</b>				
Other Fixed Structures	-	26	26	-
<b>Total Disposal of Immovable Tangible capital assets</b>	<b>-</b>	<b>26</b>	<b>26</b>	<b>-</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

	Note	2014/15	2013/14
		R'000	R'000

## 35. AGENT-PRINCIPAL ARRANGEMENTS

### 35.1 DEPARTMENT ACTING AS THE PRINCIPAL

Government Pension Administration Agency (GPAA) <sup>38</sup>		3,730,935	3,523,098
<b>Total</b>		<b>3,730,935</b>	<b>3,523,098</b>

## 36. PRIOR PERIOD ERRORS<sup>39</sup>

	2013/14
	R'(000)

### 36.1 EXPENDITURE

Goods and services: Fleet services	(972)
Goods and services: Operating leases	972
<b>Net effect</b>	<b>-</b>

### 36.2 EXPENDITURE

Transfers and subsidies: Foreign and Intern orgs	(314,626)
Financial assets: Purchase of equity	314,626
<b>Net effect</b>	<b>-</b>

### 36.3 EXPENDITURE

Goods and services: communication costs	(1,029)
Capital assets: Finance leases	1,029
<b>Net effect</b>	<b>-</b>

### 36.4 CONTINGENT LIABILITIES

Guarantees	(200,751)
<b>Net effect</b>	<b>(200,751)</b>

<sup>38</sup>GPAA render administrative services on behalf of the National Treasury with respect to post-retirement medical subsidies as provided for and regulated by the Public Service Coordinating Bargaining Council resolutions; military pensions in terms of the Military Pensions Act, 1976 (Act No. 84 of 1976); injury on duty payments in terms of the Compensation for Occupational Injuries and Diseases Act, 1993 (Act No. 130 of 1993); special pensions in terms of the Special Pensions Act 1996 (Act No. 69 of 1996); other pensions in relation to Judges, former State Presidents, Magistrates and Parliamentary Office Bearers in terms of relevant legislations; and other administration as agreed between the Parties and specified in the Administration Agreement.

<sup>39</sup>The correction of prior errors were in relation to restatement of prior year amounts in line with the Modified Cash Standard due to incorrect classification in the prior period, for further details see relevant notes.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

## 37. TRANSFER OF FUNCTION

	Bal before the transfer	SAA transfer	Bal after the transfer
	2013/14	2013/14	2013/14
	R'(000)	R'(000)	R'(000)
Non-Current Assets			
Investments	400,956	13,008,758	13,409,714
<b>Total assets</b>	<b>400,956</b>	<b>13,008,758</b>	<b>13,409,714</b>
Liabilities			
Payables	15,294	9,000	24,294
<b>Total liabilities</b>	<b>15,294</b>	<b>9,000</b>	<b>24,294</b>
<b>Net assets</b>	<b>385,662</b>	<b>12,999,758</b>	<b>13,385,420</b>

Government Gazette no. 38354 was issued on 19 December 2014 confirming the transfer of function relating to South African Airways by the President from the Minister of Public Enterprise to the Minister of Finance. There was no inventory or personnel transfer that resulted from this transfer. The prior year amounts on the annual financial statements were not restated. The above entries reflect the impact the transfer of function would have had on the statement of financial position of the previous financial year.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

## 38. STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES

NAME OF CONDITIONAL GRANT	GRANT ALLOCATION (2014/15)							SPENT (2014/15)			2013/14	
	Division of Revenue Act	Rolovers	DORA Adjustments	Other Adjustments	Total Available	Amount received by department	Amount spent by department	Under /over-spending	% of available funds spent by department	Division of Revenue Act	Amount spent by department	
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Local Government Financial Management Grant	449,138	-	-	-	449,138	449,138	449,138	-	100%	424,798	424,798	
Neighbourhood Development Partners Grant	591,179	-	-	-	591,179	591,179	590,390	789	99.9%	598,041	585,935	
Infrastructure Skills Development Grant	104,425	-	-	-	104,425	104,425	104,425	-	100%	98,500	98,500	
Integrated Cities Development Grant	255,000	-	-	-	255,000	255,000	255,000	-	100%	40,000	40,000	
<b>Total conditional grants to municipalities</b>	<b>1,399,742</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,399,742</b>	<b>1,399,742</b>	<b>1,398,953</b>	<b>789</b>	<b>100%</b>	<b>1,161,339</b>	<b>1,149,233</b>	

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

## 38.1 INTEGRATED CITIES DEVELOPMENT GRANT

NAME OF MUNICIPALITY	GRANT ALLOCATION (2014/15)				TRANSFER (2014/15)		
	Division of Revenue Act	Rollovers	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocation by The National Treasury or National Department
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Nelson Mandela Bay	4 133	-	-	4 133	4 133	-	-
Mangaung	5 596	-	-	5 596	5 596	-	-
Ekurhuleni	40 323	8 057	-	48 380	40 323	-	-
City of Johannesburg	50 497	-	-	50 497	50 497	-	-
City of Tshwane	44 659	-	-	44 659	44 659	-	-
Ethekwini	52 621	-	-	52 621	52 621	-	-
City of Cape Town	57 171	9 501	-	66 672	57 171	-	-
<b>Total</b>	<b>255 000</b>	<b>17 558</b>	<b>-</b>	<b>272 558</b>	<b>255 000</b>	<b>-</b>	<b>-</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

## 38. STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES - continued

### 38.2 NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT

NAME OF MUNICIPALITY	GRANT ALLOCATION (2014/15)					TRANSFER (2014/15)		
	Division of Revenue Act	Rollovers	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocation by The National Treasury or National Department	R'000
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Buffalo City	5 000	-	-	5 000	5 000			
Amatole	-		11 257	11 257	11 257			
City of Cape Town	52 678		(21 894)	30 784	30 784			
City of Johannesburg	48 461		-	48 461	48 461			
City of Tshwane	150 000		25 000	175 000	175 000			
Ekurhuleni	50 000		(50 000)	-				
Ermfuleni	5 000		-	5 000	5 000			
Emnambithi/Ladysmith	10 200		7 703	17 903	17 903			
eThekweni	33 592		663	34 255	34 255			
Greater Taung	2 800		6 488	9 288	9 288			
Greater Tzaneen	10 000		-	10 000	10 000			
Greater Tzaneen	21 951		-	21 951	21 951			
KwaDukuza	14 946		(11 361)	3 585	3 585			
Mandeni	20 377		(6 089)	14 288	14 288			
Mangaung	5 000		-	5 000	5 000			
Matlosana Local	21 625		(2 625)	19 000	19 000			



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

NAME OF MUNICIPALITY	GRANT ALLOCATION (2014/15)				TRANSFER (2014/15)		
	Division of Revenue Act	Rollovers	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocation by The National Treasury or National Department
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
<b>Subtotal carried forward</b>	<b>451,630</b>		<b>(40,858)</b>	<b>410,772</b>	<b>410,772</b>		
Subtotal brought forward	451,630	(40,858)	410,772	410,772	410,772		
Matzikama	311	-	311		311		
Mbombela	5 000	5 000	10 000		10 000		
Mogale City	20 000	10 210	30 210		30 210		
Msunduzi	10 350	19 150	29 500		29 500		
Ndwedwe	11 000	-	11 000		11 000		
Nelson Mandela	18 461	(9 461)	9 000		9 000		
Newcastle	12 000	7 776	19 776		19 776		
Nongoma	9 867	9	9 876		9 876		
Polokwane	5 000	5 000	10 000		10 000		
Ramotshere Moiloa	3 869		3 869		3 080		
Rustenburg	5 000	(5 000)	-				
Sedibeng	1 365	-	1 365		1 365		
Sol Plaatje	5 000	(5 000)	-				
Thulamela	15 000	-	15 000		15 000		

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

## 38. STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES - continued

### 38.2 NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT

NAME OF MUNICIPALITY	GRANT ALLOCATION (2014/15)				TRANSFER (2014/15)		
	Division of Revenue Act	Rollovers	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocation by The National Treasury or National Department
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Umtshezi	1 326	13 174	14 500		14 500		
Umzimkhulu	16 000	-	16 000		16 000		
<b>Total</b>	<b>591 179</b>	<b>-</b>	<b>591 179</b>		<b>590 390</b>	<b>-</b>	<b>-</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

## 38.3 INFRASTRUCTURE DEVELOPMENT GRANT

NAME OF MUNICIPALITY	GRANT ALLOCATION (2014/15)				TRANSFER (2014/15)			
	Division of Revenue Act	Rollovers	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocation by The National Treasury or National Department	R'000
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Buffalo City	5 500	560		6 060	5 500	-	-	-
Nelson Mandela Bay	8 000			8 000	8 000	-	-	-
Lukhanji	2 200			2 200	2 200	-	-	-
King Sabata Dalindyebo	3 000			3 000	3 000	-	-	-
Alfred Nzo	3 000			3 000	3 000	-	-	-
Empuleni				-				
Westonaria	2 000			2 000	2 000	-	-	-
Ethekwini	25 425		1 500	26 925	26 925	-	-	-
Ugu	1 500		(1 500)					
Umhlatuze	8 000			8 000	8 000	-	-	-
Polokwane	3 000			3 000	3 000	-	-	-
Govan Mbeki	26 000			26 000	26 000	-	-	-
Gert Sibande	3 000			3 000	3 000	-	-	-
John Taolo Gaetsewe	2 500			2 500	2 500	-	-	-
Sol Plaatje	2 500			2 500	2 500	-	-	-
Ditsobotla	2 500			2 500	2 500	-	-	-
City of Cape Town	2 300	901		3 201	2 300	-	-	-
George	3 000	382		3 382	3 000	-	-	-
<b>Total</b>	<b>104 425</b>	<b>1 843</b>	<b>-</b>	<b>106 268</b>	<b>104 425</b>	<b>-</b>	<b>-</b>	<b>-</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

## 38. STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES - continued

### 38.4 LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT

NAME OF MUNICIPALITY	GRANT ALLOCATION (2014/15)				TRANSFER (2014/15)		
	Division of Revenue Act R'000	Rollovers R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	Funds Withheld R'000	Re-allocation by The National Treasury or National Department R'000
Kaif Garib	1 800	-	-	1 800	1 800	-	-
Kheis	1 800	-	-	1 800	1 800	-	-
Khara Hais	1 600	-	-	1 600	1 600	-	-
Abaqulusi	1 600	-	-	1 600	1 600	-	-
Aganang	1 800	-	-	1 800	1 800	-	-
Albert Luthuli	1 600	-	-	1 600	1 600	-	-
Alfred Nzo District Municipality	1 250	-	-	1 250	1 250	-	-
Amahlathi	1 600	-	-	1 600	1 600	-	-
Amajuba District Municipality	1 500	-	-	1 500	1 500	-	-
Amatole District Municipality	1 250	-	-	1 250	1 250	-	-
Ba-Phalaborwa	1 600	-	-	1 600	1 600	-	-
Baviaans	1 600	-	-	1 600	1 600	-	-

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

NAME OF MUNICIPALITY	GRANT ALLOCATION (2014/15)				TRANSFER (2014/15)		
	Division of Revenue Act R'000	Rollovers R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	Funds Withheld R'000	Re-allocation by The National Treasury or National Department R'000
Beaufort West	1 600	-	-	1 600	1 600	-	-
Bela Bela	1 600	-	-	1 600	1 600	-	-
Bergirivier	1 450	-	-	1 450	1 450	-	-
Bitou	1 450	-	-	1 450	1 450	-	-
Blouberg	1 800	-	-	1 800	1 800	-	-
Blue Crane Route	1 600	-	-	1 600	1 600	-	-
<b>Subtotal carried forward</b>	<b>28 500</b>	<b>-</b>	<b>-</b>	<b>28 500</b>	<b>28 500</b>	<b>-</b>	<b>-</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

## 38. STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES - continued

### 38.4 LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT

NAME OF MUNICIPALITY	GRANT ALLOCATION (2014/15)				TRANSFER (2014/15)		
	Division of Revenue Act R'000	Rollovers R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	Funds Withheld %	Re-allocation by The National Treasury or National Department R'000
Subtotal brought forward	28 500	-	-	28 500	28 500	-	-
Bojanala Platinum District Municipality	1 250	-	-	1 250	1 250	-	-
Breedevale	1 450	-	-	1 450	1 450	-	-
Buffalo City	1 500	-	-	1 500	1 500	-	-
Bushbuckridge	1 600	-	-	1 600	1 600	-	-
Cacadu District Municipality	1 250	-	-	1 250	1 250	-	-
Camdeboo	1 800	-	-	1 800	1 800	-	-
Cape Agulhas	1 450	-	-	1 450	1 450	-	-
Cape Winelands District Municipality	1 250	-	-	1 250	1 250	-	-
Capricorn District Municipality	1 250	-	-	1 250	1 250	-	-
Cederberg	1 450	-	-	1 450	1 450	-	-

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

NAME OF MUNICIPALITY	GRANT ALLOCATION (2014/15)			TRANSFER (2014/15)			
	Division of Revenue Act R'000	Rollovers R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	Funds Withheld %	Re-allocation by The National Treasury or National Department R'000
Central Karoo District Municipality	1 250	-	-	1 250	1 250	-	-
Chris Hani District Municipality	1 500	-	-	1 500	1 500	-	-
City of Cape Town	1 250	-	-	1 250	1 250	-	-
City of Johannesburg	1 250	-	-	1 250	1 250	-	-
City of Matlosana	1 600	-	-	1 600	1 600	-	-
City of Tshwane	5 000	-	-	5 000	5 000	-	-
Dannhauser	1 800	-	-	1 800	1 800	-	-
Dihlabeng	1 600	-	-	1 600	1 600	-	-
Dikgatlong	1 800	-	-	1 800	1 800	-	-
Dipaleseng	1 800	-	-	1 800	1 800	-	-
<b>Subtotal carried forward</b>	<b>61 600</b>	<b>-</b>	<b>-</b>	<b>61 600</b>	<b>61 600</b>		

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

## 38. STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES - continued

### 38.4 LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT

NAME OF MUNICIPALITY	GRANT ALLOCATION (2014/15)				TRANSFER (2014/15)		
	Division of Revenue Act R'000	Rollovers R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	Funds Withheld %	Re-allocation by The National Treasury or National Department R'000
Balance brought forward	61 600			61 600	61 600		61 100
Ditsobotla	1 600	-	-	1 600	1 600	-	-
Dr JS Moroka	1 600	-	-	1 600	1 600	-	-
Dr Kenneth Kaunda District Municipality	1 250	-	-	1 250	1 250	-	-
Dr Ruth Segomotsi Mompoti District Municipality	1 250	-	-	1 250	1 250	-	-
Drakenstein	1 450	-	-	1 450	1 450	-	-
Eden District Municipality	1 250	-	-	1 250	1 250	-	-
eDumbe	1 800	-	-	1 800	1 800	-	-
Ehlanzeni District Municipality	1 500	-	-	1 500	1 500	-	-
Ekurhuleni	1 250	-	-	1 250	1 250	-	-
Elias Motsoaledi	1 600	-	-	1 600	1 600	-	-
Elundini	1 600	-	-	1 600	1 600	-	-
EMadlangeni	1 800	-	-	1 800	1 800	-	-



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

NAME OF MUNICIPALITY	GRANT ALLOCATION (2014/15)				TRANSFER (2014/15)		Re-allocation by The National Treasury or National Department R'000
	Division of Revenue Act R'000	Rollovers R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	Funds Withheld %	
Emakhazeni	1 800	-	-	1 800	1 800	-	-
Emalahleni (Ec)	1 800	-	-	1 800	1 800	-	-
Emalahleni (MP)	1 600	-	-	1 600	1 600	-	-
Emfuleni	1 450	-	-	1 450	1 450	-	-
Emnambethi/ Ladysmith	1 600	-	-	1 600	1 600	-	-
Emthanjeni	1 600	-	-	1 600	1 600	-	-
Endumeni	1 600	-	-	1 600	1 600	-	-
Engcobo	1 600	-	-	1 600	1 600	-	-
<b>Subtotal carried forward</b>	<b>92 600</b>			<b>92 600</b>	<b>92 600</b>		

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

## 38. STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES - continued

### 38.4 LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT

NAME OF MUNICIPALITY	GRANT ALLOCATION (2014/15)				TRANSFER (2014/15)		
	Division of Revenue Act R'000	Rollovers R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	Funds Withheld %	Re-allocation by The National Treasury or National Department R'000
Balance brought forward	61 600			61 600	61 600		
Ephraim Mogale eThekweni	1 600 1 250	-	-	1 600 1 250	1 600 1 250	-	-
Ezinqolweni	1 800	-	-	1 800	1 800	-	-
Fetakgomo	1 800	-	-	1 800	1 800	-	-
Fezile Dabi District Municipality	1 250	-	-	1 250	1 250	-	-
Frances Baard District Municipality	1 250	-	-	1 250	1 250	-	-
Gamagara	1 600	-	-	1 600	1 600	-	-
Gariep	1 800	-	-	1 800	1 800	-	-
Ga-Segwanyane	1 600	-	-	1 600	1 600	-	-
George	1 450	-	-	1 450	1 450	-	-
Gert Sibande District Municipality	1 250	-	-	1 250	1 250	-	-
Govan Mbeki	1 600	-	-	1 600	1 600	-	-

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

NAME OF MUNICIPALITY	GRANT ALLOCATION (2014/15)			TRANSFER (2014/15)			
	Division of Revenue Act R'000	Rollovers R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	Funds Withheld %	Re-allocation by The National Treasury or National Department R'000
Great Kei	1 800	-	-	1 800	1 800	-	-
Greater Giyani	1 600	-	-	1 600	1 600	-	-
Greater Kokstad	1 700	-	-	1 700	1 700	-	-
Greater Letaba	1 600	-	-	1 600	1 600	-	-
Greater Taung	1 800	-	-	1 800	1 800	-	-
Greater Tubatse	1 600	-	-	1 600	1 600	-	-
Greater Tzaneen	1 600	-	-	1 600	1 600	-	-
Hantam	1 800	-	-	1 800	1 800	-	-
<b>Subtotal carried forward</b>	<b>124 350</b>			<b>124 350</b>	<b>124 350</b>		

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

## 38. STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES - continued

### 38.4 LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT

NAME OF MUNICIPALITY	GRANT ALLOCATION (2014/15)			TRANSFER (2014/15)			
	Division of Revenue Act R'000	Rollovers R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	Funds Withheld %	Re-allocation by The National Treasury or National Department R'000
Balance brought forward	1 24 350			124 350	124 350		
Harry Gwala District Municipality	1 250	-	-	1 250	1 250	-	-
Hessequa	1 450	-	-	1 450	1 450	-	-
Hlabisa	1 600	-	-	1 600	1 600	-	-
Ikwezi	1 800	-	-	1 800	1 800	-	-
iLembe District Municipality	1 250	-	-	1 250	1 250	-	-
Imbabazane	1 800	-	-	1 800	1 800	-	-
Impendle	1 800	-	-	1 800	1 800	-	-
Indaka	1 800	-	-	1 800	1 800	-	-
Ingwe	1 800	-	-	1 800	1 800	-	-
Inkwanca	1 800	-	-	1 800	1 800	-	-
Intsika Yethu	1 600	-	-	1 600	1 600	-	-
Inxuba Yethemba	1 600	-	-	1 600	1 600	-	-
Joe Gqabi District Municipality	1 250	-	-	1 250	1 250	-	-

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

NAME OF MUNICIPALITY	GRANT ALLOCATION (2014/15)			TRANSFER (2014/15)			
	Division of Revenue Act R'000	Rollovers R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	Funds Withheld %	Re-allocation by The National Treasury or National Department R'000
Joe Morolong	1 600	-	-	1 600	1 600	-	-
John Taolo Gaetsewe District Municipality	1 250	-	-	1 250	1 250	-	-
Jozini	1 800	-	-	1 800	1 800	-	-
Kamiesberg	1 800	-	-	1 800	1 800	-	-
Kannaland	1 600	-	-	1 600	1 600	-	-
Kareeberg	1 800	-	-	1 800	1 800	-	-
<b>Subtotal carried forward</b>	<b>156 800</b>			<b>156 800</b>	<b>156 800</b>		

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

## 38. STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES - continued

### 38.4 LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT

NAME OF MUNICIPALITY	GRANT ALLOCATION (2014/15)				TRANSFER (2014/15)		
	Division of Revenue Act R'000	Rollovers R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	Funds Withheld %	Re-allocation by The National Treasury or National Department R'000
Balance brought forward	1 56 800			1 56 800	1 56 800		
Karoo Hoogland	1 800	-	-	1 800	1 800	-	-
Kgatelopele	1 800	-	-	1 800	1 800	-	-
Kgetlengrivier	1 800	-	-	1 800	1 800	-	-
Khai-Ma	1 800	-	-	1 800	1 800	-	-
King Sabata Dalindyebo	1 600	-	-	1 600	1 600	-	-
Knysna	1 450	-	-	1 450	1 450	-	-
Kopanong	1 600	-	-	1 600	1 600	-	-
Kouga	1 600	-	-	1 600	1 600	-	-
Kou-kamma	1 800	-	-	1 800	1 800	-	-
Kwa Sani	1 800	-	-	1 800	1 800	-	-
KwaDukuza	1 700	-	-	1 700	1 700	-	-
Laingsburg	1 700	-	-	1 700	1 700	-	-
Langeberg	1 450	-	-	1 450	1 450	-	-
Lejweleputswa District Municipality	1 250	-	-	1 250	1 250	-	-
Lekwa	1 600	-	-	1 600	1 600	-	-

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

NAME OF MUNICIPALITY	GRANT ALLOCATION (2014/15)				TRANSFER (2014/15)			Re-allocation by The National Treasury or National Department R'000
	Division of Revenue Act R'000	Rollovers R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	Funds Withheld %		
Lekwa-Teemane	1 600	-	-	1 600	1 600	-	-	
Lepelle-Nkumpi	1 600	-	-	1 600	1 600	-	-	
Lephalale	1 600	-	-	1 600	1 600	-	-	
<b>Subtotal carried forward</b>	<b>186 350</b>			<b>186 350</b>	<b>186 350</b>			

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

## 38. STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES - continued

### 38.4 LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT

NAME OF MUNICIPALITY	GRANT ALLOCATION (2014/15)			TRANSFER (2014/15)			
	Division of Revenue Act R'000	Rollovers R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	Funds Withheld %	Re-allocation by The National Treasury or National Department R'000
Balance brought forward	186 350			186 350	186 350		
Lesedi	1 450			1 450	1 450		
Letsemeng	1 800			1 800	1 800		
Lukhanji	1 600			1 600	1 600		
Madibeng	1 600			1 600	1 600		
Mafikeng	1 600			1 600	1 600		
Mafube	1 800			1 800	1 800		
Magareng	1 800			1 800	1 800		
Makana	1 600			1 600	1 600		
Makhado	1 600			1 600	1 600		
Makhuduthamaga	1 600			1 600	1 600		
Maletswai	1 800			1 800	1 800		
Maluti-a-Phofung	1 600			1 600	1 600		
Mamusa	1 800			1 800	1 800		
Mandeni	1 800			1 800	1 800		
Mangaung	1 500			1 500	1 500		
Mantsopa	1 600			1 600	1 600		
Maphumulo	1 800			1 800	1 800		
Maquassi Hills	1 600			1 600	1 600		



