

REPUBLIC OF SOUTH AFRICA | VOETE 7



ANNUAL REPORT

2015/16



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

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ANNUAL REPORT

2015/16

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Department:
National Treasury
REPUBLIC OF SOUTH AFRICA



ANNUAL REPORT

2015/16

Mr P Gordhan, Minister of Finance

I have the honour of submitting
the Annual Report of the National
Treasury for the period 1 April 2015
to 31 March 2016.

A handwritten signature in black ink, appearing to read 'Lungisa Fuzile', is written over a circular stamp or watermark.

Lungisa Fuzile
Director-General



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REPUBLIC OF SOUTH AFRICA



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REPUBLIC OF SOUTH AFRICA

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PART A

GENERAL INFORMATION

1. DEPARTMENT GENERAL INFORMATION
2. MINISTER'S FOREWORD
3. DEPUTY MINISTER'S FOREWORD
4. REPORT OF THE ACCOUNTING OFFICER



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Department:
National Treasury
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PART A: GENERAL INFORMATION



1. DEPARTMENT GENERAL INFORMATION

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PART A: GENERAL INFORMATION – CONTINUED

2. MINISTER'S FOREWORD



Pravin Gordhan
Minister of Finance

Eight years after the Great Recession of 2008, the global economy remains weak and growth prospects uncertain. New geopolitical and socio-economic challenges have emerged that require greater co-operation internationally and higher levels of commitment by individual countries to tackle domestic problems in partnership with citizens.

Developments such as Brexit, the slowdown in China, the volatility in world markets, the commodity cycle and the rise of far-right movements and extremism in various parts of the world point to a difficult period ahead. Lower economic growth has become the new normal. Growth projections by the International Monetary Fund and other forecasters continue to be adjusted downwards.

These developments throw into sharp focus our need for concrete plans about how to achieve more rapid growth and how to ensure that it is inclusive and benefits all citizens. This is our responsibility both as government and citizens. Together we must solve our development challenges.

We have a South African National Development Plan. But more important than our plans is our collective capacity to implement policies and programmes that will practically address poverty, unemployment and inequality. Decisive and effective implementation is that much more critical in the current environment of constrained growth and global uncertainty.

Low economic growth limits the resources available to finance government's developmental objectives. In this context, we have been prudent in the management of public finances. Cabinet has been instrumental in ensuring that the budget is closely aligned with the NDP and that infrastructure investment can continue to be prioritised. Tough decisions have been taken on the expenditure ceiling for the current MTEF period, while protecting spending on our critical social programmes. In the year under review, our credit ratings have come under pressure. By working closely with the private sector, civil society groupings and organised labour, South Africa has retained its investment grade credit rating.

In this spirit of co-operation we will continue to promote inclusive growth through an economic reform agenda, promotion of job-intensive sectors, investment in our cities and support for rural development.

PART A: GENERAL INFORMATION – CONTINUED



The constrained fiscal environment also demands that we ensure that we get value for the money government spends. Working with four provinces, for example, the Office of the Chief Procurement Officer has achieved savings in spending on textbooks and learner support and teacher material. There is more that government can do in this area and I have set the OCPO a target of savings of R25 billion in the medium-term. Savings such as this will enable government to shift funds towards key areas such as student finance and health services.

Political and economic challenges in the period under review have been a reminder of the role of strong institutions to build our democracy. The National Treasury is one such institution, with a mandate to ensure stable public finances, fairness, transparency and accountability, in line with the tenets of the Constitution.

The Constitution is our guide in all that we do and sets the foundation for a transformed society in which all have dignity and participate meaningfully in the economy. In strengthening the resilience and moral character of the institutions of our democracy, we enable services to be provided to our people impartially, fairly, equitably and without bias.

I am honored and privileged to serve my country in this portfolio. I would like to express my gratitude to the Director-General Mr Lungisa Fuzile, for his leadership of the Treasury and for agreeing to extend his appointment. As Deputy Minister of Finance, Mr Mcebisi Jonas has been a comrade and a valued advisor. I am grateful to the staff of the National Treasury and all the entities in the “finance family” for their hard work on behalf of the people of South Africa. Let us continue to build strong and principled institutions that will be our legacy to future generations.

A handwritten signature in black ink that reads 'Pravin Gordhan'.