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

NAME OF MUNICIPALITY	GRANT ALLOCATION (2014/15)				TRANSFER (2014/15)		
	Division of Revenue Act R'000	Rollovers R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	Funds Withheld %	Re-allocation by The National Treasury or National Department R'000
Maruleng	1 800			1 800	1 800		
Masilonyana	1 800			1 800	1 800		
<b>Subtotal carried forward</b>	<b>219 900</b>			<b>219 900</b>	<b>219 900</b>		

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

## 38. STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES - continued

### 38.4 LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT

NAME OF MUNICIPALITY	GRANT ALLOCATION (2014/15)				TRANSFER (2014/15)		
	Division of Revenue Act R'000	Rollovers R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	Funds Withheld %	Re-allocation by The National Treasury or National Department R'000
Balance brought forward	219 900			219 900	219 900		
Matatiele	1 600	-	-	1 600	1 600	-	-
Matjhabeng	1 600	-	-	1 600	1 600	-	-
Matzikama	1 450	-	-	1 450	1 450	-	-
Mbhashe	1 600	-	-	1 600	1 600	-	-
Mbizana	1 600	-	-	1 600	1 600	-	-
Mbombela	1 600	-	-	1 600	1 600	-	-
Merafong City	1 600	-	-	1 600	1 600	-	-
Metsimaholo	1 600	-	-	1 600	1 600	-	-
Mfolozi	1 800	-	-	1 800	1 800	-	-
Mhlontlo	1 800	-	-	1 800	1 800	-	-
Midvaal	1 450	-	-	1 450	1 450	-	-
Mier	1 800	-	-	1 800	1 800	-	-
Mkhambathini	1 800	-	-	1 800	1 800	-	-
Mkhondo	1 600	-	-	1 600	1 600	-	-

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

NAME OF MUNICIPALITY	GRANT ALLOCATION (2014/15)				TRANSFER (2014/15)			Re-allocation by The National Treasury or National Department R'000
	Division of Revenue Act R'000	Rollovers R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	Funds Withheld %		
Mnquma	1 600	-	-	1 600	1 600	-	-	
Modimolle	1 600	-	-	1 600	1 600	-	-	
Mogalakwena	1 600	-	-	1 600	1 600	-	-	
Mogale City	1 450	-	-	1 450	1 450	-	-	
<b>Subtotal carried forward</b>	<b>249 050</b>			<b>249 050</b>	<b>249 050</b>			

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

## 38. STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES - continued

### 38.4 LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT

NAME OF MUNICIPALITY	GRANT ALLOCATION (2014/15)				TRANSFER (2014/15)		
	Division of Revenue Act R'000	Rollovers R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	Funds Withheld %	Re-allocation by The National Treasury or National Department R'000
Balance brought forward	249 050			249 050	249 050		
Mohokare	1 800	-	-	1 800	1 800	-	-
Molemole	1 600	-	-	1 600	1 600	-	-
Mookgopong	1 800	-	-	1 800	1 800	-	-
Mopani District Municipality	1 250	-	-	1 250	1 250	-	-
Moghaka	1 600	-	-	1 600	1 600	-	-
Moretele	1 600	-	-	1 600	1 600	-	-
Moses Kotane	1 600	-	-	1 600	1 600	-	-
Mossel Bay	1 450	-	-	1 450	1 450	-	-
Mpofana	1 800	-	-	1 800	1 800	-	-
Msinga	1 800	-	-	1 800	1 800	-	-
Msukaligwa	1 600	-	-	1 600	1 600	-	-
Msunduzi	1 600	-	-	1 600	1 600	-	-
Mthonjaneni	1 800	-	-	1 800	1 800	-	-
Mtubatuba	1 800	-	-	1 800	1 800	-	-
Musina	1 800	-	-	1 800	1 800	-	-
Mutale	1 800	-	-	1 800	1 800	-	-
Nala	1 800	-	-	1 800	1 800	-	-

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

NAME OF MUNICIPALITY	GRANT ALLOCATION (2014/15)			TRANSFER (2014/15)			
	Division of Revenue Act R'000	Rollovers R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	Funds Withheld %	Re-allocation by The National Treasury or National Department R'000
Naledi (FS)	1 800	-	-	1 800	1 800	-	-
Naledi (NW)	1 600	-	-	1 600	1 600	-	-
<b>Subtotal carried forward</b>	<b>280 950</b>			<b>280 950</b>	<b>280 950</b>		

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

## 38. STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES - continued

### 38.4 LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT

NAME OF MUNICIPALITY	GRANT ALLOCATION (2014/15)				TRANSFER (2014/15)		
	Division of Revenue Act R'000	Rollovers R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	Funds Withheld %	Re-allocation by The National Treasury or National Department R'000
Balance brought forward	280 950			280 950	280 950		
Nama Khoi	1 600	-	-	1 600	1 600	-	-
Namakwa District Municipality	1 250	-	-	1 250	1 250	-	-
Ndlambe	1 800	-	-	1 800	1 800	-	-
Nkwedwe	1 800	-	-	1 800	1 800	-	-
Nelson Mandela	1 250	-	-	1 250	1 250	-	-
Newcastle	1 600	-	-	1 600	1 600	-	-
Ngaka Modiri Molema District Municipality	1 250	-	-	1 250	1 250	-	-
Ngqushwa	1 800	-	-	1 800	1 800	-	-
Ngquza Hill	1 600	-	-	1 600	1 600	-	-
Ngwathe	1 600	-	-	1 600	1 600	-	-
Nkandla	1 800	-	-	1 800	1 800	-	-
Nkangala District Municipality	1 250	-	-	1 250	1 250	-	-
Nketoana	1 600	-	-	1 600	1 600	-	-
Nkomazi	1 600	-	-	1 600	1 600	-	-

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

NAME OF MUNICIPALITY	GRANT ALLOCATION (2014/15)			TRANSFER (2014/15)			
	Division of Revenue Act R'000	Rollovers R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	Funds Withheld %	Re-allocation by The National Treasury or National Department R'000
Nkonkobe	1 800	-	-	1 800	1 800	-	-
Nongoma	1 800	-	-	1 800	1 800	-	-
Nquthu	1 800	-	-	1 800	1 800	-	-
Ntabankulu	1 800	-	-	1 800	1 800	-	-
Ntambanana	1 800	-	-	1 800	1 800	-	-
<b>Subtotal carried forward</b>	<b>3 11 750</b>			<b>3 11 750</b>	<b>3 11 750</b>		

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

## 38. STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES - continued

### 38.4 LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT

NAME OF MUNICIPALITY	GRANT ALLOCATION (2014/15)			TRANSFER (2014/15)			
	Division of Revenue Act R'000	Rollovers R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	Funds Withheld %	Re-allocation by The National Treasury or National Department R'000
Balance brought forward	311 750			311 750	311 750		
NW397	2 588	-	-	2 588	2 588	-	-
Nxuba	1 800	-	-	1 800	1 800	-	-
Nyandeni	1 600	-	-	1 600	1 600	-	-
O.R. Tambo District Municipality	1 500	-	-	1 500	1 500	-	-
Okhahlamba	1 800	-	-	1 800	1 800	-	-
Oudtshoorn	1 450	-	-	1 450	1 450	-	-
Overberg District Municipality	1 250	-	-	1 250	1 250	-	-
Overstrand	1 450	-	-	1 450	1 450	-	-
Phokwane	1 600	-	-	1 600	1 600	-	-
Phumelela	1 800	-	-	1 800	1 800	-	-
Pixley Ka Seme(MP)	1 600	-	-	1 600	1 600	-	-
Pixley Ka Seme District Municipality	1 250	-	-	1 250	1 250	-	-
Polokwane	1 800	-	-	1 800	1 800	-	-
Port St Johns	1 800	-	-	1 800	1 800	-	-



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

NAME OF MUNICIPALITY	GRANT ALLOCATION (2014/15)				TRANSFER (2014/15)			Re-allocation by The National Treasury or National Department R'000
	Division of Revenue Act R'000	Rollovers R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	Funds Withheld %		
Prince Albert	1 600	-	-	1 600	1 600	-	-	
Ramotshere Moiloa	1 600	-	-	1 600	1 600	-	-	
Randfontein	1 450	-	-	1 450	1 450	-	-	
<b>Subtotal carried forward</b>	<b>339 688</b>			<b>339 688</b>	<b>339 688</b>			

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

## 38. STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES - continued

### 38.4 LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT

NAME OF MUNICIPALITY	GRANT ALLOCATION (2014/15)				TRANSFER (2014/15)		
	Division of Revenue Act R'000	Rollovers R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	Funds Withheld %	Re-allocation by The National Treasury or National Department R'000
Balance brought forward	339 688			339 688	339 688		
Ratlou	1 800	-	-	1 800	1 800	-	-
Renosterberg	1 800	-	-	1 800	1 800	-	-
Richmond	1 800	-	-	1 800	1 800	-	-
Richtersveld	1 800	-	-	1 800	1 800	-	-
Rustenburg	1 600	-	-	1 600	1 600	-	-
Sakhizwe	1 600	-	-	1 600	1 600	-	-
Saldanha Bay	1 450	-	-	1 450	1 450	-	-
Sedibeng District Municipality	1 250	-	-	1 250	1 250	-	-

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# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

NAME OF MUNICIPALITY	GRANT ALLOCATION (2014/15)			TRANSFER (2014/15)			
	Division of Revenue Act R'000	Rollovers R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	Funds Withheld %	Re-allocation by The National Treasury or National Department R'000
Sekhukhune District Municipality	1 250	-	-	1 250	1 250	-	-
Senqu	1 600	-	-	1 600	1 600	-	-
Setsotho	1 600	-	-	1 600	1 600	-	-
Siyancuma	1 800	-	-	1 800	1 800	-	-
Siyathemba	1 800	-	-	1 800	1 800	-	-
Sol Plaatje	1 600	-	-	1 600	1 600	-	-
Stellenbosch	1 450	-	-	1 450	1 450	-	-
Steve Tshwete	1 600	-	-	1 600	1 600	-	-
Sundays River Valley	1 800	-	-	1 800	1 800	-	-
Swartland	1 450	-	-	1 450	1 450	-	-
<b>Subtotal carried forward</b>	<b>368 738</b>			<b>368 738</b>	<b>368 738</b>		

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

## 38. STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES - continued

### 38.4 LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT

NAME OF MUNICIPALITY	GRANT ALLOCATION (2014/15)				TRANSFER (2014/15)		
	Division of Revenue Act R'000	Rollovers R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	Funds Withheld %	Re-allocation by The National Treasury or National Department R'000
Balance brought forward	368 738			368 738	368 738		
Swellendam	1 600	-	-	1 600	1 600	-	-
Thaba Chweu	1 600	-	-	1 600	1 600	-	-
Thabazimbi	1 600	-	-	1 600	1 600	-	-
Thabo Mofutsanyana District Municipality	1 250	-	-	1 250	1 250	-	-
The Big 5 False Bay Theewaterskloof	1 800	-	-	1 800	1 800	-	-
Theewaterskloof	1 600	-	-	1 600	1 600	-	-
Thembehlhe	1 800	-	-	1 800	1 800	-	-
Thembisile	1 600	-	-	1 600	1 600	-	-
Thulamela	1 600	-	-	1 600	1 600	-	-
Tlokwe	1 600	-	-	1 600	1 600	-	-
Tokologo	1 800	-	-	1 800	1 800	-	-
Tsantsabane	1 800	-	-	1 800	1 800	-	-
Tsolwana	1 800	-	-	1 800	1 800	-	-
Tswaing	1 800	-	-	1 800	1 800	-	-
Tswelopele	1 800	-	-	1 800	1 800	-	-

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

NAME OF MUNICIPALITY	GRANT ALLOCATION (2014/15)				TRANSFER (2014/15)			Re-allocation by The National Treasury or National Department R'000
	Division of Revenue Act R'000	Rollovers R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	Funds Withheld %		
Ukhahlamba-Ashebi	1 800	-	-	1 800	1 800	-	-	
Ukhahlamba-Ashebi	1 800	-	-	1 800	1 800	-	-	
<b>Subtotal carried forward</b>	<b>3 973 388</b>			<b>3 973 388</b>	<b>3 973 388</b>			

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

## 38. STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES - continued

### 38.4 LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT

NAME OF MUNICIPALITY	GRANT ALLOCATION (2014/15)				TRANSFER (2014/15)		
	Division of Revenue Act R'000	Rollovers R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	Funds Withheld %	Re-allocation by The National Treasury or National Department R'000
Balance brought forward	397 388			397 388	397 388		
Ugu District Municipality	1 250	-	-	1 250	1 250	-	-
Ullundi	1 700	-	-	1 700	1 700	-	-
uMdoni	1 800	-	-	1 800	1 800	-	-
uMgungundlovu District Municipality	1 250	-	-	1 250	1 250	-	-
Umhlabuyalingana	1 800	-	-	1 800	1 800	-	-
uMhlatuze	1 600	-	-	1 600	1 600	-	-
Umjindi	1 600	-	-	1 600	1 600	-	-
Umkhanyakude District Municipality	1 250	-	-	1 250	1 250	-	-
uMlalazi	1 600	-	-	1 600	1 600	-	-
uMngeni	1 600	-	-	1 600	1 600	-	-
uMshwathi	1 800	-	-	1 800	1 800	-	-
Umsobomvu	1 800	-	-	1 800	1 800	-	-
Umtshezi	1 600	-	-	1 600	1 600	-	-

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

NAME OF MUNICIPALITY	GRANT ALLOCATION (2014/15)				TRANSFER (2014/15)		
	Division of Revenue Act R'000	Rollovers R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	Funds Withheld %	Re-allocation by The National Treasury or National Department R'000
uMuziwabantu	1 800	-	-	1 800	1 800	-	-
Umvoti	1 700	-	-	1 700	1 700	-	-
Umzimkhulu	1 800	-	-	1 800	1 800	-	-
Umzimvubu	1 600	-	-	1 600	1 600	-	-
Umzinyathi District Municipality	1 250	-	-	1 250	1 250	-	-
Umzambe	1 800	-	-	1 800	1 800	-	-
<b>Subtotal carried forward</b>	<b>427 988</b>			<b>427 988</b>	<b>427 988</b>		

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

## 38. STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES - continued

### 38.4 LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT

NAME OF MUNICIPALITY	GRANT ALLOCATION (2014/15)				TRANSFER (2014/15)		
	Division of Revenue Act R'000	Rollovers R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	Funds Withheld %	Re-allocation by The National Treasury or National Department R'000
Balance brought forward	427 988			427 988	427 988		
uPhongolo	1 800	-	-	1 800	1 800	-	-
Uthukela District Municipality	1 250	-	-	1 250	1 250	-	-
uThungulu District Municipality	1 250	-	-	1 250	1 250	-	-
Ventersdorp	1 800	-	-	1 800	1 800	-	-
Vhembe District Municipality	1 250	-	-	1 250	1 250	-	-
Victor Khanye	1 600	-	-	1 600	1 600	-	-
Vulamehlo	1 800	-	-	1 800	1 800	-	-
Waterberg District Municipality	1 250	-	-	1 250	1 250	-	-
West Coast District Municipality	1 250	-	-	1 250	1 250	-	-
West Rand District Municipality	1 250	-	-	1 250	1 250	-	-
Westonaria	1 450	-	-	1 450	1 450	-	-
Witzenberg	1 450	-	-	1 450	1 450	-	-



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

NAME OF MUNICIPALITY	GRANT ALLOCATION (2014/15)				TRANSFER (2014/15)		
	Division of Revenue Act R'000	Rollovers R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	Funds Withheld %	Re-allocation by The National Treasury or National Department R'000
Xhariep District Municipality	1 250	-	-	1 250	1 250	-	-
Z.F. Mgcawu District Municipality	1 250	-	-	1 250	1 250	-	-
<b>Total</b>	<b>449 138</b>	<b>-</b>	<b>-</b>	<b>449 138</b>	<b>449 138</b>	<b>-</b>	<b>449 138</b>

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

## ANNEXURE 1A STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES: INTEGRATED CITIES DEVELOPMENT GRANT

NAME OF MUNICIPALITY	GRANT ALLOCATION (2014/15)			TRANSFER (2014/15)			SPENT (2013/14)			2013/14	
	Division of Revenue Act R'000	Rollovers R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	Funds Withheld R'000	Re-allocation by The National Treasury or National Department R'000	Amount received by municipality R'000	Amount spent by municipality R'000		% of available funds spent by municipality R'000
Nelson Mandela Bay	4 133	-	-	4 133	4 133	-	-	4 133	439	10.6%	3 193
Mangaung	5 596	-	-	5 596	5 596	-	-	5 596	4 836	86.4%	-
Ekurhuleni	40 323	8 057	-	48 380	40 323	-	-	40 323	13 676	28.3%	8 808
City of Johannesburg	50 497	-	-	50 497	50 497	-	-	50 497	10 616	21.0%	-
City of Tshwane	44 659	-	-	44 659	44 659	-	-	44 659	21 740	48.7%	8 096
Ethekewini	52 621	-	-	52 621	52 621	-	-	52 621	29 272	55.6%	9 539
City of Cape Town	57 171	9 501	-	66 672	57 171	-	-	57 171	17 498	26.2%	10 364
<b>Total</b>	<b>255 000</b>	<b>17 558</b>	<b>-</b>	<b>272 558</b>	<b>255 000</b>	<b>-</b>	<b>-</b>	<b>255 000</b>	<b>98 077</b>	<b>36.0%</b>	<b>40 000</b>

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

NAME OF MUNICIPALITY	GRANT ALLOCATION (2014/15)			TRANSFER (2014/15)			SPENT (2014/15)			2013/14	
	Division of Revenue Act	Rolovers	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocation by The National Treasury or National Department	Amount received by municipality	Amount spent by municipality		% of available funds spent by municipality
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
Buffalo City	5 000	-	-	5 000	5 000	-	-	5 000	5 000	100.0%	-
Amatole	-	-	11 257	11 257	11 257	-	-	11 257	2 018	17.9%	-
City of Cape Town	52 678	-	(21 894)	30 784	30 784	-	-	30 784	10 113	32.9%	26 000
City of Johannesburg	48 461	-	-	48 461	48 461	-	-	48 461	30 546	63.0%	32 868
City of Tshwane	150 000	-	25 000	175 000	175 000	-	-	175 000	175 000	100.0%	199 136
Ekurhuleni	50 000	-	(50 000)	-	-	-	-	-	-	-	8 000
Emfuleni	5 000	-	-	5 000	5 000	-	-	5 000	1 136	22.7%	-
Emnambithi/ Ladysmith	10 200	-	7 703	17 903	17 903	-	-	17 903	17 903	100.0%	12 843
eThekweni	33 592	-	663	34 255	34 255	-	-	34 255	2 947	8.6%	3 555
Greater Taung	2 800	-	6 488	9 288	9 288	-	-	9 288	7 336	79.0%	23 344
Greater Tubatse	10 000	-	-	10 000	10 000	-	-	10 000	2 012	20.1%	5 528
Greater Tzaneen	21 951	-	-	21 951	21 951	-	-	21 951	10 113	46.1%	23 350
KwaDukuza	14 946	-	(11 361)	3 585	3 585	-	-	3 585	3 585	100.0%	23 000
Mandeni	20 377	-	(6 089)	14 288	14 288	-	-	14 288	7 083	49.6%	5 841
Mangaung	5 000	-	-	5 000	5 000	-	-	5 000	3 917	78.3%	8 364
Matlosana Local	21 625	-	(2 625)	19 000	19 000	-	-	19 000	6 764	35.6%	-
<b>Subtotal carried forward</b>	<b>451 630</b>		<b>40 858</b>	<b>410 772</b>	<b>410 772</b>			<b>410 772</b>	<b>285 473</b>		

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

## ANNEXURE 1A - continued

### STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES: INTEGRATED CITIES DEVELOPMENT GRANT

NAME OF MUNICIPALITY	GRANT ALLOCATION (2014/15)				TRANSFER (2014/15)			SPENT (2014/15)			
	Division of Revenue Act	Rolovers	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocation by The National Treasury or National Department	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Division of Revenue Act
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
Subtotal brought forward											
Matzikama	311	-	-	311	311			311	311	100.0%	2 800
Mbombela	5 000		5 000	10 000	10 000			10 000	4 933	49.3%	
Mogale City	20 000		10 210	30 210	30 210			30 210	13 314	44.1%	32 941
Msunduzi	10 350		19 150	29 500	29 500			29 500	18 788	63.7%	12 000
Ndwedwe	11 000		-	11 000	11 000			11 000	2 636	24.0%	6 600
Nelson Mandela	18 461		(9 461)	9 000	9 000			9 000	7 920	88.0%	5 000
Newcastle	12 000		7 776	19 776	19 776			19 776	10 360	52.4%	32 121
Nongoma	9 867		9	9 876	9 876			9 876	8 467	85.7%	10 000
Polokwane	5 000		5 000	10 000	10 000			10 000	1 722	17.2%	26 000
Ramotshere-Moiloa	3 869		(5 000)	3 869	3 080			3 080	1 902	49.2%	3 963
Rustenburg	5 000			-							
Sedibeng	1 365		-	1 365	1 365			1 365	1 365	100.0%	9 500
Sol Plaatje	5 000		(5 000)	-							
Thulamela	15 000		-	15 000	15 000			15 000	15 000	100.0%	16 205
Umtshezi	1 326		13 174	14 500	14 500			14 500	8 785	60.6%	
Umkhathathu	16 000		-	16 000	16 000			16 000	7 103	44.4%	11 637
<b>Total</b>	<b>591 179</b>	<b>-</b>	<b>-</b>	<b>591 179</b>	<b>590 390</b>		<b>-</b>	<b>590 390</b>	<b>388 079</b>	<b>65.6%</b>	<b>585 935</b>

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

NAME OF MUNICIPALITY	GRANT ALLOCATION (2014/15)					TRANSFER (2014/15)				SPENT (2014/15)			2013/14
	Division of Revenue Act	Rollovers	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocation by The National Treasury or National Department	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	R'000	R'000	R'000
Buffalo City	5 500	560		6 060	5 500	-	-	5 500	5 441	89.8%	5 441	5 800	5,800
Nelson Mandela Bay	8 000			8 000	8 000	-	-	8 000	6 177	77.2%	6 177	8,200	8,200
Lukanji	2 200			2 200	2 200	-	-	2 200	2 443	111.0%	2 443	2,300	2,300
King Sabata Dalindyebo	3 000			3 000	3 000	-	-	3 000	2 226	74.2%	2 226	-	-
Alfred Nzo	3 000			3 000	3 000	-	-	3 000	3 165	105.5%	3 165	-	-
Emfuleni				-	-	-	-	-	-	-	-	30,000	30,000
City of Johannesburg	1 000			1 000	1 000	-	-	1 000	640	64.0%	640	-	-
Westonaria	2 000			2 000	2 000	-	-	2 000	1 568	78.4%	1 568	3,000	3,000
Ethekwini	25 425		1 500	26 925	26 925	-	-	26 925	35 686	132.5%	35 686	33,000	33,000
Ugu District Municipality	1 500		(1 500)	-	-	-	-	-	-	-	-	-	-
Umhlatuze	8 000			8 000	8 000	-	-	8 000	5 322	66.5%	5 322	4,000	4,000
Polokwane	3 000			3 000	3 000	-	-	3 000	3 438	114.6%	3 438	3,200	3,200
Govan Mbeki	26 000			26 000	26 000	-	-	26 000	17 313	66.6%	17 313	-	-
Gert Sibande	3 000			3 000	3 000	-	-	3 000	2 222	74.1%	2 222	-	-
John Taolo Gaetsewe	2 500			2 500	2 500	-	-	2 500	917	36.7%	917	-	-
Sol Plaatje	2 500			2 500	2 500	-	-	2 500	3 170	126.8%	3 170	3,000	3,000
Ditsobotla	2 500			2 500	2 500	-	-	2 500	2 229	89.2%	2 229	3,000	3,000
City of Cape Town	2 300	901		3 201	2 300	-	-	2 300	1 056	33.0%	1 056	-	-
George	3 000	382		3 382	3 000	-	-	3 000	2 039	60.3%	2 039	3,000	3,000
<b>Total</b>	<b>104 425</b>	<b>1 843</b>	<b>-</b>	<b>106 268</b>	<b>104 425</b>	<b>-</b>	<b>-</b>	<b>104 425</b>	<b>95 052</b>	<b>89.4%</b>	<b>95 052</b>	<b>98 500</b>	<b>98 500</b>

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

## ANNEXURE 1A - continued STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES: INTEGRATED CITIES DEVELOPMENT GRANT

NAME OF MUNICIPALITY	GRANT ALLOCATION (2014/15)				TRANSFER (2014/15)		SPENT (2014/15)			2013/14
	Division of Revenue Act	Rollovers	Adjustments	Total Available	Actual Transfer	% of Available Funds Transferred	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Total Available
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
Ikaiti Garib	1 800	-	-	1 800	1 800	-	1 800	717	39.8%	1 650
Iykhais	1 800	-	-	1 800	1 800	-	1 800	1 436	79.8%	1 650
//KharaHais	1 600	-	-	1 600	1 600	-	1 600	1 286	80.4%	1 550
Abaqulusi	1 600	-	-	1 600	1 600	-	1 600	1 299	81.2%	1 550
Aganang	1 800	-	-	1 800	1 800	-	1 800	1 136	63.1%	1 650
Albert Luthuli	1 600	-	-	1 600	1 600	-	1 600	807	50.4%	1 550
Alfred Nzo	1 250	-	-	1 250	1 250	-	1 250	849	67.9%	1 500
Amahlathi	1 600	-	-	1 600	1 600	-	1 600	1 411	88.2%	1 550
Amajuba	1 500	-	-	1 500	1 500	-	1 500	1 500	100.0%	1 500
Amatole	1 250	-	-	1 250	1 250	-	1 250	735	58.8%	1 250
Ba-Phalaborwa	1 600	-	-	1 600	1 600	-	1 600	1 161	72.6%	1 550
Baviaans	1 600	-	-	1 600	1 600	-	1 600	1 384	86.5%	1 400
Beaufort West	1 600	-	-	1 600	1 600	-	1 600	1 526	95.4%	1 450
Bela-Bela	1 600	-	-	1 600	1 600	-	1 600	1 600	100.0%	1 550
Bergrievier	1 450	-	-	1 450	1 450	-	1 450	740	51.0%	1 300
Bitou	1 450	-	-	1 450	1 450	-	1 450	1 248	86.1%	1 300
Blouberg	1 800	-	-	1 800	1 800	-	1 800	939	52.2%	1 650
Blue Crane Route	1 600	-	-	1 600	1 600	-	1 600	1 360	85.0%	1 550
<b>Subtotal carried forward</b>	<b>28 500</b>			<b>28 500</b>	<b>28 500</b>		<b>28 500</b>	<b>21 134</b>		<b>27,150</b>

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

NAME OF MUNICIPALITY	GRANT ALLOCATION (2014/15)				TRANSFER (2014/15)		SPENT (2014/15)			2013/14	
	Division of Revenue Act	Rollovers	Adjustments	Total Available	Actual Transfer	% of Available Funds Transferred	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Total Available	
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000	
Subtotal brought forward	28 500	-	-	28 500	28 500	-	28 500	21 134	-	27,150	
Bojanala Platinum	1 250	-	-	1 250	1 250	-	1 250	742	59.4%	1 250	
Dr. Ruth Segomotsi Mompati District	1 450	-	-	1 450	1 450	-	1 450	978	67.4%	1 300	
Langerberg	1 500	-	-	1 500	1 500	-	1 500	870	58.0%	1 500	
Breedde Valley	1 600	-	-	1 600	1 600	-	1 600	1 192	74.5%	1 550	
Buffalo City	1 250	-	-	1 250	1 250	-	1 250	885	70.8%	1 250	
Bushbuckridge	1 800	-	-	1 800	1 800	-	1 800	1 581	87.8%	1 750	
Cacadu	1 450	-	-	1 450	1 450	-	1 450	1 187	81.9%	1 300	
Camdeboo	1 250	-	-	1 250	1 250	-	1 250	1 250	100.0%	1 250	
Cape Agulhas	1 250	-	-	1 250	1 250	-	1 250	952	76.2%	1 250	
Cape Town	1 450	-	-	1 450	1 450	-	1 450	1 379	95.1%	1 300	
Cape Winelands	1 250	-	-	1 250	1 250	-	1 250	594	47.5%	1 250	
Capricorn	1 500	-	-	1 500	1 500	-	1 500	1 074	71.6%	1 500	
Cederberg	1 250	-	-	1 250	1 250	-	1 250	372	29.8%	1 250	
Central Karoo	1 250	-	-	1 250	1 250	-	1 250	729	58.3%	1 250	
Chris Hani	1 600	-	-	1 600	1 600	-	1 600	739	46.2%	1 550	
Dannhauser	5 000	-	-	5 000	5 000	-	5 000	2 302	46.0%	5 000	
DeiMas	1 800	-	-	1 800	1 800	-	1 800	1 619	89.9%	1 650	
Ditlhabeng	1 600	-	-	1 600	1 600	-	1 600	1 246	77.9%	1 550	
Dikgatlong	1 800	-	-	1 800	1 800	-	1 800	1 177	65.4%	1 650	

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

## ANNEXURE 1A - continued

### STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES: INTEGRATED CITIES DEVELOPMENT GRANT

NAME OF MUNICIPALITY	GRANT ALLOCATION (2014/15)				TRANSFER (2014/15)			SPENT (2014/15)			2013/14 Total Available
	Division of Revenue Act	Rollovers	Adjustments	Total Available	Actual Transfer	% of Available Funds Transferred	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality		
Dipaleseng	R'000 1 800	R'000 -	R'000 -	R'000 1 800	R'000 1 800	% -	R'000 1 800	R'000 1 636	% 90,9%	R'000 1 550	
<b>Subtotal carried forward</b>	<b>61 600</b>			<b>61 600</b>	<b>61 600</b>		<b>61 600</b>	<b>43 638</b>		<b>59 050</b>	



# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

NAME OF MUNICIPALITY	GRANT ALLOCATION (2014/15)					TRANSFER (2014/15)			SPENT (2014/15)			2013/14	
	Division of Revenue Act	Rollovers	Adjustments	Total Available	Actual Transfer	% of Available Funds Transferred	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Total Available	R'000	%	
Balance brought forward	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000			
Ditsobotla	61 600	-	-	61 600	61 600	-	61 600	43 638		59,050			
Dr JS Moroka	1 600	-	-	1 600	1 600	-	1 600	1	0.1%	1 550			
Dr Kenneth Kaunda	1 600	-	-	1 600	1 600	-	1 600	1 170	73.1%	1 550			
Dr Ruth Segomotsi Mompoti	1 250	-	-	1 250	1 250	-	1 250	926	74.1%	1 250			
Drakenstein	1 250	-	-	1 250	1 250	-	1 250	651	52.1%	1 250			
Eden District Municipality	1 450	-	-	1 450	1 450	-	1 450	246	17.0%	1 300			
eDumbe	1 250	-	-	1 250	1 250	-	1 250	518	41.4%	1 250			
Ehlanzeni	1 800	-	-	1 800	1 800	-	1 800	746	41.4%	1 650			
Ekurhuleni	1 500	-	-	1 500	1 500	-	1 500	1 142	76.1%	1 500			
Elias Motsaedi	1 250	-	-	1 250	1 250	-	1 250	1 003	80.2%	1 250			
Elundini	1 600	-	-	1 600	1 600	-	1 600	1 217	76.1%	1 550			
EMadlangeni	1 600	-	-	1 600	1 600	-	1 600	1 144	71.5%	1 550			
Emakhazeni	1 800	-	-	1 800	1 800	-	1 800	1 116	62.0%	1 650			
Emalahleni (Ec)	1 800	-	-	1 800	1 800	-	1 800	254	14.1%	1 550			
Emalahleni (MP)	1 800	-	-	1 800	1 800	-	1 800	1 453	80.7%	1 650			
Emfuleni	1 600	-	-	1 600	1 600	-	1 600	1 171	73.2%	1 550			
Emnambethi/Ladysmith	1 450	-	-	1 450	1 450	-	1 450	618	42.6%	1 300			
Emtharjeni	1 600	-	-	1 600	1 600	-	1 600	743	46.4%	1 550			
Endumeni	1 600	-	-	1 600	1 600	-	1 600	1 383	86.4%	1 550			
Engcobo	1 600	-	-	1 600	1 600	-	1 600	997	62.3%	1 550			
<b>Subtotal carried forward</b>	<b>92 600</b>			<b>92 600</b>	<b>92 600</b>		<b>92 600</b>	<b>61 736</b>		<b>88 600</b>			

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

## ANNEXURE 1A - continued

### STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES: INTEGRATED CITIES DEVELOPMENT GRANT

NAME OF MUNICIPALITY	GRANT ALLOCATION (2014/15)			TRANSFER (2014/15)			SPENT (2014/15)			2013/14	
	Division of Revenue Act	Rolovers	Adjustments	Total Available	Actual Transfer	% of Available Funds Transferred	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Total Available	R'000
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000	R'000
Balance brought forward	92 600	-	-	92 600	92 600	-	92 600	61 736	-	88 600	
Ephraim Mogale	1 600	-	-	1 600	1 600	-	1 600	982	61.4%	1 550	
eThekweni	1 250	-	-	1 250	1 250	-	1 250	1 250	100.0%	1 250	
Ezinqolweni	1 800	-	-	1 800	1 800	-	1 800	931	51.7%	1 650	
Fetakgomo	1 800	-	-	1 800	1 800	-	1 800	1 231	68.4%	1 650	
Fezile Dabi	1 250	-	-	1 250	1 250	-	1 250	792	63.4%	1 250	
Frances Baard	1 250	-	-	1 250	1 250	-	1 250	289	23.1%	1 250	
Gamagara	1 600	-	-	1 600	1 600	-	1 600	1 054	65.9%	1 550	
Gariep	1 800	-	-	1 800	1 800	-	1 800	1 078	59.9%	1 650	
Ga-Segwanyane	1 600	-	-	1 600	1 600	-	1 600	1 286	80.4%	1 550	
George	1 450	-	-	1 450	1 450	-	1 450	836	57.7%	1 300	
Gert Sibande	1 250	-	-	1 250	1 250	-	1 250	952	76.2%	1 250	
Govan Mbeki	1 600	-	-	1 600	1 600	-	1 600	422	26.4%	1 550	
Great Kei	1 800	-	-	1 800	1 800	-	1 800	855	47.5%	1 650	
Greater Giyani	1 600	-	-	1 600	1 600	-	1 600	1 543	96.4%	1 550	
Greater Kokstad	1 700	-	-	1 700	1 700	-	1 700	449	26.4%	1 550	
Greater Letaba	1 600	-	-	1 600	1 600	-	1 600	1 342	83.9%	1 550	
Greater Taung	1 800	-	-	1 800	1 800	-	1 800	1 272	70.7%	1 650	
Greater Tubatse	1 600	-	-	1 600	1 600	-	1 600	490	30.6%	1 550	

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

NAME OF MUNICIPALITY	GRANT ALLOCATION (2014/15)					TRANSFER (2014/15)			SPENT (2014/15)			2013/14
	Division of Revenue Act	Rollovers	Adjustments	Total Available	Actual Transfer	% of Available Funds Transferred	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Total Available		
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000		
Greater Tzaneen	1 600	-	-	1 600	1 600	-	1 600	1 201	75.1%	1 550		
Hantam	1 800	-	-	1 800	1 800	-	1 800	1 086	60.3%	1 650		
<b>Subtotal carried forward</b>	<b>124 350</b>			<b>124 350</b>	<b>124 350</b>		<b>124 350</b>	<b>81 077</b>		<b>118 750</b>		

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

## ANNEXURE 1A - continued

### STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES: INTEGRATED CITIES DEVELOPMENT GRANT

NAME OF MUNICIPALITY	GRANT ALLOCATION (2014/15)				TRANSFER (2014/15)			SPENT (2014/15)			2013/14
	Division of Revenue Act	Rollovers	Adjustments	Total Available	Actual Transfer	% of Available Funds Transferred	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Total Available	
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000	
Balance brought forward				124 350	124 350		124 350	81 077		118 750	
Harry Gwala District Municipality	1 250	-	-	1 250	1 250	-	1 250	664	53.1%	1 250	
Hessequa	1 450	-	-	1 450	1 450	-	1 450	1 450	100.0%	1 300	
Hibiscus Coast	1 600	-	-	1 600	1 600	-	1 600	1 094	68.4%	1 550	
Hlabisa	1 800	-	-	1 800	1 800	-	1 800	1 167	64.8%	1 650	
Ikwezi	1 800	-	-	1 800	1 800	-	1 800	1 125	62.5%	1 650	
iLembe District Municipality	1 250	-	-	1 250	1 250	-	1 250	980	78.4%	1 250	
Imbabazane	1 800	-	-	1 800	1 800	-	1 800	954	53.0%	1 650	
Impendle	1 800	-	-	1 800	1 800	-	1 800	1 633	90.7%	1 650	
Indaka	1 800	-	-	1 800	1 800	-	1 800	1 615	89.7%	1 650	
Ingwe	1 800	-	-	1 800	1 800	-	1 800	1 510	83.9%	1 650	
Inkwanca	1 800	-	-	1 800	1 800	-	1 800	1 014	56.3%	1 650	
Intsika Yethu	1 600	-	-	1 600	1 600	-	1 600	1 553	97.1%	1 550	
Inxuba Yethemba	1 600	-	-	1 600	1 600	-	1 600	1 516	94.8%	1 550	
Joe Gqabi District Municipality	1 250	-	-	1 250	1 250	-	1 250	781	62.5%	1 250	
Joe Morolong	1 600	-	-	1 600	1 600	-	1 600	1 258	78.6%	1 550	

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

NAME OF MUNICIPALITY	GRANT ALLOCATION (2014/15)					TRANSFER (2014/15)			SPENT (2014/15)			2013/14
	Division of Revenue Act	Rollovers	Adjustments	Total Available	Actual Transfer	% of Available Funds Transferred	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Total Available		
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000	R'000	
John Taolo Gaetsewe District Municipality	1 250	-	-	1 250	1 250	-	1 250	550	44.0%	1 250	1 250	
Jozini	1 800	-	-	1 800	1 800	-	1 800	1 332	74.0%	1 650	1 650	
Kamiesberg	1 800	-	-	1 800	1 800	-	1 800	2 588	100.0%	2 598	2 598	
Kannaland	1 600	-	-	1 600	1 600	-	1 600	1 295	71.9%	1 650	1 650	
Kareeberg	1 800	-	-	1 800	1 800	-	1 800	1 181	73.8%	1 400	1 400	
<b>Subtotal carried forward</b>	<b>156 800</b>			<b>156 800</b>	<b>156 800</b>		<b>156 800</b>	<b>106 337</b>		<b>150 098</b>		

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

## ANNEXURE 1A - continued

### STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES: INTEGRATED CITIES DEVELOPMENT GRANT

NAME OF MUNICIPALITY	GRANT ALLOCATION (2014/15)				TRANSFER (2014/15)			SPENT (2014/15)			2013/14	
	Division of Revenue Act	Rollovers	Adjustments	Total Available	Actual Transfer	% of Available Funds Transferred	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	R'000	%	Total Available
Balance brought forward	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000		R'000
	156 800			156 800	156 800		156 800	106 337		150 098		150 098
Karoo Hoogland	1 800	-	-	1 800	1 800	-	1 800	1 142	63.4%	1 650		1 650
Kgatelopele	1 800	-	-	1 800	1 800	-	1 800	641	35.6%	1 650		1 650
Kgetlengrivier	1 800	-	-	1 800	1 800	-	1 800	1 547	85.9%	1 650		1 650
Khai-Ma	1 800	-	-	1 800	1 800	-	1 800	1 079	59.9%	1 650		1 650
King Sabata Dalindyebo	1 600	-	-	1 600	1 600	-	1 600	1 309	72.7%	1 650		1 650
Knysna	1 450	-	-	1 450	1 450	-	1 450	1 279	79.9%	1 550		1 550
Kopanong	1 600	-	-	1 600	1 600	-	1 600	881	60.8%	1 300		1 300
Kouga	1 600	-	-	1 600	1 600	-	1 600	991	61.9%	1 550		1 550
Kou-kamma	1 800	-	-	1 800	1 800	-	1 800	900	56.3%	1 550		1 550
Kwa Sani	1 800	-	-	1 800	1 800	-	1 800	1 649	91.6%	1 650		1 650
KwaDukuza	1 700	-	-	1 700	1 700	-	1 700	1 768	98.2%	1 650		1 650
Laingsburg	1 700	-	-	1 700	1 700	-	1 700	1 029	60.5%	1 550		1 550
Langeberg	1 450	-	-	1 450	1 450	-	1 450	1 257	73.9%	1 500		1 500
Lejweleputswa District Municipality	1 250	-	-	1 250	1 250	-	1 250	831	57.3%	1 300		1 300
Lekwa	1 600	-	-	1 600	1 600	-	1 600	1 017	81.4%	1 250		1 250
Lekwa-Teemane	1 600	-	-	1 600	1 600	-	1 600	1 600	100.0%	1 550		1 550
Lepelle-Nkumpi	1 600	-	-	1 600	1 600	-	1 600	1 460	91.3%	1 550		1 550

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

NAME OF MUNICIPALITY	GRANT ALLOCATION (2014/15)				TRANSFER (2014/15)		SPENT (2014/15)			2013/14
	Division of Revenue Act	Rollovers	Adjustments	Total Available	Actual Transfer	% of Available Funds Transferred	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Total Available
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000
Lephalale	1 600	-	-	1 600	1 600	-	1 600	960	60.0%	1 550
Lesedi	1 450	-	-	1 450	1 450	-	1 450	684	42.8%	1 550
<b>Subtotal carried forward</b>	<b>187 800</b>			<b>187 800</b>	<b>187 800</b>		<b>187 800</b>	<b>128 361</b>		<b>179 398</b>

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

## ANNEXURE 1A - continued

### STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES: INTEGRATED CITIES DEVELOPMENT GRANT

NAME OF MUNICIPALITY	GRANT ALLOCATION (2014/15)				TRANSFER (2014/15)		SPENT (2014/15)		2013/14	
	Division of Revenue Act	Rollovers	Adjustments	Total Available	Actual Transfer	% of Available Funds Transferred	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Total Available
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000
Balance brought forward	187 800			187 800	187 800		187 800	128 361		179 398
Letsemeng	1 800	-	-	1 800	1 800	-	1 800	912	62,9%	1 300
Lukhanji	1 600	-	-	1 600	1 600	-	1 600	793	44,1%	1 650
Madibeng	1 600	-	-	1 600	1 600	-	1 600	884	55,3%	1 550
Mafikeng	1 600	-	-	1 600	1 600	-	1 600	1 292	80,8%	1 550
Mafube	1 800	-	-	1 800	1 800	-	1 800	1 292	80,8%	1 550
Magareng	1 800	-	-	1 800	1 800	-	1 800	1 390	77,2%	1 650
Makana	1 600	-	-	1 600	1 600	-	1 600	1 173	65,2%	1 650
Makhado	1 600	-	-	1 600	1 600	-	1 600	974	60,9%	1 550
Makhuduthamaga	1 600	-	-	1 600	1 600	-	1 600	1 009	63,1%	1 550
Maletswai	1 800	-	-	1 800	1 800	-	1 800	1 159	72,4%	1 550
Maluti-a-Phofung	1 600	-	-	1 600	1 600	-	1 600	1 108	61,6%	1 650
Mamusa	1 800	-	-	1 800	1 800	-	1 800	975	60,9%	1 550
Mandeni	1 800	-	-	1 800	1 800	-	1 800	1 581	87,8%	1 650
Mangaung	1 500	-	-	1 500	1 500	-	1 500	1 182	65,7%	1 650
Mantsopa	1 600	-	-	1 600	1 600	-	1 600	1 076	71,7%	1 500
Maphumulo	1 800	-	-	1 800	1 800	-	1 800	721	45,1%	1 550
Maquassi Hills	1 600	-	-	1 600	1 600	-	1 600	1 188	66,0%	1 650
Maruleng	1 800	-	-	1 800	1 800	-	1 800	935	58,4%	1 550
Masilonyana	1 800	-	-	1 800	1 800	-	1 800	1 352	75,1%	1 650



# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

NAME OF MUNICIPALITY	GRANT ALLOCATION (2014/15)				TRANSFER (2014/15)		SPENT (2014/15)			2013/14
	Division of Revenue Act	Rollovers	Adjustments	Total Available	Actual Transfer	% of Available Funds Transferred	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Total Available
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000
Matatiela	1 600	-	-	1 600	1 600	-	1 600	1 389	77,2%	1 650
Subtotal carried forward	221 500			221 500	221 500		221 500	150 746		210 998

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

## ANNEXURE 1A - continued

### STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES: INTEGRATED CITIES DEVELOPMENT GRANT

NAME OF MUNICIPALITY	GRANT ALLOCATION (2014/15)				TRANSFER (2014/15)		SPENT (2014/15)		2013/14	
	Division of Revenue Act	Rollovers	Adjustments	Total Available	Actual Transfer	% of Available Funds Transferred	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Total Available
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000
Balance brought forward	221 500			221 500	221 500		221 500	150 746		210 998
Matjhabeng	1 600	-	-	1 600	1 600	-	1 600	497	31.1%	1 550
Matzikama	1 450	-	-	1 450	1 450	-	1 450	1 600	100.0%	1 550
Mbhashe	1 600	-	-	1 600	1 600	-	1 600	1 301	89.7%	1 300
Mbizana	1 600	-	-	1 600	1 600	-	1 600	906	56.6%	1 550
Mbombela	1 600	-	-	1 600	1 600	-	1 600	1 188	74.3%	1 550
Merafong City	1 600	-	-	1 600	1 600	-	1 600	1 095	68.4%	1 550
Metsimaholo	1 600	-	-	1 600	1 600	-	1 600	1 185	74.1%	1 550
Mfolozi	1 800	-	-	1 800	1 800	-	1 800	1 020	63.8%	1 550
Mhlontlo	1 800	-	-	1 800	1 800	-	1 800	1 245	69.2%	1 650
Midvaal	1 450	-	-	1 450	1 450	-	1 450	1 379	76.6%	1 650
Mier	1 800	-	-	1 800	1 800	-	1 800	913	63.0%	1 300
Mkhambathini	1 800	-	-	1 800	1 800	-	1 800	1 800	100.0%	1 650
Mkhondo	1 600	-	-	1 600	1 600	-	1 600	828	46.0%	1 650
Mnquma	1 600	-	-	1 600	1 600	-	1 600	1 161	72.6%	1 550
Modimolle	1 600	-	-	1 600	1 600	-	1 600	653	40.8%	1 550
Mogalakwena	1 600	-	-	1 600	1 600	-	1 600	567	35.4%	1 550
Mogale City	1 450	-	-	1 450	1 450	-	1 450	413	25.8%	1 550
Mohokare	1 800	-	-	1 800	1 800	-	1 800	766	52.8%	1 300
<b>Subtotal carried forward</b>	<b>250 850</b>			<b>250 850</b>	<b>250 850</b>		<b>250 850</b>	<b>169 263</b>		<b>238 548</b>

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

NAME OF MUNICIPALITY	GRANT ALLOCATION (2014/15)				TRANSFER (2014/15)			SPENT (2014/15)			2013/14	
	Division of Revenue Act	Rollovers	Adjustments	Total Available	Actual Transfer	% of Available Funds Transferred	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Total Available	R'000	%
Balance brought forward	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000		
	250 850			250 850	250 850		250 850	169 263		238 548		
Molemole	1 600	-	-	1 600	1 600	-	1 600	481	26.7%	1 650		
Mookgopong	1 800	-	-	1 800	1 800	-	1 800	1 135	70.9%	1 550		
Mopani District Municipality	1 250	-	-	1 250	1 250	-	1 250	1 192	66.2%	1 650		
Moghaka	1 600	-	-	1 600	1 600	-	1 600	1 183	94.6%	1 250		
Moretele	1 600	-	-	1 600	1 600	-	1 600	1 600	100.0%	1 550		
Moses Kotane	1 600	-	-	1 600	1 600	-	1 600	1 045	65.3%	1 550		
Mossel Bay	1 450	-	-	1 450	1 450	-	1 450	786	49.1%	1 550		
Mpotana	1 800	-	-	1 800	1 800	-	1 800	748	51.6%	1 300		
Msinga	1 800	-	-	1 800	1 800	-	1 800	1 147	63.7%	1 650		
Msukaligwa	1 600	-	-	1 600	1 600	-	1 600	1 716	95.3%	1 650		
Msunduzi	1 600	-	-	1 600	1 600	-	1 600	1 182	73.9%	1 550		
Mthonjaneni	1 800	-	-	1 800	1 800	-	1 800	1 427	89.2%	1 550		
Mtubatuba	1 800	-	-	1 800	1 800	-	1 800	1 237	68.7%	1 650		
Musina	1 800	-	-	1 800	1 800	-	1 800	673	37.4%	1 650		
Mutale	1 800	-	-	1 800	1 800	-	1 800	841	46.7%	1 650		
Nala	1 800	-	-	1 800	1 800	-	1 800	1 006	55.9%	1 650		
Naledi (FS)	1 800	-	-	1 800	1 800	-	1 800	1 568	87.1%	1 650		
Naledi (NW)	1 600	-	-	1 600	1 600	-	1 600	1 445	80.3%	1 650		
Nama Khoi	1 600	-	-	1 600	1 600	-	1 600	1 094	68.4%	1 550		
<b>Subtotal carried forward</b>	<b>282 550</b>			<b>282 550</b>	<b>282 550</b>		<b>282 550</b>	<b>190 769</b>		<b>268 448</b>		

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

## ANNEXURE 1A - continued

### STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES: INTEGRATED CITIES DEVELOPMENT GRANT

NAME OF MUNICIPALITY	GRANT ALLOCATION (2014/15)			TRANSFER (2014/15)		SPENT (2014/15)			2013/14	
	Division of Revenue Act	Rolovers	Adjustments	Total Available	Actual Transfer	% of Available Funds Transferred	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Total Available
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000
Balance brought forward	282 550			282 550	282 550		282 550	190 769		268 448
Namakwa District Municipality	1 250	-	-	1 250	1 250	-	1 250	1 600	100.0%	1 550
Ndlambe	1 800	-	-	1 800	1 800	-	1 800	762	61.0%	1 250
Ndwedwe	1 800	-	-	1 800	1 800	-	1 800	1 164	64.7%	1 750
Nelson Mandela	1 250	-	-	1 250	1 250	-	1 250	647	35.9%	1 650
Newcastle	1 600	-	-	1 600	1 600	-	1 600	785	62.8%	1 250
Ngaka Modiri Molema District Municipality	1 250	-	-	1 250	1 250	-	1 250	949	59.3%	1 550
Ngqushwa	1 800	-	-	1 800	1 800	-	1 800	1 025	82.0%	1 250
Ngquza Hill	1 600	-	-	1 600	1 600	-	1 600	1 045	58.1%	1 650
Ngwathe	1 600	-	-	1 600	1 600	-	1 600	1 600	100.0%	1 550
Nkandla	1 800	-	-	1 800	1 800	-	1 800	1 059	66.2%	1 550
Nkangala District Municipality	1 250	-	-	1 250	1 250	-	1 250	1 027	57.1%	1 650
Nketoana	1 600	-	-	1 600	1 600	-	1 600	1 121	89.7%	1 250
Nkomazi	1 600	-	-	1 600	1 600	-	1 600	1 600	100.0%	1 550
Nkonkobe	1 800	-	-	1 800	1 800	-	1 800	1 403	87.7%	1 550
Nongoma	1 800	-	-	1 800	1 800	-	1 800	1 313	72.9%	1 650
Nquthu	1 800	-	-	1 800	1 800	-	1 800	1 262	70.1%	1 650

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

NAME OF MUNICIPALITY	GRANT ALLOCATION (2014/15)					TRANSFER (2014/15)			SPENT (2014/15)			2013/14 Total Available
	Division of Revenue Act	Rollovers	Adjustments	Total Available	Actual Transfer	% of Available Funds Transferred	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality			
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000		
Ntabankulu	1 800	-	-	1 800	1 800	-	1 800	1 414	78.6%	1 650		
Ntambanana	1 800	-	-	1 800	1 800	-	1 800	1 065	59.2%	1 650		
NW397	2 588	-	-	2 588	2 588	-	2 588	956	53.1%	1 650		
<b>Subtotal carried forward</b>	<b>314 338</b>			<b>314 338</b>	<b>314 338</b>		<b>314 338</b>	<b>212 566</b>		<b>297 698</b>		

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

## ANNEXURE 1A - continued

### STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES: INTEGRATED CITIES DEVELOPMENT GRANT

NAME OF MUNICIPALITY	GRANT ALLOCATION (2014/15)				TRANSFER (2014/15)			SPENT (2014/15)			2013/14	
	Division of Revenue Act	Rollovers	Adjustments	Total Available	Actual Transfer	% of Available Funds Transferred	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Total Available		
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000		
Balance brought forward	314 338			314 338	314 338		314 338	212 566			297 698	
Nxuba	1 800	-	-	1 800	1 800	-	1 800	1 516	84.2%	1 650		
Nyandeni	1 600	-	-	1 600	1 600	-	1 600	1 032	64.5%	1 550		
O.R. Tambo District Municipality	1 500	-	-	1 500	1 500	-	1 500	1 500	100.0%	1 500		
Okhahlamba	1 800	-	-	1 800	1 800	-	1 800	872	48.4%	1 650		
Oudtshoorn	1 450	-	-	1 450	1 450	-	1 450	1 123	77.4%	1 300		
Overberg District Municipality	1 250	-	-	1 250	1 250	-	1 250	552	44.2%	1 250		
Overstrand	1 450	-	-	1 450	1 450	-	1 450	597	41.2%	1 300		
Phokwane	1 600	-	-	1 600	1 600	-	1 600	500	31.3%	1 550		
Phumelela	1 800	-	-	1 800	1 800	-	1 800	976	54.2%	1 650		
Pixley Ka Seme(MP)	1 600	-	-	1 600	1 600	-	1 600	1 097	68.6%	1 550		
Pixley Ka Seme District Municipality	1 250	-	-	1 250	1 250	-	1 250	936	74.9%	1 250		
Polokwane	1 800	-	-	1 800	1 800	-	1 800	1 595	88.6%	1 650		
Port St Johns	1 800	-	-	1 800	1 800	-	1 800	1 124	62.4%	1 650		
Prince Albert	1 600	-	-	1 600	1 600	-	1 600	1 294	80.9%	1 450		
Ramotshere Moiloa	1 600	-	-	1 600	1 600	-	1 600	1 420	88.8%	1 550		
Randfontein	1 450	-	-	1 450	1 450	-	1 450	430	29.7%	1 300		

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

NAME OF MUNICIPALITY	GRANT ALLOCATION (2014/15)					TRANSFER (2014/15)			SPENT (2014/15)			2013/14	
	Division of Revenue Act	Rollovers	Adjustments	Total Available	Actual Transfer	% of Available Funds Transferred	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Total Available			
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000			
Ratlou	1 800	-	-	1 800	1 800	-	1 800	859	47.7%	1 650			
Subtotal carried forward	341 488			341 488	341 488		341 488	229 989		323 148			

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

## ANNEXURE 1A - continued

### STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES: INTEGRATED CITIES DEVELOPMENT GRANT

NAME OF MUNICIPALITY	GRANT ALLOCATION (2014/15)				TRANSFER (2014/15)			SPENT (2014/15)			2013/14
	Division of Revenue Act	Rollovers	Adjustments	Total Available	Actual Transfer	% of Available Funds Transferred	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Total Available	
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000	
Balance brought forward	341 488			341 488	341 488		341 488	229 989		323 148	
Renosterberg	1 800	-	-	1 800	1 800	-	1 800	797	44.3%	1 650	
Richmond	1 800	-	-	1 800	1 800	-	1 800	1 036	57.6%	1 650	
Richtersveld	1 800	-	-	1 800	1 800	-	1 800	1 336	74.2%	1 650	
Rustenburg	1 600	-	-	1 600	1 600	-	1 600	894	55.9%	1 550	
Sakhisizwe	1 600	-	-	1 600	1 600	-	1 600	1 600	100.0%	1 550	
Saldanha Bay	1 450	-	-	1 450	1 450	-	1 450	402	27.7%	1 300	
Sedibeng District Municipality	1 250	-	-	1 250	1 250	-	1 250	676	54.1%	1 250	
Sekhukhune District Municipality	1 250	-	-	1 250	1 250	-	1 250	991	79.3%	1 250	
Senqu	1 600	-	-	1 600	1 600	-	1 600	1 029	64.3%	1 550	
Setsotho	1 600	-	-	1 600	1 600	-	1 600	616	38.5%	1 550	
Siyancuma	1 800	-	-	1 800	1 800	-	1 800	770	42.8%	1 650	
Siyathemba	1 800	-	-	1 800	1 800	-	1 800	714	57.1%	1 250	
Sol Plaatje	1 600	-	-	1 600	1 600	-	1 600	1 426	79.2%	1 650	
Stellenbosch	1 450	-	-	1 450	1 450	-	1 450	1 196	74.8%	1 550	
Steve Tshwete	1 600	-	-	1 600	1 600	-	1 600	978	67.4%	1 300	
Sundays River Valley	1 800	-	-	1 800	1 800	-	1 800	986	61.6%	1 550	
Swartland	1 450	-	-	1 450	1 450	-	1 450	1 451	80.6%	1 650	



# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

NAME OF MUNICIPALITY	GRANT ALLOCATION (2014/15)					TRANSFER (2014/15)			SPENT (2014/15)			2013/14 Total Available
	Division of Revenue Act	Rollovers	Adjustments	Total Available	% of Available Funds Transferred	Actual Transfer	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Total Available		
Swellendam	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000	
	1 600	-	-	1 600	-	1 600	1 600	852	58.8%	1 300		
<b>Subtotal carried forward</b>	<b>370 338</b>			<b>370 338</b>		<b>370 338</b>	<b>370 338</b>	<b>247 739</b>		<b>349 998</b>		

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

## ANNEXURE 1A - continued

### STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES: INTEGRATED CITIES DEVELOPMENT GRANT

NAME OF MUNICIPALITY	GRANT ALLOCATION (2014/15)				TRANSFER (2014/15)		SPENT (2014/15)			2013/14
	Division of Revenue Act	Rollovers	Adjustments	Total Available	Actual Transfer	% of Available Funds Transferred	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Total Available
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000
Balance brought forward	370 338			370 338	370 338		370 338	247 739		349 998
Thaba Chweu	1 600	-	-	1 600	1 600	-	1 600	1 127	70.4%	1 400
Thabazimbi	1 600	-	-	1 600	1 600	-	1 600	1 286	80.4%	1 550
Thabo Mofutsanyana District Municipality	1 250	-	-	1 250	1 250	-	1 250	1 073	67.1%	1 550
The Big 5 False Bay	1 800	-	-	1 800	1 800	-	1 800	1 175	94.0%	1 250
Theewaterskloof	1 600	-	-	1 600	1 600	-	1 600	1 787	99.3%	1 650
Thembelihle	1 800	-	-	1 800	1 800	-	1 800	660	41.3%	1 500
Thembisile	1 600	-	-	1 600	1 600	-	1 600	1 520	84.4%	1 650
Thulamela	1 600	-	-	1 600	1 600	-	1 600	1 600	100.0%	1 550
Tlokwe	1 600	-	-	1 600	1 600	-	1 600	1 477	92.3%	1 550
Tokologo	1 800	-	-	1 800	1 800	-	1 800	1 438	89.9%	1 550
Tsantsabane	1 800	-	-	1 800	1 800	-	1 800	1 548	86.0%	1 650
Tsolwana	1 800	-	-	1 800	1 800	-	1 800	976	54.2%	1 650
Tswaing	1 800	-	-	1 800	1 800	-	1 800	1 079	59.9%	1 650
Tswelopele	1 800	-	-	1 800	1 800	-	1 800	1 265	70.3%	1 650
Ukhahlamba-Drakensberg	1 800	-	-	1 800	1 800	-	1 800	1 223	67.9%	1 650
Uthmaniyana	1 800	-	-	1 800	1 800	-	1 800	1 076	59.8%	1 650
Ugu District Municipality	1 250	-	-	1 250	1 250	-	1 250	1 173	65.2%	1 650

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

NAME OF MUNICIPALITY	GRANT ALLOCATION (2014/15)					TRANSFER (2014/15)			SPENT (2014/15)			2013/14
	Division of Revenue Act	Rollovers	Adjustments	Total Available	Actual Transfer	% of Available Funds Transferred	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Total Available		
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000		R'000
Subtotal carried forward	398 638			398 638	398 638		398 638	269 222		376 748		

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

## ANNEXURE 1A - continued

### STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES: INTEGRATED CITIES DEVELOPMENT GRANT

NAME OF MUNICIPALITY	GRANT ALLOCATION (2014/15)				TRANSFER (2014/15)			SPENT (2014/15)			2013/14
	Division of Revenue Act	Rollovers	Adjustments	Total Available	Actual Transfer	% of Available Funds Transferred	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Total Available	
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000	
Balance brought forward	398 638			398 638	398 638		398 638	269 222		376 748	
Ulundi	1 700	-	-	1 700	1 700	-	1 700	1 247	99.8%	1 250	
uMdoni	1 800	-	-	1 800	1 800	-	1 800	1 700	100.0%	1 550	
uMgungundlovu	1 250	-	-	1 250	1 250	-	1 250	1 706	94.8%	1 650	
Umhlabuyalingana	1 800	-	-	1 800	1 800	-	1 800	1 183	94.6%	1 250	
uMhlatuze	1 600	-	-	1 600	1 600	-	1 600	608	33.8%	1 650	
Umjindi	1 600	-	-	1 600	1 600	-	1 600	999	62.4%	1 550	
Umkhanyakude District Municipality	1 250	-	-	1 250	1 250	-	1 250	649	40.6%	1 550	
uMlalazi	1 600	-	-	1 600	1 600	-	1 600	683	54.6%	1 250	
uMngeni	1 600	-	-	1 600	1 600	-	1 600	1 108	69.3%	1 550	
uMshwathi	1 800	-	-	1 800	1 800	-	1 800	1 600	100.0%	1 550	
Umsobomvu	1 800	-	-	1 800	1 800	-	1 800	970	53.9%	1 650	
Umtshezi	1 600	-	-	1 600	1 600	-	1 600	933	51.8%	1 650	
uMuziwabantu	1 800	-	-	1 800	1 800	-	1 800	1 339	83.7%	1 550	
Umvoti	1 700	-	-	1 700	1 700	-	1 700	1 283	71.3%	1 650	
Umzimkhulu	1 800	-	-	1 800	1 800	-	1 800	1 435	84.4%	1 550	
Umzimvubu	1 600	-	-	1 600	1 600	-	1 600	1 661	92.3%	1 650	
Umzinyathi	1 250	-	-	1 250	1 250	-	1 250	1 389	86.8%	1 550	
Umzumbe	1 800	-	-	1 800	1 800	-	1 800	510	40.8%	1 250	

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

NAME OF MUNICIPALITY	GRANT ALLOCATION (2014/15)					TRANSFER (2014/15)			SPENT (2014/15)			2013/14
	Division of Revenue Act	Rollovers	Adjustments	Total Available	Actual Transfer	% of Available Funds Transferred	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Total Available		
uPhongolo	R'000 1 800	R'000 -	R'000 -	R'000 1 800	R'000 1 800	% -	R'000 1 800	R'000 979	% 54.4%	R'000 1 650		
<b>Subtotal carried forward</b>	<b>429 788</b>			<b>429 788</b>	<b>429 788</b>		<b>429 788</b>	<b>291 204</b>		<b>405 698</b>		

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

## ANNEXURE 1A - continued

### STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES: INTEGRATED CITIES DEVELOPMENT GRANT

NAME OF MUNICIPALITY	GRANT ALLOCATION (2014/15)				TRANSFER (2014/15)		SPENT (2014/15)		2013/14	
	Division of Revenue Act	Rollovers	Adjustments	Total Available	Actual Transfer	% of Available Funds Transferred	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Total Available
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000
Balance brought forward	429 788			429 788	429 788		429 788	291 204		405 698
Uthukela District Municipality	1 250	-	-	1 250	1 250	-	1 250	1 511	83.9%	1 650
uThungulu District Municipality	1 250	-	-	1 250	1 250	-	1 250	670	53.6%	1 250
Ventersdorp	1 800	-	-	1 800	1 800	-	1 800	1 035	82.8%	1 250
Vhembe District Municipality	1 250	-	-	1 250	1 250	-	1 250	820	45.6%	1 650
Victor Khanye	1 600	-	-	1 600	1 600	-	1 600	341	27.3%	1 250
Vulamehlo	1 800	-	-	1 800	1 800	-	1 800	269	16.8%	1 550
Waterberg District Municipality	1 250	-	-	1 250	1 250	-	1 250	776	43.1%	1 650
West Coast District Municipality	1 250	-	-	1 250	1 250	-	1 250	744	59.5%	1 250
West Rand District Municipality	1 250	-	-	1 250	1 250	-	1 250	598	47.8%	1 250
Westonaria	1 450	-	-	1 450	1 450	-	1 450	285	22.8%	1 250
Witzenberg	1 450	-	-	1 450	1 450	-	1 450	442	30.5%	1 300
Xhariep District Municipality	1 250	-	-	1 250	1 250	-	1 250	750	51.7%	1 300
Z.F. Mgcawu District	1 250	-	-	1 250	1 250	-	1 250	997	79.8%	1 250

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

NAME OF MUNICIPALITY	GRANT ALLOCATION (2014/15)					TRANSFER (2014/15)			SPENT (2014/15)			2013/14
	Division of Revenue Act	Rollovers	Adjustments	Total Available	Total Available	Actual Transfer	% of Available Funds Transferred	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Total Available	
	R'000	R'000	R'000	R'000	R'000		%	R'000	R'000	%	R'000	
Zululand District Municipality	1 250	-	-	1 250	1 250	1 250	-	1 250	1 249	99,9%	1 250	
<b>Total</b>	<b>449 138</b>	<b>-</b>	<b>-</b>	<b>449 138</b>	<b>449 138</b>	<b>-</b>	<b>-</b>	<b>449 138</b>	<b>271 824</b>		<b>424 798</b>	

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

## ANNEXURE 1B STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENT/ AGENCY/ ACCOUNT	TRANSFER ALLOCATION (2014/15)		Rollovers	Adjustments	Total Available	TRANSFER (2014/15)		2013/14	
	Adjusted Appropriation	R'000				Actual Transfer	R'000	% of Available funds Transferred	Appropriation Act
Skills Development Levy	2 343	-	-	-	2 343	2 295	2 295	98%	2 130
Tv Licences	15	-	-	-	15	9	9	57%	10
Cooperative Banking Development Agency	16 838	-	-	-	16 838	16 838	16 838	100%	16 236
Financial and Fiscal Commission	44 488	-	800	-	45 288	45 288	45 288	100%	39 567
Accounting Standards Board	10 250	-	-	-	10 250	10 250	10 250	100%	10 061
Independent Regulatory Board for Auditors	34 577	-	-	-	34 577	34 577	34 577	100%	32 933
Audit Statutory Bodies	41 218	-	20 040	-	61 258	61 257	61 257	100%	40 812
Project Development Facility	-	-	-	-	-	-	-	-	84 250
NDPG	58 300	-	-	-	58 300	30 000	30 000	51%	-
Government Technical Advisory Centre	79 752	-	-	-	79 752	79 752	79 752	100%	-
Government Technical Advisory Centre (ECFF)	91 682	-	(20 000)	-	71 682	28 301	28 301	39%	-
South African Revenue Service	9 440 321	-	-	-	9 440 321	9 440 321	9 440 321	100%	9 534 393
Financial Intelligence Centre	198 080	-	-	-	198 080	198 080	198 080	100%	241 000
Secret Services	4 168 170	-	-	-	4 168 170	4 168 170	4 168 170	100%	3 933 554
Technical Assistance Unit Trading Account	-	-	-	-	-	-	-	-	42,212
<b>Total transfers to departmental agencies</b>	<b>14 186 034</b>	<b>-</b>	<b>840</b>	<b>-</b>	<b>14 186 874</b>	<b>14 115 137</b>	<b>14 115 137</b>	<b>100%</b>	<b>13 977 158</b>



# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

## ANNEXURE 1C STATEMENT OF HIGHER EDUCATION INSTITUTIONS

UNIVERSITY/TECHNIKON	TRANSFER ALLOCATION (2014/15)					TRANSFER (2014/15)			2013/14	
	Adjusted Appropriation	Rollovers	Adjustments	Total Available	Actual Transfer	Amount not transferred	% of Available funds Transferred	Appropriation Act		
University of Cape Town	R'000 5 800	R'000 -	R'000 -	R'000 5 800	R'000 -	R'000 5 800	% -	R'000 10 000		
<b>Total transfers to Universities and Technikons</b>	<b>5 800</b>	<b>-</b>	<b>-</b>	<b>5 800</b>	<b>-</b>	<b>5 800</b>		<b>10 000</b>		<b>10 000</b>

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

## ANNEXURE 1D STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF PUBLIC CORPORATION/ PRIVATE ENTERPRISE	TRANSFER ALLOCATION (2014/15)				TRANSFER (2014/15)			2013/14	
	Adjusted Appropriation Act	Rollovers	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Capital	Current	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Public Corporations									
Economic Research of Southern Africa	10 780			10 780	10 780	100.0%			9 900
Development Bank of Southern Africa (MFIP)	98 788			98 788	98 788	100.0%			121 498
Development Bank of Southern Africa (ECFF)	1 241 431			1 241 431	1 164 888	93.8%			893 205
<b>Total</b>	<b>1 350 999</b>	<b>-</b>	<b>-</b>	<b>1 350 999</b>	<b>1 274 456</b>	<b>94.3%</b>			<b>1,024,603</b>

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

## ANNEXURE 1E STATEMENT OF TRANSFERS TO FOREIGN GOVERNMENT AND INTERNATIONAL ORGANISATIONS

FOREIGN GOVERNMENT/ INTERNATIONAL ORGANISATION	TRANSFER ALLOCATION (2014/15)		Rollovers R'000	Adjustments R'000	Total Available R'000	TRANSFER (2014/15)		2013/14
	Adjusted Appropriation Act R'000					Actual Transfer R'000	% of Available funds Transferred %	
Transfer								
African Development Bank	-	-	-	-	-	-	-	769
Commonwealth Fund for Technical Cooperation	5 290				5 290	5 714	93%	5 317
International Funding Facility for Immunisation	11 000			481	11 481	11 480	100%	10 687
Common Monetary Area Compensation	640 835			(59 120)	581 715	581 615	100%	578 727
World Bank Group (International Development Association)	90 660				90 660	90 660	100%	95 239
African Development Bank and African Development Fund	17 619			74 498	92 117	92 116	100%	40 169
African Regional Technical Assistance Centre for Southern Africa	350				350	350	100%	350
Infrastructure Consortium for Africa	1 000			1	1 001	1 000	100%	1 000
Collaborative African Budget Reform Initiative	1 409			3 000	4 409	4 409	100%	1 329

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

## ANNEXURE 1E - continued

### STATEMENT OF TRANSFERS TO FOREIGN GOVERNMENT AND INTERNATIONAL ORGANISATIONS

FOREIGN GOVERNMENT/ INTERNATIONAL ORGANISATION	TRANSFER ALLOCATION (2014/15)	Rollovers R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred %	2013/14 Appropriation Act R'000
African Institute for Economic Development and Planning	Adjusted Appropriation Act R'000 799		119	918	917	100%	1 675
African Export Import Bank	5 992		(5 992)	-	-		
African Risk Capacity	-			-			
United Kingdom Tax	2 219		68	2 287	2 287	100%	2 127
<b>Total</b>	<b>777 173</b>	<b>-</b>	<b>13 055</b>	<b>790 228</b>	<b>790 549</b>	<b>100%</b>	<b>737 389</b>

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

## ANNEXURE 1F STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION (2014/15)			TRANSFER (2014/15)		2013/14
	Adjusted Appropriation Act R'000	Rollovers R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred %
<b>Transfers</b>						R'000
Other Benefits	170 816	-	(8 654)	162 162	170 812	100%
Injury on Duty	532 950	-	(6 562)	526 388	526 387	100%
Government Contribution to Medical Schemes	1 562 659	-	(51 531)	1 511 128	1 511 127	100%
Special Pensions	460 460	-	(36 977)	423 483	423 482	100%
Military Pensions Ex-Service Men	27 597	-	(15 903)	11 694	11 694	100%
SA Citizen Force	146 790	-	9 152	155 942	155 941	100%
Non-Statutory Forces	737 300	-	137 500	874 800	874 800	100%
Service Benefits Leave Gratuity	692	-	672	1 364	1 319	97%
Social assistance (bursaries)	1 568	-	-	1 568	1 557	99%
<b>Total</b>	<b>3 640 832</b>	<b>-</b>	<b>27 697</b>	<b>3 668 529</b>	<b>3 677 119</b>	<b>97%</b>
						<b>3 526 481</b>

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

## ANNEXURE 1G STATEMENT OF AID ASSISTANCE RECEIVED

NAME OF DONOR	PURPOSE	OPENING BALANCE 01 April 2014	REVENUE	EXPENDITURE	SURRENDERED TO RDP	CLOSING BALANCE 31 March 2015
		R'000	R'000	R'000	R'000	R'000
Received in cash						
European Union - Official Development Assistance (ODA II)	Improve capacity development in public finance management across the three spheres of government with emphasis on provincial and municipal levels	(702)	-	-	(702)	-
Capacity Building for Public Finance Management Programme	Develop public financial management capacity of national, provincial and local government	27 132	16 344	13 745	27 132	2 599
Technical and Management Support (TMS)	Strengthen capacity of national and provincial departments and agencies to combat poverty and inequality	2 757	6 520	8 857	2 757	(2 337)
Technical and Management Support IDC Project	Provide support for long term technical assistance for the IDC unit in the National Treasury	57			57	-
African Fiscal Forum (GA)	Provide Directors-General and Permanent Secretaries from African Ministries of Finance with an opportunity to engage with one another on fiscal challenges facing countries in the region.	813			813	-
Cities Support Programme	Contribute to the implementation of the Medium Term Strategic Framework and accompanying outcomes based approach, which aims to improve the conditions of life of South African and halving poverty and unemployment.	-	25 000	18 905		6 095

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

NAME OF DONOR	PURPOSE	OPENING BALANCE 01 April 2014	REVENUE	EXPENDITURE	SURRENDERED TO RDP	CLOSING BALANCE 31 March 2015
		R'000	R'000	R'000	R'000	R'000
PFMA ASS IN PROV PEFA METH	Measure the progress made with regards to Public Finance Management (PFM) improvement and, informing and guiding the Government's PFM capacity development programme, in coordination with the donor community.	3 506	12 500	7 267	3 506	5 233
TC & ODA II (GA)	Enhance efficiency, effectiveness and sustainable management of incoming and outgoing ODA to SA, and to improve the management and impact of ODA on strategic development priorities of the country.	7 143	6 300	6 445	7 143	(145)
SCOA FOR MUNICIPAL PROJECT	To finance the standard chart of accounts project in municipalities	-	9 600	9 306		294
ONE STOP BORDER POST POLICY (GA)	Develop of a national policy on one stop border posts for South Africa	-	1 014			1 014
Gen Adv & Policy Supp Ser Prog	Support for institutional transformation and improvement processes in the public sector	-	16 300	16 300		-
Scholarship Programme	Belgium contribution towards the completion of masters and postgraduate degrees in development finance	-	170	6		164
<b>Subtotal foreign aid assistance received in cash</b>		<b>40 706</b>	<b>93 748</b>	<b>80 831</b>	<b>40 706</b>	<b>12 917</b>

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

## ANNEXURE 1H STATEMENT OF AID ASSISTANCE RECEIVED

NAME OF DONOR	PURPOSE	OPENING BALANCE 01 April 2014	REVENUE	EXPENDITURE	SURRENDERED TO RDP	CLOSING BALANCE 31 March 2015
		R'000	R'000	R'000	R'000	R'000
Subtotal foreign aid assistance received in cash		40 706	93 748	80 831	40 706	12 917
Received in kind						
Korea	Training on nuclear financing (including transport, accommodation and training for approximately 1 month - costs estimated)	-	500	500	-	-
World Bank	Semi - Annual workshop on designing and implementing government debt management strategies from 02 - 13 June 2014 in Vienna, Austria	-	60	60	-	-
World Bank	Workshop on pricing risks related to state credit guarantees and on-lending in Istanbul, Turkey from 10 - 12 June 2014	-	100	100	-	-
World Bank	Sovereign Govt Debt Management Forum SDMF 2014 - Managing Public Debt in the Face of Capital Flow Volatility 3-4 December 2014	-	30	30	-	-
EU through FMIP3	To create a personnel forecasting model that will forecast personnel budgets and help provinces to budget adequately for all their human resource needs	-	1 321	1 321	-	-



# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

NAME OF DONOR	PURPOSE	OPENING BALANCE 01 April 2014	REVENUE	EXPENDITURE	SURRENDERED TO RDP	CLOSING BALANCE 31 March 2015
		R'000	R'000	R'000	R'000	R'000
<b>Subtotal foreign aid assistance received in cash</b>		40 706	93 748	80 831	40 706	12 917
EARC - Senior Policy Seminar in Maputo	26-27 March 2015, AERC Senior Policy Seminar in Maputo, Mozambique (fully paid – flights, accommodation and daily allowance)	-	14	14	-	-
International Economics Association (IEA)	6-10, June, 2014, International Economics Association (IEA) in Amman, Jordan (fully paid – flights, accommodation and daily allowance)	-	37	37	-	-
Giz	Advisor and projects on PFM, including study tour	-	2 000	2 000	-	-
International Monetary Fund (IMF)	Macroeconomic Diagnostics offered by the Africa Regional Technical Assistance Centre led by the International Monetary Fund (IMF), held in Mauritius on 23 March–1 April 2015	-	36	36	-	-
IMF	21 March to 2nd April 2015 IMF Course on Macro diagnostics in Mauritius fully paid flights, accommodation and daily allowance	-	38	38	-	-
<b>Total Local and Foreign Aid Assistance Received</b>		40 706	97 884	84 967	40 706	12 917

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

## ANNEXURE 2A STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO NATIONAL PUBLIC ENTITIES

NAME OF PUBLIC ENTITY	State Entity's PFMA Schedule type	% Held 2014/15	% Held 2013/14	Number of shares held		Cost of investment		Net Asset value of investment		Profit/(Loss) for the year		Losses guaranteed	
				2014/15*	2013/14*	2014/15*	2013/14*	2014/15*	2013/14*	2014/15*	2013/14*		
												Yes/No	
National/provincial public entities													
Accounting Standards Board	Schedule 3A	-	-	-	-	-	-	358	358	151	151	No	No
Cooperative Banks Development Agency	Schedule 3A	-	-	-	-	-	-	4 996	1 798	2 975	343	No	No
Development Bank of Southern Africa	Schedule 2	100	100	200 000	200 000	200 000	200 000	23 713 350	19 935 574	1 244 810	787 042	Yes	Yes
FAIS Ombudsman	Schedule 3A	-	-	-	-	-	-	2 890	1 311	1 579	-2 462	No	No
Financial and Fiscal Commission	Schedule 1	-	-	-	-	-	-	2 141	738	627	1 412	No	No
Financial Intelligence Centre	Schedule 3A	-	-	-	-	-	-	82 923	87 598	-4 675	22 488	No	No
Financial Services Board	Schedule 3A	-	-	-	-	-	-	245 503	184 318	61 184	29 162	No	No
Government Pensions Administration Agency	Schedule 3A	-	-	-	-	-	-	218 960	166 934	51 962	145 645	No	No

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

NAME OF PUBLIC ENTITY	State Entity's PFMA Schedule type	% Held 2014/15	% Held 2013/14	Number of shares held		Cost of investment		Net Asset value of investment		Profit/(Loss) for the year		Losses guaranteed
				2014/15*	2013/14*	2014/15*	2013/14*	2014/15*	2013/14*	2014/15*	2013/14*	
				R'000		R'000		R'000		R'000		
Independent Regulatory Board for Auditors	Schedule 3A	-	-	-	-	-	-	52 235	51 709	15 777	5 819	No
Land Bank	Schedule 2	100	100	1	1	200 955	200 955	6 399 120	5 745 669	161 127	260 666	No
Office of the Pension Funds Adjudicator	Schedule 3A	-	-	-	-	-	-	9 082	11 089	-2 007	3	No
Public Investment Corporation Ltd	Schedule 3B	100	100	1	1	1	1	1 296 002	948 141	347 881	210 697	No
South African Airways SOC Ltd	Schedule 2	100	100	13 008 758	-	13 008 758	-	-8 015 000	-	-4 388 000	-	No
South African Revenue Service	Schedule 3A	-	-	-	-	-	-	4 927 355	4 276 438	598 429	1 287 325	No
Sasria SOC Ltd	Schedule 3B	100	100	1	1	-	-	5 019 171	4 646 716	578 233	685 926	No
<b>Total Investment</b>				13 008 958 157	200 003	13 409 714	400 956	33 959 086	36 058 391	-1 329 947	3 434 217	

\*The 2014/15 amounts disclosed in this schedule are preliminary figures and unaudited.

\*\*Prior year figures have been restated as published figures were based on preliminary unaudited amounts.

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

## ANNEXURE 2B STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO ENTITIES

Name of Public Entity	Nature of business	Cost of investment		Net Asset value of Investment		Amounts owing to Entities		Amounts owing by Entities	
		2014/15*	2013/14*	2014/15*	2013/14*	2014/15*	2013/14*	2014/15*	2013/14*
Accounting Standards Board	Determine standards of generally recognised accounting practice	-	-	358	358	2 835	1 259	212	98
Co-operative Banks Development Agency	Establish a regulatory framework for co-operative banks	-	-	4 996	1 798	590	337	9 707	5 419
Development Bank of Southern Africa	Promote, facilitate by funding mobilise socioeconomic development in Southern Africa while promoting efficiency, fairness, transparency and responsibility	200 000	200 000	23 713 350	19 935 574	227 889	145 296	781 082	813 665

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

Name of Public Entity	Nature of business	Cost of investment		Net Asset value of Investment		Amounts owing to Entities		Amounts owing by Entities	
		2014/15*	2013/14*	2014/15*	2013/14*	2014/15*	2013/14*	2014/15*	2013/14*
FAIS Ombudsman	Handling complaints in terms of the Financial Advisory and Intermediary Services Act (2002)	-	-	2 890	1 311	2 618	602	1 962	1 570
Financial and Fiscal Commission	Assist and maintain fiscal the balance between fiscal decentralisation and the unitary state	-	-	2 141	738	0	307	1 051	1 440
Financial Intelligence Centre	Assist in the identification of unlawful activities, and combating of money laundering activities, financing of terrorism and related activities	-	-	82 923	87 598	1 212	2 021	12 532	57
Financial Services Board	To oversee the South African non-banking financial services industry in the public interest	200 000	200 000	23 990 976	20 211 695	184 318	15 956	45 245	45 245
		200 000	200 000	23 990 976	20 211 695	251 100	165 778	851 791	867 494
Subtotal		200 000	200 000	23 990 976	20 211 695	251 100	165 778	851 791	867 494

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

## ANNEXURE 2B - continued STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO ENTITIES

Name of Public Entity	Nature of business	Cost of investment		Net Asset value of Investment		Amounts owing to Entities		Amounts owing by Entities	
		2014/15*	2013/14*	2014/15*	2013/14*	2014/15*	2013/14*	2014/15	2013/14*
Government Pensions Administration Agency	Government Employees Pension Fund in terms of the Government Employees Pension (GEP) Act (1996)	-	-	218 960	166 934	35 583	137 061	65 495	141 422

\*The 2014/15 amounts disclosed in this schedule are preliminary figures and unaudited

\*\*Prior year figures have been restated as published figures were based on preliminary unaudited amounts.

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

Name of Public Entity	Nature of business	Cost of investment		Net Asset value of Investment		Amounts owing to Entities		Amounts owing by Entities	
		2014/15*	2013/14*	2014/15*	2013/14*	2014/15*	2013/14*	2014/15*	2013/14*
Independent Regulatory Board for Auditors	Registration of public accountants and auditors and for the regulation of the training of public accountants and auditors	-	-	52 235	51 709	4 415	5 979	6 716	5 624
LAND Bank	Facilitate access to ownership of land for the development of farming enterprises and agricultural processes for the HDIs	200 955	200 955	6 399 120	5 745 669	37 203 179	33 765 484	31 722 307	23 818 045
Office of the Pension Funds Adjudicator	The adjudicator's office investigates and determines complaints of abuse of power, maladministration, despite of fact or law and employer dereliction of duty in respect of retirement pension funds.	0	0	9 082	11 089	2 163	3 172	2 962	3 394
Public Investment Corporation Ltd	Invests funds on behalf of the South African public sector	1	1	1 296 002	948 141	154 303	81 431	46 563	27 390
South African Airways SOC Ltd	South African Airways is South Africa's national air carrier, which operates a full service network in the international, regional and domestic routes	13 008 758	-	-8 015 000	-	6 389 000	-	17 609 000	-

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

## ANNEXURE 2B - continued

### STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO ENTITIES

Name of Public Entity	Nature of business	Cost of investment		Net Asset value of Investment		Amounts owing to Entities		Amounts owing by Entities	
		2014/15*	2013/14*	2014/15*	2013/14*	2014/15*	2013/14*	2014/15*	2013/14*
South African Revenue Service	Efficient and effective collection of revenue	-	-	4 927 355	4 276 438	196 033	61 965	403 116	608 732
Sasria SOC Ltd	Special Risk Insurance	-	-	5 019 171	4 646 716	238 254	228 561	77 554	89 613
Total Investments		13 409 714	400 956	33 959 086	36 058 391	44 481 835	34 449 431	50 794 747	25 561 714

\*The 2014/15 amounts disclosed in this schedule are preliminary figures and unaudited.

\*\*Prior year figures have been restated as published figures were based on preliminary unaudited amounts.



# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

## ANNEXURE 3A

### STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2015 - LOCAL

Guarantor institution	Guaranteee in respect of	Original guaranteed capital amount	Opening balance 1 April 2014	Guarantees draw downs during the year	Guarantees repayments/cancelled/reduced/released during the year	Revaluations	Closing balance 31 March 2015	Guaranteed interest for year ended 31 March 2015	Realised losses not recoverable i.e. claims paid out
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Development Bank of Southern Africa	Former Ciskei Regional Authority	6 440	272	0	272	0	0	0	0
Development Bank of Southern Africa	Former Bophuthatswana Regional Authority	141 060	71 338	0	0	0	71 338	33 762	0
Development Bank of Southern Africa	Increase in callable capital	15 200 000	15 200 000	0	15 200 000	0	0	0	0
Land and Agricultural Development Bank of South Africa	Consolidation of debt	100 000	92 728	0	0	0	92 728	0	0
Land and Agricultural Development Bank of South Africa	Financial sustainability	1 500 000	1 500 000	0	0	0	1 500 000	0	0

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

## ANNEXURE 3A - continued

### STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2015 - LOCAL

Guarantor institution	Guaranteee in respect of	Original guaranteed capital amount	Opening balance 1 April 2014	Guarantees draw downs during the year	Guarantees repayments/cancelled/reduced/released during the year	Revaluations	Closing balance 31 March 2015	Guaranteed interest for year ended 31 March 2015	Realised losses not recoverable i.e. claims paid out
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Land and Agricultural Development Bank of South Africa	Financial sustainability	4 000 000	0	0	0	0	0	0	0
Land and Agricultural Development Bank of South Africa	Recapitalisation <sup>34</sup>								
South African Airways	Going concern 1	1 600 000	466 000	1 134 000	0	0	1 600 000	24 386	0
South African Airways	Going concern 2	5 006 000	3 244 000	1 751 000	0	0	4 995 000	39 026	0
South African Airways	Going concern 3	6 488 000	0	450 000	0	0	450 000	10 402	0
South African Airways	SAA recapitalisation	1 300 000	1 300 000	0	0	0	1 300 000	0	0

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

Guarantor institution	Guaranteee in respect of	Original guaranteed capital amount	Opening balance 1 April 2014	Guarantees draw downs during the year	Guarantees repayments/cancelled/reduced/released during the year	Revaluations	Closing balance 31 March 2015	Guaranteed interest for year ended 31 March 2015	Realised losses not recoverable i.e. claims paid out
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
South African Reserve Bank	African Bank Limited	7 000 000	0	0	0	0	0	0	0
<b>Subtotal</b>		<b>42 841 500</b>	<b>22 374 338</b>	<b>3 335 000</b>	<b>15 700 272</b>	<b>0</b>	<b>10 009 066</b>	<b>107 576</b>	<b>0</b>

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

## ANNEXURE 3A STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2015 – FOREIGN

Guarantor institution	Guaranteee in respect of	Original guaranteed capital amount	Opening balance 1 April 2014	Guarantees draw downs during the year	Guarantees repayments/cancelled/reduced/released during the year	Revaluations	Closing balance 31 March 2015*	Guaranteed interest for year ended 31 March 2015*	Realised losses not recoverable i.e. claims paid out
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Development Bank of Southern Africa	African Development Bank	1 217 680	476 064	0	110 849	60 973	426 188	1 284	0
Development Bank of Southern Africa	Agence Francaise de Developpement	199 965	51 309	0	16 618	(3 927)	30 764	455	0
Development Bank of Southern Africa	Eurobonds	8 500 000	2 354 943	182 355	6 058	0	2 531 240	10 875	0
Development Bank of Southern Africa	European Investment Bank	655 842	30 755	0	16 973	3 918	17 700	6	0
Development Bank of Southern Africa	European Investment Bank	1 049 348	231 191	0	72 909	31 792	190 074	60	0
Development Bank of Southern Africa	Kreditanstalt für Wiederaufbau	383 491	298 480	0	20 912	(28 298)	249 270	1 237	0
Development Bank of Southern Africa	Kreditanstalt für Wiederaufbau	191 136	185 957	0	10 423	(17 847)	157 687	797	0

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

Guarantor institution	Guaranteee in respect of	Original guaranteed capital amount	Opening balance 1 April 2014	Guarantees draw downs during the year	Guarantees repayments/cancelled/reduced/released during the year	Revaluations	Closing balance 31 March 2015*	Guaranteed interest for year ended 31 March 2015*	Realised losses not recoverable i.e. claims paid out
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	
Development Bank of Southern Africa	Kreditanstalt für Wiederaufbau	164 426	182 824	0	4 296	(18 112)	160 416	811	0
Development Bank of Southern Africa	Kreditanstalt für Wiederaufbau	167 663	145 888	0	8 927	(13 939)	123 022	622	0
Development Bank of Southern Africa	Kreditanstalt für Wiederaufbau	180 810	150 781	0	9 860	(14 354)	126 567	640	0
Land and Agricultural Development Bank of South Africa	African Development Bank	1 000 000	500 000	0	0	0	500 000	5 021	0
<b>Subtotal foreign guarantees</b>		<b>13 710 361</b>	<b>4 608 192</b>	<b>182 355</b>	<b>277 825</b>	<b>206</b>	<b>4 512 928</b>	<b>21 807</b>	<b>-</b>
<b>Total financial guarantees</b>	<b>Total</b>	<b>56 551 861</b>	<b>26 982 530</b>	<b>3 517 355</b>	<b>15 978 097</b>	<b>206</b>	<b>14 521 994</b>	<b>129 383</b>	<b>-</b>

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

## ANNEXURE 3B

### STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2015

Nature of Liability	Opening Balance 1 April 2014	Liabilities incurred during the year	Liabilities paid/ cancelled/reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing Balance 31 March 2015
	R'000	R'000	R'000	R'000	R'000
<b>Claims against the department</b>					
RSC levies claim	171 815	-	(171 815)	-	-
Contract cancellation claims	5 065	-	-	-	5 065
Alexcor claims	119 000	-	-	-	119 000
Unlawful use of photograph claim	500	-	-	-	500
Xia Xu claim	254	38	-	-	292
Callcom claim	2 400	-	-	-	2 400
VMA Court Records claim	50	-	-	-	50
Spence J and Spence DM claim**	11 000	-	(11 000)	-	-
Retail Bonds claim	210	-	(210)	-	-

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

Nature of Liability	Opening Balance 1 April 2014	Liabilities incurred during the year	Liabilities paid/ cancelled/reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing Balance 31 March 2015
	R'000	R'000	R'000	R'000	R'000
Medihelp claim	9 997	-	-	-	9 997
Transnet Second Benefit Fund claim	1 963 000	-	-	-	1 963 000
Gratuity payment claim	479	-	-	-	479
Export exit levy claim**	250 475	-	(250 475)	-	-
Payment of damages claim	2 257	-	-	-	2 257
Severance package claim	-	7	-	-	7
<b>Subtotal</b>	<b>2 536 502</b>	<b>45</b>	<b>(433 500)</b>	<b>-</b>	<b>2 103 047</b>
Military Pension	420 714	78 918	166 230	-	333 402
Injury on duty	7 709	987	2 939	-	5 757
Special Pension	202 492	57 480	79 981	-	179 994
<b>Total other contingent liabilities</b>	<b>630 915</b>	<b>137 385</b>	<b>249 150</b>	<b>-</b>	<b>519 151</b>
<b>Total contingent liabilities</b>	<b>3 167 431</b>	<b>137 430</b>	<b>682 650</b>	<b>-</b>	<b>2 622 198</b>

\* Exchange rate of R10.5792 (R9.20:2013/14) \$24,000 was applied for the financial year ended 31 March 2015.

\*\*The exit levy claim and Spence J and Spence DM were adjusting events after the reporting refer to note 19 for further details.

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

## ANNEXURE 4

### CLAIMS RECOVERABLE

The National Treasury	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	2014/15 R'000	2013/14 R'000	2014/15 R'000	2013/14 R'000	2014/15 R'000	2013/14 R'000
Department						
Gauteng	-	15	-	-	-	15
Western Cape	-	-	21	21	21	21
National Departments	582	614	1 777	919	2 359	1,533
Foreign government	-	-	776	671	776	671
<b>Total claims recoverable</b>	<b>582</b>	<b>629</b>	<b>2 574</b>	<b>1 611</b>	<b>3 156</b>	<b>2 240</b>

## ANNEXURE 5A

### INTER-ENTITY ADVANCES PAID

Description	Confirmed balance		Unconfirmed balance		Total	
	2014/15 R'000	2013/14 R'000	2014/15 R'000	2013/14 R'000	2014/15 R'000	2013/14 R'000
Department						
DIRCO		1,493	122	-	122	1,493
Pension Administration		-	-	-	-	-
<b>Total claims payable</b>		<b>1,493</b>	<b>122</b>	<b>-</b>	<b>122</b>	<b>1,493</b>



# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

## ANNEXURE 6A

### INTER-ENTITY ADVANCES RECEIVED

Description	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	2014/15 R'000	2013/14 R'000	2014/15 R'000	2013/14 R'000	2014/15 R'000	2013/14 R'000
Department/ Province/Entity						
Health	-	-	12 216	-	12 216	-
Public Enterprises	-	-	9 000	-	9 000	-
Free State	-	-	65	-	65	-
Belgium	-	-	70	-	70	-
Intern - Jonathan Daven	-	-	12	-	12	-
Unspent Demarcation Mun	-	-	169	-	169	-
Commonwealth	-	-	-	-	-	-
Bursary	-	-	-	-	-	-
<b>Total claims payable</b>	-	-	<b>21 532</b>	-	<b>21 532</b>	-

# ANNUAL REPORT 2014/15

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## HUMAN RESOURCES REPORT



**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA

# HUMAN RESOURCES REPORT

## 2. EXPENDITURE

Departments budget in terms of clearly defined programmes. The following tables summarise final audited expenditure by programme (Table 2.1) and by salary band (Table 2.2).

Table 2.1 – Personnel costs by programme, 2014/15

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and special services (R'000)	Personnel cost as a percent of total expenditure	Average personnel cost per employee* (R'000)
Programme 1 Administration	362 527	166 379	2 736	33 245	45.9	432
Programme 2 Economic Policy, Tax, Financial Regulation and Research	124 329	70 770	669	11 848	56.9	668
Programme 3 Public Finance and Budget Management	245 271	175 122	390	4 512	71.4	646
Programme 4 Asset and Liability Management	3 089 403	69 334	425	4 929	2.2	614
Programme 5 Financial Systems and Accounting	731 495	158 331	2 091	50 267	21.6	578
Programme 6 International Financial Relations	1 198 652	26 085	160	643	2.2	725
Programme 7 Civil and Military Pensions, Contributions to Funds	3 730 935	0	0	54 395	0.0	0
Programme 8 Technical Support and Development Finance	2 893 348	5 444	18	83 132	0.2	389
Programme 9 Revenue Administration	9 440 321	0	0	0	0.0	0
Programme 10 Financial Intelligence and State Security	4 366 250	0	0	0	0.0	0
<b>Total</b>	<b>26 182 531</b>	<b>671 465</b>	<b>6 489</b>	<b>242 971</b>		

\*Note: Percentage of average personnel cost per employee calculated based on the number of employees in Table 3.1. Minister and Deputy Minister personnel expenditure included in total.

# HUMAN RESOURCES REPORT

Table 2.2 – Personnel costs by salary band, 2014/15

Salary bands	Personnel expenditure (R'000)	% of total personnel cost	Average personnel cost per employee (R'000) ***
Lower skilled (Levels 1-2)	0	0.0	0
Skilled (Levels 3-5)	11 519	1.7	195
Highly skilled production (Levels 6-8)	88 283	13.2	293
Highly skilled supervision (Levels 9-12)	306 591	45.9	560
Senior management (Levels 13-16)	260 889	39.1	900
<b>Total **</b>	<b>667 282</b>	<b>100.0</b>	<b>557</b>

\*\* Note: Minister and Deputy Minister personnel expenditure not included in total.

\*\*\* Note: Percentage of average personnel cost per employee calculated based on the number of employees in Table 3.2.

The following tables provide a summary, per programme (Table 2.3) and salary band (Table 2.4), of expenditure incurred as a result of salaries, overtime, home owners' allowance (HOA) and medical assistance. In each case, the table indicates the percentage of the personnel budget used for these items.

Table 2.3 – Salaries, overtime, home owners' allowance and medical assistance by programme, 2014/15

Programme	Salaries		Overtime		Home Owners' Allowance		Medical Assistance	
	Amount (R'000)	Salaries as a % of personnel cost ****	Amount (R'000)	Overtime as a % of personnel cost ****	Amount (R'000)	HOA as a % of personnel cost ****	Amount (R'000)	Medical Assistance as a % of personnel cost ****
Programme 1	114 009	68.5	1 629	1.0	2 315	1.4	4 110	2.5
Programme 2	43 623	61.6	0	0.0	761	1.1	917	1.3
Programme 3	110 152	62.9	23	0.1	2 548	1.5	2 773	1.6
Programme 4	46 768	67.5	0	0.0	822	1.2	1 401	2.0
Programme 5	106 611	67.3	0	0.0	1 734	1.1	2 444	1.5
Programme 6	15 748	60.4	0	0.0	119	0.5	376	1.4
Programme 7	0	0.0	0	0.0	0	0.0	0	0.0
Programme 8	2 202	40.4	0	0.0	0	0.0	0	0.0
<b>Total</b>	<b>439 113</b>	<b>65.4</b>	<b>1 861</b>	<b>0.3</b>	<b>8 299</b>	<b>1.2</b>	<b>12 021</b>	<b>1.8</b>

\*\*\*\* Note: Percentages of personnel cost of salaries, overtime, HOA and medical assistance are calculated on the total personnel expenditure per programme in Table 2.1

# HUMAN RESOURCES REPORT

Table 2.4 – Salaries, overtime, home owners' allowance and medical assistance by salary band, 2014/15

Salary Band	Salaries		Overtime		Home Owners' Allowance		Medical Assistance	
	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Overtime as a % of personnel cost	Amount (R'000)	HOA as a % of personnel cost	Amount (R'000)	Medical Assistance as a % of personnel cost
Lower skilled (Levels 1-2)	0	0.0	0	0.0	0	0.0	0	0.0
Skilled (Levels 3-5)	7 930	68.8	1 229	10.7	475	4.1	808	7.0
Highly skilled production (Levels 6-8)	68 297	77.4	276	0.3	2 043	2.3	3 537	4.0
Highly skilled supervision (Levels 9-12)	180 596	58.9	356	0.1	2 867	0.9	5 122	1.7
Senior management (Levels 13-16)	179 781	67.8	0	0.0	2 914	1.1	2 516	0.9
<b>0.0.0.1 Total *****</b>	<b>436 604</b>	<b>65.0</b>	<b>1 861</b>	<b>0.3</b>	<b>8 299</b>	<b>1.2</b>	<b>11 983</b>	<b>1.8</b>

\*\*\*\*\* Note: Minister and Deputy Minister personnel expenditure not included in total.

# HUMAN RESOURCES REPORT

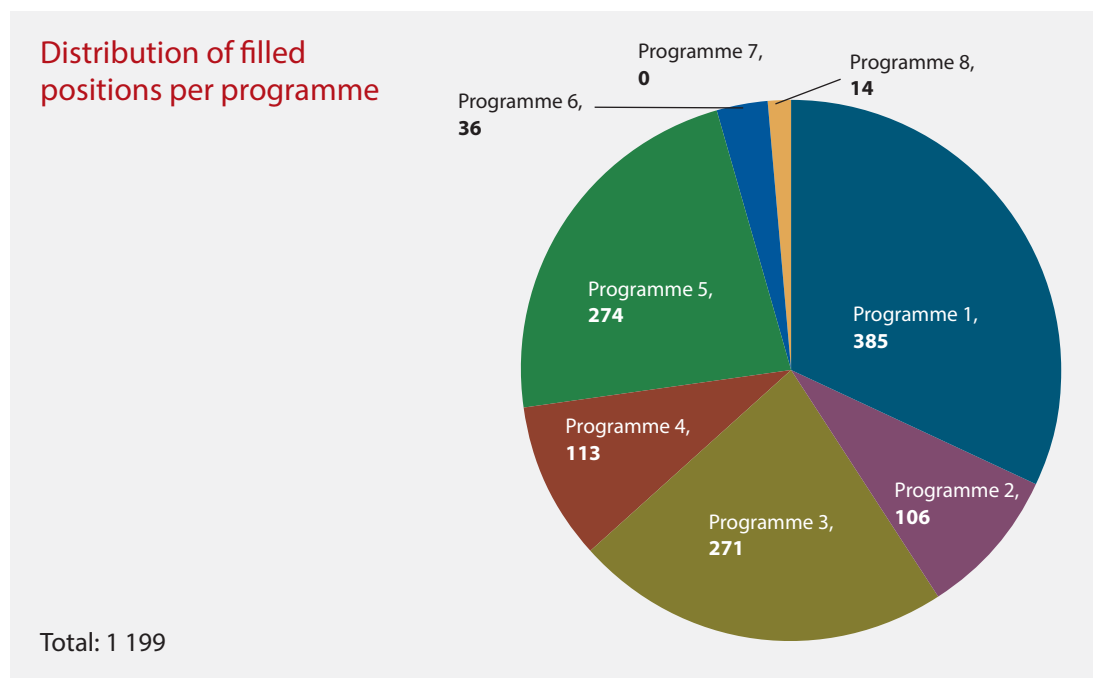
## 3. EMPLOYMENT AND VACANCIES

The following tables summarise the number of posts on the establishment, the number of employees, vacancy rates and the number of staff additional to the establishment. This information is presented by programme (Table 3.1) and by salary band (Table 3.2). Departments have identified critical occupations that need to be monitored. Vacancy rates reflect the percentages of posts that are not filled.

Table 3.1 – Employment and vacancies by programme, 31 March 2015

Programme	Number of funded posts	Headcount	Vacancy rate %	Number of posts filled additional to the establishment
Programme 1	403	385	4.5	81
Programme 2	118	106	10.2	2
Programme 3	293	271	7.2	20
Programme 4	115	113	1.7	1
Programme 5	303	274	9.6	27
Programme 6	38	36	5.3	1
Programme 7	0	0	0.0	0
Programme 8	14	14	0.0	14
<b>Total</b>	<b>1 284</b>	<b>1 199</b>	<b>6.6</b>	<b>146</b>

NB: Minister and Deputy Minister included in totals.

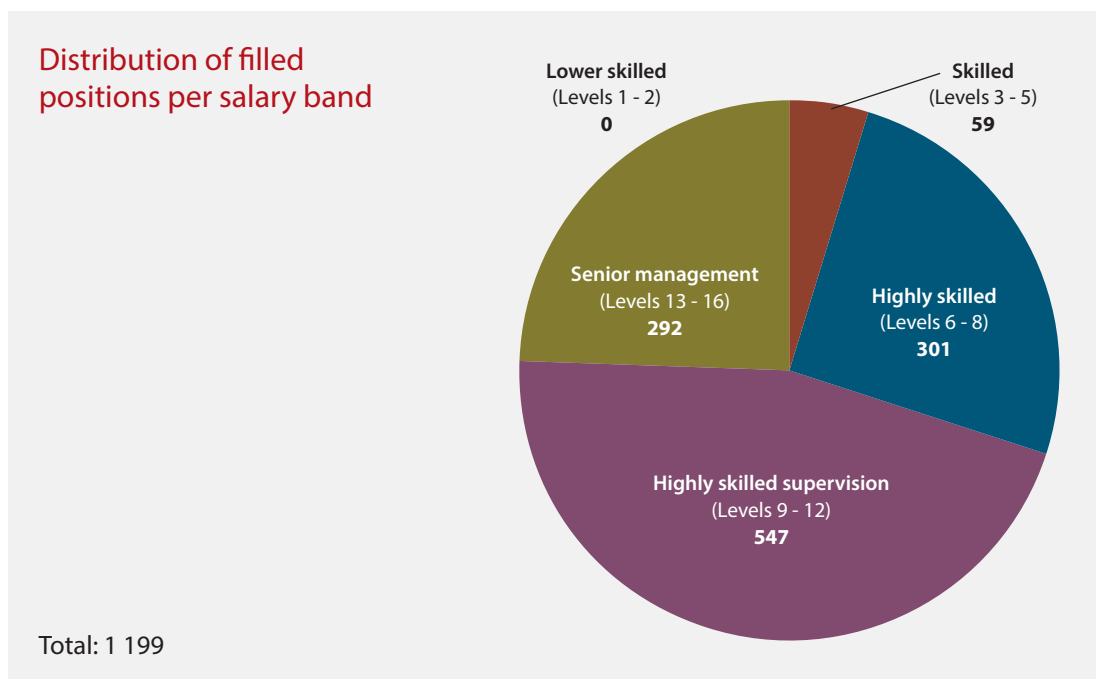


# HUMAN RESOURCES REPORT

Table 3.2 – Employment and vacancies by salary band, 31 March 2015

Salary bands	Number of posts	Headcount	Vacancy rate %	Number of posts filled additional to the establishment
Lower skilled (Levels 1-2)	0	0	0.0	0
Skilled (Levels 3-5)	61	59	3.28	4
Highly skilled production (Levels 6-8)	309	301	4.47	79
Highly skilled supervision (Levels 9-12)	601	547	8.83	38
Senior management (Levels 13-16)	313	292	6.71	25
<b>Total</b>	<b>1 284</b>	<b>1 199</b>	<b>6.55</b>	<b>146</b>

NB: Vacancy reduced by additional appointments. Minister and Deputy Minister included in totals



# HUMAN RESOURCES REPORT

## 3.3 – FILLING OF SENIOR MANAGEMENT SERVICE (SMS) POSTS

This section provides information on employment and vacancies within the SMS, by salary level. It also gives information on the advertising and filling of SMS posts; the reasons why they are not filled within prescribed timeframes, where this occurs; disciplinary steps were taken and the disciplinary steps taken.

Table 3.3.1 – SMS post information, 31 March 2015

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/Head of Department	1	1	100.0	0	0.0
Salary Level 16	0	0	0.0	0	0.0
Salary Level 15	16	14	87.5	2	12.5
Salary Level 14	67	64	95.5	3	4.5
Salary Level 13	227	211	93.0	16	7.0
<b>Total</b>	<b>311</b>	<b>290</b>	<b>93.2</b>	<b>21</b>	<b>6.8</b>

Minister and Deputy Minister excluded from totals.

Table 3.3.2 – SMS post information, 30 September 2014

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General / Head of Department	1	1	100.0	0	0.0
Salary Level 16	0	0	0.0	0	0.0
Salary Level 15	14	12	85.7	2	14.3
Salary Level 14	63	56	88.9	7	11.1
Salary Level 13	242	202	83.5	40	16.5
<b>Total</b>	<b>320</b>	<b>271</b>	<b>84.7</b>	<b>49</b>	<b>15.3</b>

Minister and Deputy Minister excluded from totals.

Table 3.3.3 – Advertising and filling of SMS posts, 1 April 2014 to 31 March 2015

SMS Level	Advertising	Filling of posts	
	Number of vacancies per level advertised within 6 months of becoming vacant	Number of vacancies per level filled within 6 months of becoming vacant	Number of vacancies per level not filled within 6 months but filled within 12 months
Director-General / Head of Department	0	0	0
Salary Level 16	0	0	0
Salary Level 15	2	0	1
Salary Level 14	12	8	5
Salary Level 13	39	30	16
<b>Total</b>	<b>53</b>	<b>38</b>	<b>22</b>



# HUMAN RESOURCES REPORT

Table 3.3.4 – Reasons for not having complied with the filling of funded vacant SMS posts advertised within 6 months and filled within 12 months of becoming vacant, 1 April 2014 to 31 March 2015

Reasons for vacancies not advertised within six months	The functions in some divisions of National Treasury were under review. Advertising these positions at the time would therefore not have been ideal as some functions changed in line with business needs.
Reasons for vacancies not filled within twelve months	Reasons, in addition to those given above, include the department choosing to make acting appointments to ensure continuity of work; some positions not being a priority because of functional shifts within Directorates; and the difficulty of finding suitable candidates in certain areas.

## 4. JOB EVALUATION

The Public Service Regulations (1999) introduced job evaluation as a way of ensuring that work of equal value is remunerated equally. Within a nationally determined framework, executing authorities may evaluate or re-evaluate any job in their organisations. In terms of the Regulations, all vacancies at salary levels 9 and higher must be evaluated before they are filled.

Table 4.1 below gives the number of jobs evaluated during the year under review. It also provides statistics on the number of posts upgraded or downgraded.

Table 4.1 – Job evaluation, 1 April 2014 to 31 March 2015

Salary band	Number of posts	Number of jobs evaluated	% of posts evaluated, by salary band	Posts upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower skilled (Levels 1-2)	0	0	0	0	0.0	0	0.0
Skilled (Levels 3-5)	61	0	0	0	0.0	0	0.0
Highly skilled production (Levels 6-8)	309	2	0.7	0	0.0	0	0.0
Highly skilled supervision (Levels 9-12)	601	52	8.7	0	0.0	0	0.0
Senior Management Service Band A	227	21	9.3	0	0.0	0	0.0
Senior Management Service Band B	67	4	6.0	0	0.0	0	0.0
Senior Management Service Band C	16	0	0.0	0	0.0	0	0.0
Senior Management Service Band D	3	0	0.0	0	0.0	0	0.0
<b>Total</b>	<b>1 284</b>	<b>79</b>	<b>6.2</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>

NB: Minister and Deputy Minister included in totals.

# HUMAN RESOURCES REPORT

The following table gives the number of employees whose salary positions were upgraded due to their posts being upgraded.

Table 4.2 – Profile of employees whose salary positions were upgraded due to their posts being upgraded, 1 April 2014 to 31 March 2015

Beneficiaries	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
Employees with a disability	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

The following table gives the number of cases where remuneration levels exceeded the grade determined by job evaluation. The reason for the deviation is provided in each case.

Table 4.3 – Employees whose salary level exceeded the grade determined by job evaluation, 1 April 2014 to 31 March 2015 (in terms of PSR 1.V.C.3)

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Deputy Director-General	0	0	0	N/A
Chief Director	2	14	15	Retention
Director	2	13	14 & 15	Retention
Deputy Director	13	11 & 12	12 & 13	Retention
Assistant Director and below	3	6,7 & 9	7 & 10	Retention
Total number of employees whose salaries exceeded the level determined by job evaluation in 2014/15				20
<b>Percentage of total employment</b>				<b>1.7%</b>

Table 4.4 describes the beneficiaries of the above in terms of race and gender.

Table 4.4 – Profile of employees whose salary level exceeded the grade determined by job evaluation, 1 April 2014 to 31 March 2015 (in terms of PSR 1.V.C.3)

Beneficiaries	African	Asian	Coloured	White	Total
Female	3	2	1	5	11
Male	5	1	1	2	9
<b>Total</b>	<b>8</b>	<b>3</b>	<b>2</b>	<b>7</b>	<b>20</b>

# HUMAN RESOURCES REPORT

## 5. EMPLOYMENT CHANGES

This section provides information on changes in employment over the financial year.

Turnover rates indicate trends in the employment profile of the department. The following table gives turnover rates by salary band.

Table 5.1 – Annual turnover rates by salary band, 1 April 2014 to 31 March 2015

Salary band	Number of employees per band as on 31 March 2014	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate %
Lower skilled (Levels 1-2)	0	0	0	0.0
Skilled (Levels 3-5)	67	3	11	16.4
Highly skilled production (Levels 6-8)	309	52	47	15.2
Highly skilled supervision (Levels 9-12)	550	69	75	13.6
Senior Management Service Band A	204	23	25	12.3
Senior Management Service Band B	61	7	6	9.8
Senior Management Service Band C	12	2	2	16.7
Senior Management Service Band D	6	1	1	16.7
<b>Total</b>	<b>1 209</b>	<b>157</b>	<b>167</b>	<b>13.8</b>

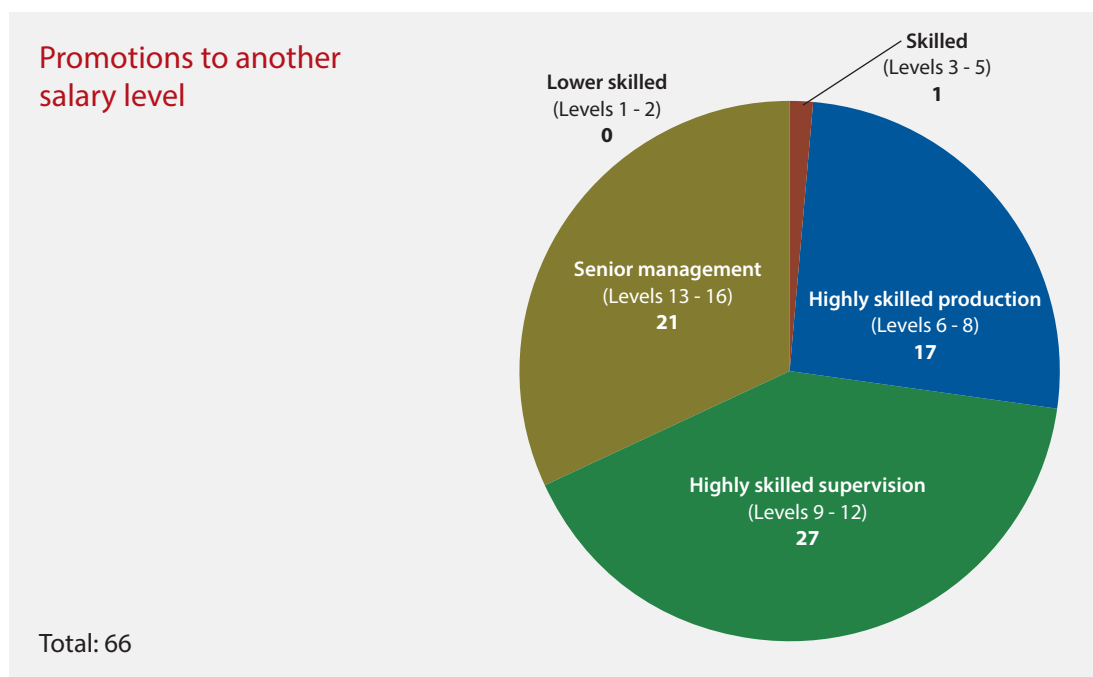
Table 5.2 – Reasons for staff leaving the department

Termination Type	Number	% of total
Death	0	0.0
Resignation	72	43.1
Expiry of contract	21	12.6
Dismissal – operational changes	0	0.0
Dismissal – misconduct	0	0.0
Dismissal – inefficiency	0	0.0
Discharged due to ill-health	0	0.0
Retirement	4	2.4
Severance package	0	0.0
Transfers to other public service departments	70	41.9
<b>Total</b>	<b>167</b>	<b>100.0</b>
Percentage of employees who left as a % of total employment (total employment as at 31 March 2015: 1209)		13.8

# HUMAN RESOURCES REPORT

Table 5.3 – Promotions by salary band

Salary band	Employees, 31 March 2014	Promotions to another salary level	Salary band promotions as a % of employees by salary level
Lower skilled (Levels 1-2)	0	0	0.0
Skilled (Levels 3-5)	67	1	1.5
Highly skilled production (Levels 6-8)	309	17	5.5
Highly skilled supervision (Levels 9-12)	550	27	4.9
Senior management (Levels 13-16)	283	21	7.4
<b>Total</b>	<b>1209</b>	<b>66</b>	<b>5.5</b>



# HUMAN RESOURCES REPORT

## 6. EMPLOYMENT EQUITY

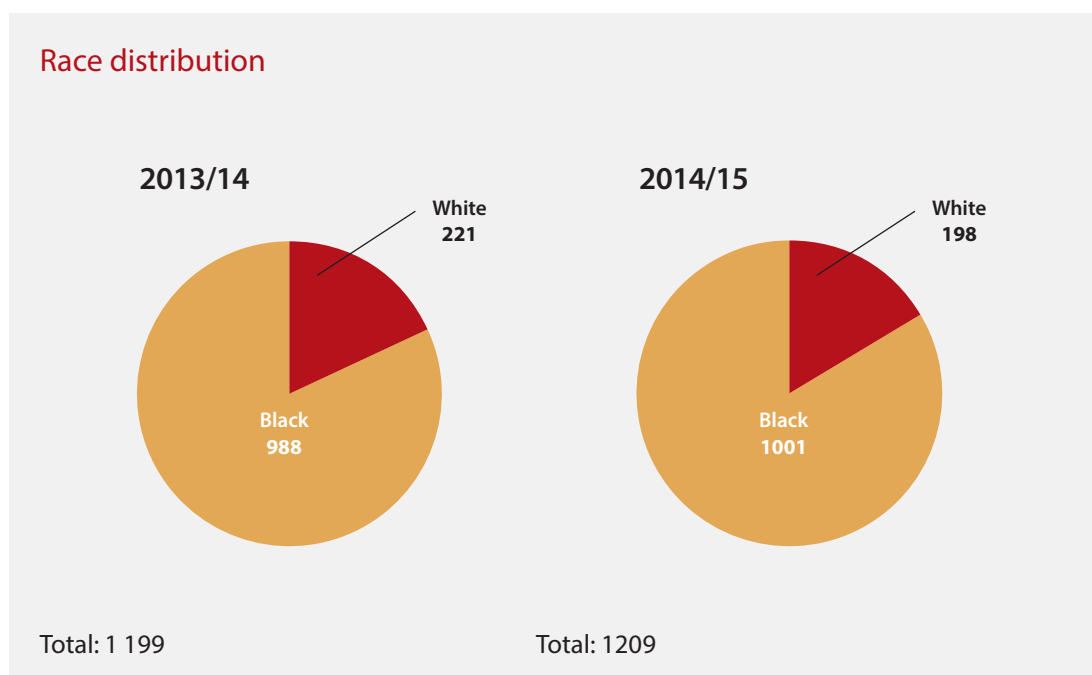
The tables in this section are based on the formats prescribed by the Employment Equity Act (No. 55 of 1998).

Table 6.1 – Total number of employees (including employees with disabilities) per occupational category, 31 March 2015

Occupational categories*	Male				Female				Total
	African	Coloured	Asian	White	African	Coloured	Asian	White	
Legislators, senior officials and managers	83	16	17	50	72	9	9	36	292
Professionals	188	14	8	34	224	9	12	32	521
Technicians and associated professionals	53	4	2	5	144	15	6	39	268
Clerks	27	1	1	1	40	1	2	1	74
Service and sales workers	18	1	1	0	7	1	0	0	28
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	8	1	0	0	7	0	0	0	16
<b>Total</b>	<b>377</b>	<b>37</b>	<b>29</b>	<b>90</b>	<b>494</b>	<b>35</b>	<b>29</b>	<b>108</b>	<b>1 199</b>

NB: Minister and Deputy Minister included in Legislators, senior officials and managers totals.

\* As defined by the South African Standard Classification of Occupations (SASCO).



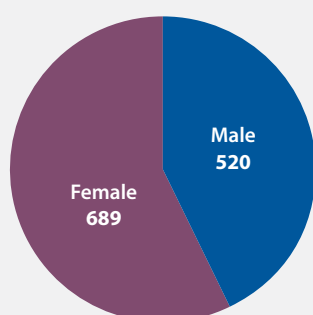
# HUMAN RESOURCES REPORT

Table 6.2 – Total number of employees (including employees with disabilities) per occupational band, 31 March 2015

Occupational band	Male				Female				Total
	African	Coloured	Asian	White	African	Coloured	Asian	White	
Top management	4	2	5	3	3	0	0	0	17
Senior management	80	14	45	13	69	9	9	36	275
Professionally qualified and experienced specialists and mid-management	194	14	35	10	229	14	14	37	547
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	71	2	4	3	168	12	6	35	301
Semi-skilled and discretionary decision making	28	5	1	0	25	0	0	0	59
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>377</b>	<b>37</b>	<b>90</b>	<b>29</b>	<b>494</b>	<b>35</b>	<b>29</b>	<b>108</b>	<b>1 199</b>

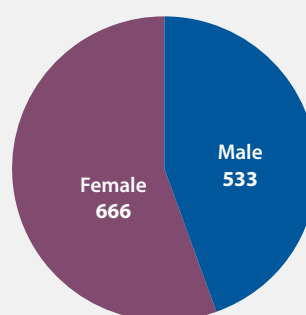
## Gender distribution

2013/14



Total: 1 209

2014/15

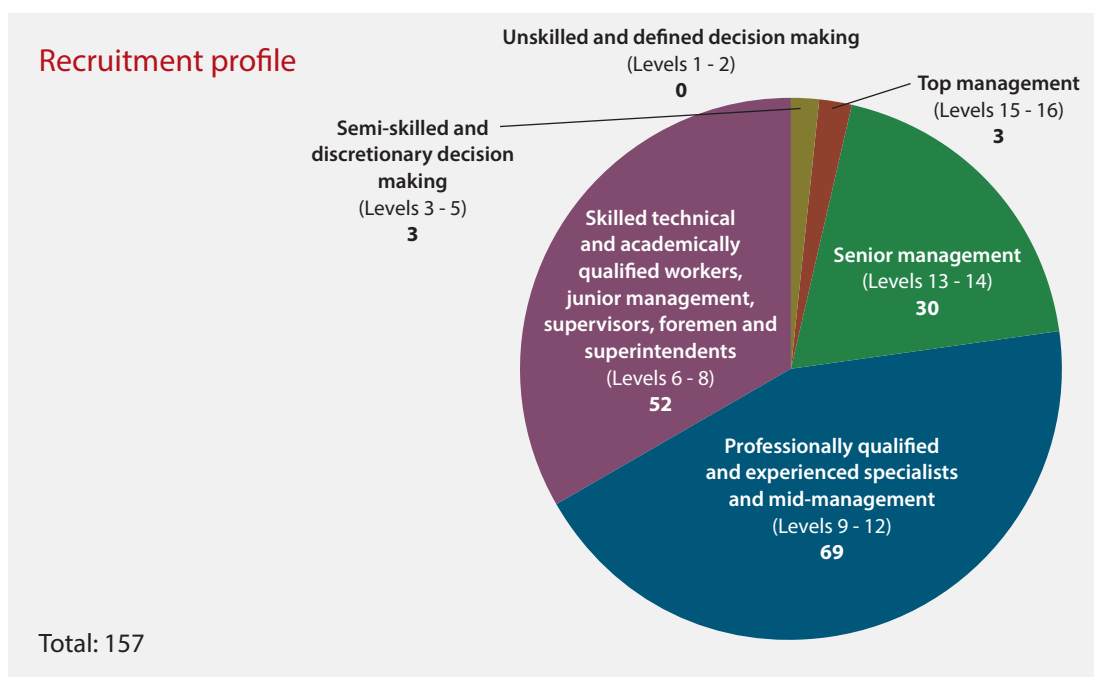


Total: 1199

# HUMAN RESOURCES REPORT

Table 6.3 – Recruitment, 1 April 2014 to 31 March 2015

Occupational band	Male				Female				Total
	African	Coloured	Asian	White	African	Coloured	Asian	White	
Top management (15-16)	1	0	0	1	1	0	0	0	3
Senior management (13-14)	13	2	1	1	8	1	2	2	30
Professionally qualified and experienced specialists and mid-management (9-12)	31	1	1	3	23	4	3	3	69
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents (6-8)	17	1	0	0	32	1	0	1	52
Semi-skilled and discretionary decision making (3-5)	1	0	0	0	2	0	0	0	3
Unskilled and defined decision making (1-2)	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>63</b>	<b>4</b>	<b>2</b>	<b>5</b>	<b>66</b>	<b>6</b>	<b>5</b>	<b>6</b>	<b>157</b>
<b>Employees with disabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



# HUMAN RESOURCES REPORT

Table 6.4 – Promotions, 1 April 2014 to 31 March 2015

Occupational bands	Male				Female				Total
	African	Coloured	Asian	White	African	Coloured	Asian	White	
Top management (15-16)	0	1	0	1	1	0	0	0	3
Senior management (13-14)	5	3	1	4	3	0	0	2	18
Professionally qualified and experienced specialists and mid-management (9-12)	12	0	1	0	14	0	0	0	27
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents (6-8)	2	0	0	0	13	1	0	1	17
Semi-skilled and discretionary decision making (3-5)	1	0	0	0	0	0	0	0	1
Unskilled and defined decision making (1-2)	0	0	0	0	0	0	0	0	0
Employees with disabilities	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>20</b>	<b>4</b>	<b>2</b>	<b>5</b>	<b>31</b>	<b>1</b>	<b>0</b>	<b>3</b>	<b>66</b>

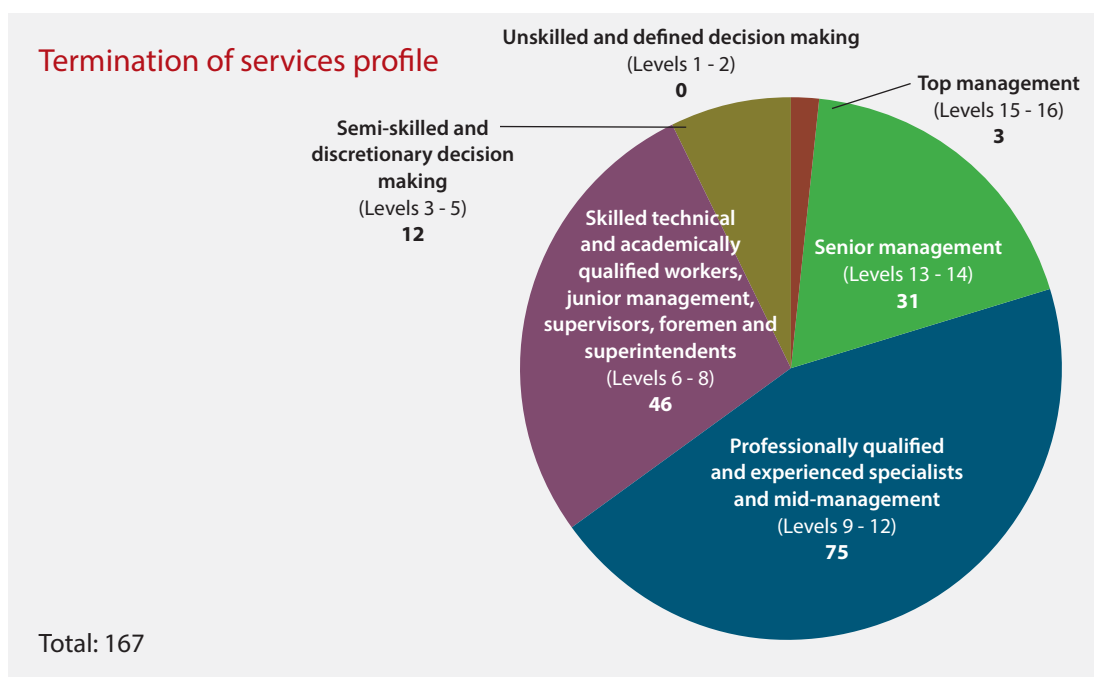


# HUMAN RESOURCES REPORT

Table 6.5 – Terminations, 1 April 2014 to 31 March 2015

Occupational bands	Male				Female				Total
	African	Coloured	Asian	White	African	Coloured	Asian	White	
Top management (15-16)	1	0	1	0	0	1	0	0	3
Senior management (13-14)	8	1	1	4	6	2	2	7	31
Professionally qualified and experienced specialists and mid-management (9-12)	25	0	0	7	31	1	1	10	75
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents (6-8)	8	1	0	1	27	1	4	4	46
Semi-skilled and discretionary decision making (3-5)	5	0	0	0	6	0	0	1	12
Unskilled and defined decision making (1-2)	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>47</b>	<b>2</b>	<b>2</b>	<b>12</b>	<b>70</b>	<b>5</b>	<b>7</b>	<b>22</b>	<b>167</b>

NB: Minister and Deputy Minister not included in totals.



# HUMAN RESOURCES REPORT

Table 6.6 – Disciplinary action, 1 April 2014 to 31 March 2015

	Male				Female				Total
	African	Coloured	Asian	White	African	Coloured	Asian	White	
Disciplinary action	0	0	0	0	0	0	1	0	1

Table 6.7 – Skills development, 1 April 2014 to 31 March 2015

Occupational categories	Male				Female				Total
	African	Coloured	Asian	White	African	Coloured	Asian	White	
Legislators, senior officials and managers	28	4	5	10	34	5	3	10	99
Professionals	102	4	3	17	130	3	5	11	275
Technicians and associated professionals	31	5	2	2	92	8	2	16	158
Clerks	45	1	2	4	57	1	6	6	122
Service and sales workers	18	0	1	0	6	1	0	0	26
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>224</b>	<b>14</b>	<b>13</b>	<b>33</b>	<b>319</b>	<b>18</b>	<b>16</b>	<b>43</b>	<b>680</b>
Employees with disabilities	0	1	0	0	0	1	0	2	4

# HUMAN RESOURCES REPORT

## 7. PERFORMANCE REWARDS

To encourage good performance, the department granted the following performance rewards during the year under review. The information is presented in terms of race and gender (Table 7.1), salary bands (Table 7.2) and critical occupations (Table 7.3).

Table 7.1 – Performance rewards by race and gender, 1 April 2014 to 31 March 2015

	Beneficiary profile			Cost	
	Number of beneficiaries	Total number of employees in group	% of total within group	Total cost (R'000)	Average cost per employee (R'000)
African	576	827	69.6	14 888	26
Male	241	349	69.1	6 588	27
Female	335	478	70.1	8 300	25
Asian	41	56	73.2	1 587	39
Male	21	28	75.0	915	44
Female	20	28	71.4	672	34
Coloured	52	66	78.8	1 543	30
Male	28	35	80.0	871	31
Female	24	31	77.4	672	28
White	179	207	86.5	6 833	38
Male	81	94	86.2	3 597	44
Female	98	113	86.7	3 236	33
<b>Total</b>	<b>848</b>	<b>1156</b>	<b>73.4</b>	<b>24,851</b>	<b>29</b>

Table 7.2 – Performance rewards by salary band for personnel below SMS level, 1 April 2014 to 31 March 2015

Salary band	Beneficiary profile			Cost		
	Number of beneficiaries	Number of employees	% of total within salary band	Total cost (R'000)	Average cost per employee (R'000)	Total cost as a % of the total personnel expenditure
Lower skilled (Levels 1-2)	0	0	0.0	0	0	0.0
Skilled (Levels 3-5)	50	66	75.8	404	8	8.1
Highly skilled production (Levels 6-8)	194	299	64.9	3 151	10	16.2
Highly skilled supervision (Levels 9-12)	405	529	76.6	10 794	28	26.7
<b>Total</b>	<b>649</b>	<b>894</b>	<b>72.6</b>	<b>14 349</b>	<b>16</b>	<b>22.1</b>

# HUMAN RESOURCES REPORT

Table 7.3 – Performance related rewards (cash bonus), by salary band: SMS

Salary band	Beneficiary profile			Total cost (R'000)	Average cost per employee (R'000)	Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within band			
Band A	144	194	74.2	6 965	48	1.1
Band B	46	56	82.1	2 841	61	0.4
Band C	9	12	75.0	696	77	0.1
Band D	0	0	0.0	0	0	0.0
<b>Total</b>	<b>199</b>	<b>262</b>	<b>75.95</b>	<b>10 502</b>	<b>52</b>	<b>1.6</b>

## 8. FOREIGN WORKERS

Table 8.1 – Foreign workers by salary band, 1 April 2014 to 31 March 2015

Salary band	March 2014		March 2015		Change	
	Number	% of total	Number	% of total	Number	% change
Lower skilled (Levels 1-2)	0	0.0	0	0.0	0	0.0
Skilled (Levels 3-5)	0	0.0	0	0.0	0	0.0
Highly skilled production (Levels 6-8)	0	0.0	0	0.0	0	0.0
Highly skilled supervision (Levels 9-12)	24	68.6	21	60.0	-3	-12.5
Senior management (Levels 13-16)	11	31.4	14	40.0	3	27.3
<b>Total</b>	<b>35</b>	<b>100.0</b>	<b>35</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>

Table 8.2 – Foreign workers by major occupation, 1 April 2014 to 31 March 2015

Salary band	March 2014		March 2015		Change	
	Number	% of total	Number	% of total	Number	% change
Senior management	11	31.4	14	40.0	3	27.3
Professional qualified	24	68.6	21	60.0	-3	-12.5
Skilled technical	0	0.0	0	0.0	0	0.0
Semi-skilled	0	0.0	0	0.0	0	0.0
Unskilled	0	0.0	0	0.0	0	0.0
<b>Total</b>	<b>35</b>	<b>100.0</b>	<b>35</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>

# HUMAN RESOURCES REPORT

## 9. LEAVE UTILISATION, 1 JANUARY 2014 TO 31 DECEMBER 2014

The Public Service Commission (PSC) has identified the need for careful monitoring of sick leave within the public service. The following tables indicate the use of sick leave (Table 8.1) and disability leave (Table 8.2) from 1 January to 31 December 2014. In both cases, the estimated cost of the leave is also provided.

TABLE 9.1 – Sick leave, 1 January 2014 to 31 December 2014

Salary band	Total days	% days with medical certification	Number of employees using sick leave	% of total employees using sick leave	Average days per employee	Average estimated cost (R'000)
Lower skilled (Levels 1-2)	0	0	0	0	0	0
Skilled (Levels 3-5)	412	83.0	60	5.9	7	270
Highly skilled production (Levels 6-8)	1 929	79.0	266	26.0	7	2 253
Highly skilled supervision (Levels 9-12)	3 169	79.0	470	46.0	7	6 555
Senior management (Levels 13-16)	1 287	75.0	226	22.1	6	4 402
<b>Total</b>	<b>6 797</b>	<b>79.0</b>	<b>1 022</b>	<b>100.0</b>	<b>7</b>	<b>13 537</b>

Table 9.2 – Disability leave (temporary and permanent), 1 January 2014 to 31 December 2014

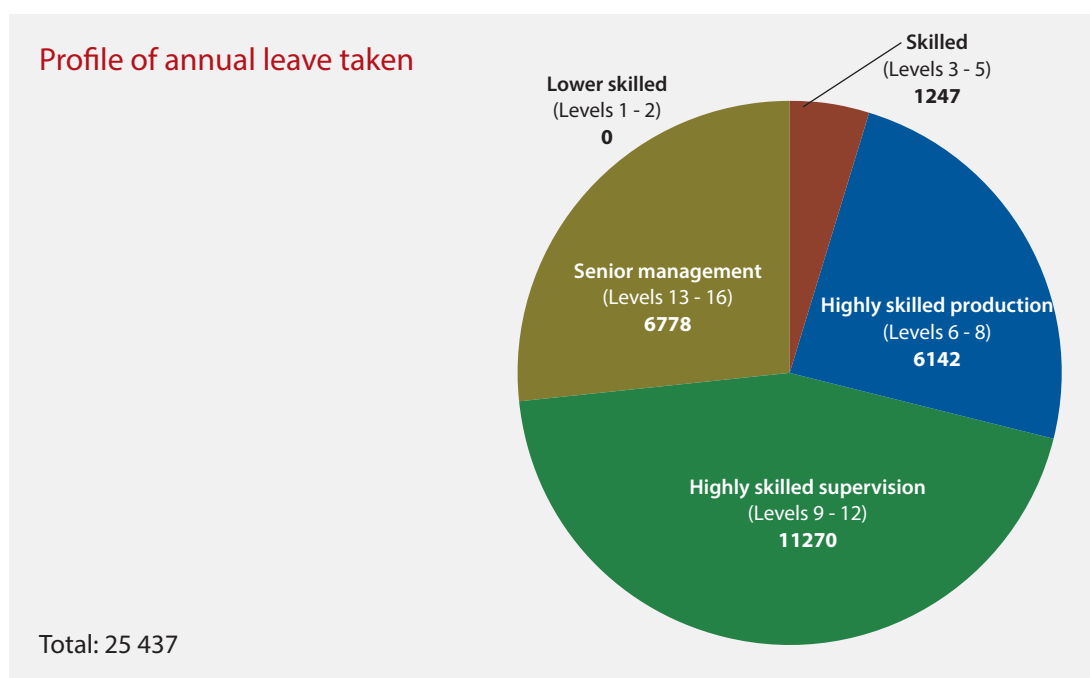
Salary band	Total days taken	% days with medical certification	Number of employees using disability leave	% of total employees using disability leave	Average days per employee	Average estimated cost (R'000)
Lower skilled (Levels 1-2)	0	0.0	0	0.0	0	0
Skilled (Levels 3-5)	15	100.0	1	5.3	15	11
Highly skilled production (Levels 6-8)	122	100.0	8	42.1	15	110
Highly skilled supervision (Levels 9-12)	284	100.0	5	26.3	57	184
Senior management (Levels 13-16)	582	100.0	5	26.3	116	477
<b>Total</b>	<b>1 003</b>	<b>100.0</b>	<b>19</b>	<b>100.0</b>	<b>53</b>	<b>221</b>

# HUMAN RESOURCES REPORT

Table 9.3 summarises utilisation of annual leave. The wage agreement concluded with trade unions in the Public Service Co-ordinating Bargaining Council (PSCBC) in 2000 requires management of annual leave to prevent high levels of accrued leave being paid at the time of termination of service.

Table 9.3 – Annual leave, 1 January 2014 to 31 December 2014

Salary bands	Total days taken	Average days per employee
Lower skilled (Levels 1-2)	0	0
Skilled (Levels 3-5)	1 247	19
Highly skilled production (Levels 6-8)	6 142	20
Highly skilled supervision (Levels 9-12)	11 270	20
Senior management (Levels 13-16)	6 778	21
<b>Total</b>	<b>25 437</b>	<b>20</b>



# HUMAN RESOURCES REPORT

Table 9.4 – Capped leave, 1 January 2014 to 31 December 2014

Salary bands	Total days taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2014
Lower skilled (Levels 1-2)	0	0	0
Skilled (Levels 3-5)	7	7	24
Highly skilled production (Levels 6-8)	4	1	18
Highly skilled supervision (Levels 9-12)	24	2	34
Senior management (Levels 13-16)	6	3	53
<b>Total</b>	<b>41</b>	<b>2</b>	<b>35</b>

The following table summarises payments made to employees as a result of leave not taken.

Table 9.5 – Leave pay-outs, 1 April 2014 to 31 March 2015

REASON	Total amount (R'000) (a)	Number of employees (b)	Average payment per employee (R'000) (c=a/b)
Leave pay-outs for 2014/15 due to non-utilisation of leave for the previous cycle	76	1	76
Capped leave pay-outs on termination of service for 2014/15	8	1	8
Current leave pay-outs on termination of service for 2014/15	1 274	80	16
<b>Total</b>	<b>1 358</b>	<b>82</b>	<b>17</b>

## 10 HIV AND AIDS & HEALTH PROMOTION PROGRAMMES

Table 10.1 – Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
N/A	N/A

# HUMAN RESOURCES REPORT

Table 10.2 – Details of health promotion and HIV and AIDS programmes

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	X		Avhatakali Lazarus Nenungwi Director: Organisational Development, EWP & ER
2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	X		The Employee Wellness Unit is a Sub-Directorate of the Organisational Development Directorate within the Chief Directorate: Human Resources Management.  The EWP Unit is overseen by a Director and is capacitated with a dedicated Wellness Specialist (Assistant Director) and one intern. The unit has a budget of R3.5 million to be used over a period of 3 years.
3. Has the department introduced an Employee Assistance or Health Promotion Programme for employees? If so, indicate the key elements/ services of this Programme.	X		The National Treasury provides Employee Assistance Programmes under its Siyaphila programme. This is a confidential, free, 24 hours a week, 365 days a year personal support line for National Treasury employees and their immediate family members. These services include: counselling services, wellness management, HIV/AIDS management, primary health care services and productivity management.
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	X		The National Treasury EWP committee consists of employees representing divisions across the department. The members are: <ul style="list-style-type: none"> <li>• Ms S Pillay</li> <li>• Mr J October</li> <li>• Ms M Serumula</li> <li>• Ms I Machaba</li> <li>• Ms J Watton</li> <li>• Ms O Maphila</li> <li>• Ms N Mazibuko</li> <li>• Ms B Malope</li> <li>• Ms J Rudolph</li> <li>• Ms E Stokes</li> <li>• Ms T Legote</li> </ul>
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	X		The National Treasury HIV/AIDS and TB management policy was reviewed and was tabled at the Departmental Bargaining Chamber for consultation and endorsement.  A task team to examine employee wellness programme policies and frameworks has been established and includes representatives of stakeholders including organized labour, Employee Relations, Occupational Health and Safety, the Chief Risk Officer, divisional support of Corporate Services and Human Resources Management.



# HUMAN RESOURCES REPORT

6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	X	Support of HIV positive employees is provided by the EWP programme through voluntary and confidential counselling processes. Confidentiality of information is strictly adhered to with officials having access to information signing Confidentiality statements. Existing and new cases are managed by the Department's primary health care personnel.
7. Does the department encourage its employees to undergo voluntary counselling and testing? If so, list the results that you have achieved.	X	In the 2014/15 financial year, 194 employees underwent voluntarily testing for HIV/AIDS. The department has a clinic on-site which provides primary health care services. The clinic is staffed by a nurse twice a week, for four hours on each day; and by a doctor once a week for one hour. These services are free and provide employees with the opportunity for voluntary testing. In addition to this, the Siyaphila programme hosts 6 departmental events per annum where employees can also do voluntary testing.
8. Has the department developed measures/ indicators to monitor and evaluate the impact of its health promotion programme? If so, list these measures/indicators.	X	The following indicators are utilized to monitor the impact of the Employee Wellness Programme: <ul style="list-style-type: none"> <li>• Rate of absenteeism</li> <li>• Number of health related complaints</li> <li>• Voluntary HIV/AIDS reports (that do not compromise confidentiality)</li> <li>• EWP Satisfaction Surveys</li> <li>• Wellness Cards to continuously monitor and improve on health risk assessments</li> <li>• Quarterly and annual utilization statistics of services</li> </ul>

## 11. LABOUR RELATIONS

As Table 11.1 shows, no collective agreements were entered into with trade unions within the department during the reporting period.

Table 11.1 – Collective agreements, 1 April 2014 to 31 March 2015

Subject Matter	Date
None	N/A

The following table summarises the outcomes of disciplinary hearings conducted within the department in the year under review.

# HUMAN RESOURCES REPORT

Table 11.2 – Misconduct and disciplinary hearings finalised, 1 April 2014 to 31 March 2015

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling/written warning/suspension without pay	1	100.0
Verbal warning	0	0.0
Final written warning	0	0.0
Fine	0	0.0
Demotion	0	0.0
Dismissal	0	0.0
Not guilty	0	0.0
Case withdrawn	0	0.0
<b>Total</b>	<b>1</b>	<b>100.0</b>

Table 11.3 – Types of misconduct addressed at disciplinary hearings, 1 April 2014 to 31 March 2015

Type of misconduct	Number	% of total
Disruptive behaviour, gross negligence, insubordination, dishonesty	1	100.0
<b>Total</b>	<b>1</b>	<b>100.0</b>

Table 11.4 – Grievances lodged, 1 April 2014 to 31 March 2015

	Number	% of total
Number of grievances resolved	6	46.0
Number of grievances not resolved	7	54.0
<b>Total number of grievances lodged</b>	<b>13</b>	<b>100.0</b>

Table 11.5 – Disputes lodged with Councils, 1 April 2014 to 31 March 2015

	Number	% of total
Number of disputes upheld	1	17.0
Number of disputes dismissed	4	66.0
Number of disputes pending	1	17.0
<b>Total number of disputes lodged</b>	<b>6</b>	<b>100.0</b>

Table 11.6 – Strike actions, 1 April 2014 to 31 March 2015

Total number of person working days lost	
Total cost (R'000) of working days lost	None
Amount (R'000) recovered as a result of no work no pay	None

Table 11.7 – Precautionary suspensions for the period 1 April 2014 to 31 March 2015

Number of people suspended	2
Number of people whose suspension exceeded 30 days	2
Average number of days suspended	138
Cost of suspensions	R86 813.82

# HUMAN RESOURCES REPORT

## 12 SKILLS DEVELOPMENT

This section summarises the department's work with regard to skills development.

Table 12.1 – Training needs identified, 1 April 2014 to 31 March 2015

Occupational categories	Gender	Number of employees as at 1 April 2014	Training needs identified at start of reporting period			
			Learnerships	Skills programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	129	0	123	6	129
	Male	154	0	149	5	154
Professionals	Female	282	3	273	6	282
	Male	249	6	236	7	249
Technicians and associated professionals	Female	214	0	206	8	214
	Male	58	0	54	4	58
Clerks	Female	50	0	1	49	50
	Male	28	0	0	28	28
Service and sales workers	Female	8	0	8	0	8
	Male	20	0	20	0	20
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	7	0	7	0	7
	Male	10	0	10	0	10
Subtotal	Female	690	3	618	69	690
	Male	519	6	469	44	519
<b>Total</b>		<b>1209</b>	<b>9</b>	<b>982</b>	<b>113</b>	<b>1 209</b>

\*\* Note: Minister and Deputy Minister not included in total.

# HUMAN RESOURCES REPORT

Table 12.2 – Training provided, 1 April 2014 to 31 March 2015

Occupational categories	Gender	Number of employees as at 1 April 2014	Training provided within the reporting period			
			Learnerships	Skills programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	129	0	47	5	52
	Male	154	0	41	6	47
Professionals	Female	282	8	128	13	149
	Male	249	11	92	23	126
Technicians and associated professionals	Female	214	0	106	12	118
	Male	58	0	37	3	40
Clerks	Female	50	0	7	63	70
	Male	28	0	7	45	52
Service and sales workers	Female	8	0	7	0	7
	Male	20	0	18	1	19
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators & assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	7	0	0	0	0
	Male	10	0	0	0	0
Subtotal	Female	690	8	295	93	396
	Male	519	11	195	78	284
<b>Total</b>		<b>1 209</b>	<b>19</b>	<b>490</b>	<b>171</b>	<b>680</b>

\*\* Note: Minister and Deputy Minister not included in total.

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# HUMAN RESOURCES REPORT

## 13. INJURIES ON DUTY

The following table provides information about injuries on duty during the reporting period.

Table 13.1 – Injuries on duty, 1 April 2014 to 31 March 2015

Nature of injury on duty	Number	% of total
Required basic medical attention only	4	100
Temporary total disablement	0	0
Permanent disablement	0	0
Fatal	0	0
<b>Total</b>	<b>4</b>	<b>100</b>

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## ANNEXURES



**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA

# ANNEXURE 1

## Abbreviations

ACTT	Anti-corruption Task Team	CRM	Customer relationship management
ADF	African Development Fund	CSP	City Support Programme
AENE	Adjusted Estimates of National Expenditure	DBSA	Development Bank of Southern Africa
AfDB	African Development Bank	DCS	Department of Community Safety
AFS	Annual financial statement	DFI	Development funding institution
AGM	Annual General Meeting	DIRCO	Department of International Relations and Cooperation
AGSA	Auditor-General of South Africa		
AIPF	Associated Institutions Pension Fund	DMTN	Domestic Medium Term Note
ART	Anti-retroviral treatment	DoRA	Division of Revenue Act
ASB	Accounting Standards Board	DPME	Department of Performance Monitoring and Evaluation
AU	African Union		
Autopax	Autopax Passenger Services	DPSA	Department of Public Service and Administration
BAC	Bid Adjudication Committee		
BAS	Basic Accounting System	DSD	Department of Social Development
BCM	Business Continuity Management	DSGE	Dynamic Stochastic General Equilibrium
BEC	Bid Evaluation Committee	dti	Department of Trade and Industry
BEPP	Built Environment Performance Plan	DTPS	Department of Telecommunications and Postal Services
BMA	Border Management Agency		
BPA	Benefits Payment Automation	EC	Eastern Cape
BR	Budget Review	ECD	Early childhood development
BRICS	Brazil, Russia, India, China and South Africa	ECM	Enterprise content management
BRRR	Budget Review and Recommendation Report	ENE	Estimates of National Expenditure
		ERM	Enterprise risk and security management
CAA	Chartered Accountants Academy	ERSA	Economic Research Southern Africa
CBDA	Co-operative Banks Development Agency	ETD	Education, training and development
CCRED	Centre for Competition, Regulation and Economic Development	EU	European Union
		EW	Employee wellness
CDS	Capacity Development Strategy	EXCO	Executive Committee
CEF	Central Energy Fund	FAC	Finance and Audit Committee
CFI	Cooperative financial institution	FAIS Ombud	Financial Advisory and Intermediary Services Ombud
CFO	Chief Financial Officer		
CGE	Computable General Equilibrium	FANRPAN	Food, Agriculture and Natural Resources Policy Analysis Network
CGICTPF	Corporate Governance of ICT Policy Framework	FFC	Financial and Fiscal Commission
		FIC	Financial Intelligence Centre
CIT	Corporate income tax	FIP	Finance and Investment Protocol
CLO	Customer Liaison Officer	Fitch	Fitch Ratings
COLA	Cost-of-living adjustment	FLC	Fiscal Liability Committee
CPO	Chief Procurement Officer	FM	Facilities management
CPS	Country Strategy Paper		

# ANNEXURE 1

## Abbreviations

FM	Financial Management	IDP	Integrated development plan
FMCBG	Finance Ministers and Central Bank Governors	IEP	Integrated Energy Plan
FMCM	Financial Management Capability Maturity Model	IFMS	Integrated financial management system
FMG	Financial Management Grant	IGR	Intergovernmental relations
FOSAD	Forum of South African Directors-General	IIA	Institute of Internal Auditors
FSB	Financial Services Board	ILM	Integrated learning matrix
FY	Financial year	IMC	Inter-Ministerial Committee
G8	Group of Eight Industrialised Nations	IMF	International Monetary Fund
G20	Group of Twenty	INSET	In-service training
GBS	General budget support	IPID	Independent Police Investigative Directorate
GDP	Gross domestic product	IRBA	Independent Regulatory Board for Auditors
GEPF	Government Employees' Pension Fund	ISDG	Infrastructure Skills Development Grant
GFS	Government Finance Statistics	IRP	Integrated resource plan
GAAP	Generally Accepted Accounting Principles	ICF	Integrated consultative forum
GP	Gauteng Province	KRI	Key risk indicator
GPAA	Government Pensions Administration Agency	Land Bank	Land and Agricultural Development Bank of South Africa
GRAP	Generally recognised accounting practice	LED	Local economic development
GTAC	Government Technical Advisory Centre	LGSETA	Local Government Sector Education and Training Authority
HCD	Human capital development	LSSA	Land Systems South Africa
HOA	Home owners' allowance	LTSM	Learning and teaching materials
HPV	Human papilloma virus	LTTS	Long term turnaround strategy
HR	Human resources	MBBE	Municipal Budget and Benchmark Engagement
IA	Internal audit	MBRR	Municipal Budget Reporting Regulations
IAM	Identity access management	MCWAP	Mokolo and Crocodile River Water Augmentation Project
IBRD	International Bank for Reconstruction and Development	MDB	Multilateral development bank
ICBA	Inter-Central Bank Agreement	MEC	Member of the Executive Council
ICDG	Integrated City Development Grant	MFMA	Municipal Finance Management Act
ICT	Information and communication technology	MGE	Mzansi Golden Economy Strategy
IDA	International Development Association	MIG	Municipal Infrastructure Grant
IDC	International Development Corporation	MinComBud	Ministers' Committee on the Budget
IDC	International development cooperation	Moody's	Moody's Investors Service
IDMS	Infrastructure delivery management system	MoU	Memorandum of Understanding
		MTBPS	Medium Term Budget Policy Statement



# ANNEXURE 1

## Abbreviations

MTEC	Medium Term Expenditure Committee	PEMPAL	Public Expenditure Management
MTEF	Medium Term Economic Framework		Peer Assisted Learning
MTR	Mid-term review	PEOU	Public Entity Oversight Unit
MTSF	Medium Term Strategic Framework	PERSAL	Personnel and Salary System
MTREF	Medium-Term Revenue and Expenditure Framework	PFM	Public finance management
		PFMA	Public Finance Management Act
MTSF	Medium Term Strategic Framework	PFS	Public Finance Statistics
MINTECH	Ministerial Technical Committee	PIC	Public Investment Corporation
NAWONGO	National Welfare Organisations and NGOs	PIT	Personal income tax
NDB	New Development Bank	PPP	Public-private partnership
NCOP	National Council of Provinces	PPPFA	Preferential Procurement Policy Framework Act
NDP	National Development Plan		Public Service Commission
NDP	Neighbourhood Development Programme	PSC	Public Service Co-ordinating Bargaining Council
NDP	National Development Partnership Grant	PSCBC	Parliamentary Service Office
NEF	National Empowerment Fund	PSO	Public Sector Regulations
NGO	Non-governmental organisation	PSR	Ratings and Investment Information, Inc.
NHI	National Health Insurance	R&I	Research, development and innovation
NHLS	National Health Laboratory Service	RDI	Reconstruction and Development Programme
NMOS	National Macro Organisation of the State	RDP	Request for proposals
NPO	Non-profit organisation		Rosatom State Atomic Energy Corporation
NRF	National Revenue Fund	RFP	Report on Observance of Standards and Codes
NSG	National School of Government	Rosatom	Revenue sharing formula
NT	National Treasury	ROSC	Standard & Poor's
NW	North West		South Africa
OAG	Office of the Accountant General	RSF	South African Airways
OCPO	Office of the Chief Procurement Officer	S&P	Southern African Customs Union
ODA	Official development assistance	SA	Southern African Development Community
ODI	Overseas Development Institute	SAA	South African Institute of Chartered Accountants
OECD	Organisation for Economic Cooperation and Development	SACU	South African Institute of Professional Accountants
		SADC	South African Institute of Tax Professionals
OPFA	Office of the Pension Fund Adjudicator		
OPIC	Overseas Private Investment Corporation	SAICA	
OTO	Office of the Tax Ombud		
PAYE	Pay as you earn	SAIPA	
PBMR	Pebble Bed Modular Reactor		
PE	Public entity	SAIT	
PEFA	Public Expenditure and Financial Accountability		

# ANNEXURE 1

## Abbreviations

SALGA	South African Local Government Association	SLA	Service level agreement
PER	Performance and Expenditure Reviews	SMME	Small, medium or micro enterprise
PMU	Programme Management Unit	SMS	Senior Management Service
PRASA	Passenger Rail Authority of South Africa	SOC	State owned company
SAPS	South African Police Service	SOERG	State-owned Entities Remuneration Guide
SAQA	South African Qualifications Authority	SOP	Standard operating procedure
SANRAL	South African National Roads Agency Limited	SPF	Strategic Procurement Framework
SAPO	South African Post Office	SP&S	Strategic Projects and Support
SARB	South African Reserve Bank	SQL	Structured Query Language
SARS	South African Revenue Service	Stats SA	Statistics South Africa
SASCO	South African Standard Classification of Occupations	SWIFT	Society for Worldwide Interbank Financial Telecommunication
SASRIA	South African Special Risks Insurance Association	TAA	Tax Administration Act
SAX	South African Express	TCF	Treating Customers Fairly
SBD	Standard Bidding Document	TCTA	Trans Caledon Tunnel Authority
SCI	Selective capital increase	TDCA	Trade, Development and Cooperation Agreement
SCM	Supply chain management	TEPF	Temporary Employees Pension Fund
SCoA	Standing Committee on Appropriations	TFR	Transnet Freight Rail
SCoA	Standard Chart of Accounts	Tifi	Trade, industry, finance and investment
SCoF	Standing Committee on Finance	UIF	Unemployment Insurance Fund
SCOPI	Standing Committee Operational Procedures for Instruments	UNECA	United Nations Economic Commission for Africa
SCPR	Standing Committee Procedural Rules	UNICEF	United Nations Children's Fund
SDR	Strategic development review	US	United States Agency for International Development
SEE	Supported employment enterprise	VAT	Value-added tax
SEP	Strategic equity partner	WEF	World Economic Forum
SITA	State Information Technology Agency	WHO	World Health Organisation
		WISA	Water Institute of Southern Africa

# ANNEXURE 2

## Institutions Associated with the National Treasury

The National Treasury works closely with a number of public institutions. It has operational and institutional independence and, in some instances, constitutionally guaranteed autonomy. It produces its own annual reports.

### **Accounting Standards Board**

Section 87 of the Public Finance Management Act (1 of 1999)

### **Coin Liabilities**

SA Reserve Bank subsidiary

### **Corporation for Public Deposits**

Corporation for Public Deposits Act (46 of 1984)

### **Development Bank of Southern Africa**

Development Bank of Southern Africa Act (13 of 1997)

### **Financial and Fiscal Commission**

Financial and Fiscal Commission Act (99 of 1997)

### **Financial Services Board**

Financial Services Board Act (97 of 1990)

*The following organisations report to it:*

*Pension Fund Adjudication*

*Financial Markets Advisory Board*

*Pension Funds Advisory Board*

### **Financial Intelligence Centre**

Financial Intelligence Centre Act (38 of 2001)

### **Independent Development Trust**

### **Policy Board for Financial Services Regulation**

Policy Board for Financial Services and Regulation Act (141 of 1993)

### **Public Accounts and Auditors Board**

### **Public Investment Corporation**

Public Investment Corporation Act, 2004 (23 of 2004)

### **Registrar of Banks**

*Reports to SA Reserve Bank*

### **SA Banknote Company**

SA Reserve Bank subsidiary

### **SA Mint Company**

SA Reserve Bank subsidiary

### **South African Reserve Bank**

SA Reserve Bank Act (90 of 1989)

### **South African Revenue Service**

SA Revenue Service Act (34 of 1997)

### **South African Special Risk Insurance Association (SASRIA)**

### **Special Pensions Board**

### **Special Pensions Advisory Board**

### **State Tender Board**

### **Statistical Council**

Statistics Act (66 of 1976)

### **Tax Advisory Committee**









# ANNUAL REPORT 2014/15

National Treasury, Private Bag X115,  
Pretoria, 0001, South Africa  
Tel: +27 12 315 5526  
Fax: 27 12 406 9055

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**national treasury**

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