Pravin Gordhan

Minister of Finance

PART A: GENERAL INFORMATION – CONTINUED

3. DEPUTY MINISTER'S FOREWORD



Mcebisi Jonas

Deputy Minister of Finance

To build on the economic gains that South Africa has made since the dawn of democracy, the country needs a stable economic environment, strong institutions, a strong and resilient financial system that facilitates meaningful participation by all, regulatory bodies that protect the integrity of that system and ensure it is fair to all, a revenue authority that is trusted by the citizenry. All this must be coupled with prudent financial management of state resources.

The “finance family” entities that South Africa has built over the years exist for the purpose of ensuring that government can create an economically and financially stable country that will meet its developmental objectives.

It is our duty as citizens and government to guard jealously the relative strength and integrity of these institutions so they can perform their mandates without undue influence. The capacity of the state to deliver a better life for the citizens depends heavily on strong institutions.

The survival of our democracy depends on entities such as 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), the South African Special Risks Insurance Association (Sasria) and South African Airways (SAA) outlasting all of us. The maturity of our democracy will depend on these institutions being able to function and execute their mandates without fear or favour.

I would like to highlight some of these. SARS is particularly crucial in collecting the resources that government needs to fund agreed priorities. We are pleased that SARS has consistently met its revenue targets and we commend them for the hard work. But to maintain high tax compliance levels and enhance tax morality during hard economic times like the present, SARS will have to be seen to be above reproach and free from undue influence. Greater care has to be taken to protect the reputation of the institution so it can improve its effectiveness and maintain public trust that may have been affected by developments in the year under review.

The FIC's contribution to combating crime and protecting the integrity of our financial system is a crucial one, in the context of a continent where illicit outflows pose a significant threat to the developmental agenda. In the year under review the

PART A: GENERAL INFORMATION – CONTINUED



FIC has continued to block monies suspected to have been the proceeds of crime, thanks to its intelligence-gathering activities. Parliament passed the amended FICA, a crucial piece of legislation that enables our integration into the world economy and protects the integrity of our countries' financial system and ensures that it's not abused by criminals. We look forward to this law being finalised.

The Land Bank and the DBSA are good examples of the important role that our development finance institutions can play in the economy when they are financially stable. The Land Bank is key to government's agenda of promoting the agricultural sector into a viable industry that has potential to create jobs even in rural areas. The DBSA explores infrastructure development opportunities beyond South Africa that will facilitate regional integration.

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. Its investment approach is aimed at safeguarding and growing GEPP members' value beyond retirement, so that those who have worked for the state can be taken care of in their old age. There have been a number of challenges in the year under review, both economic and political. These challenges notwithstanding, broadly speaking, the entities in the "finance family" have performed their duties in line with their mandates and contributed positively to maintaining South Africa's economic stability. This needs to be maintained in the future to secure our democracy for future generations.

It has been my pleasure to contribute positively to this economic project. I thank management and staff of the "finance family" for their work on behalf of South Africa. I wish to thank the Finance Minister for his support and the Director-General and the staff of National Treasury for putting South Africa first.

A handwritten signature in black ink, appearing to be 'Mcebisi Jonas', with a long, sweeping flourish extending to the right.

Mcebisi Jonas
Deputy Minister of Finance

PART A: GENERAL INFORMATION – CONTINUED

4. REPORT OF THE ACCOUNTING OFFICER



Lungisa Fuzile
Director-General

In the World Economic Outlook published in July 2016, the International Monetary Fund (IMF) revised down its forecast for global GDP growth to 3.1 per cent from 3.2 per cent in April 2016. This underscores the reality of a global economy mired in a protracted period of slow growth, dubbed secular stagnation by some.

South Africa's growth forecast was revised down to an even larger degree. The IMF now anticipates growth of only 0.1 per cent in 2016, down from an estimate of 0.6 per cent made only six months earlier. It is increasingly apparent that domestic factors – structural constraints and low business confidence amongst others – are at the heart of SA's economic performance. While a recovery in commodity prices would assist, a stronger economic recovery in South Africa – and the desperately needed jobs that go with it – requires a determined and united response from South Africans themselves. Some of our economic challenges – skills and electricity shortages or adverse movements in the terms of trade – cannot be remedied in the short-term. This makes it even more urgent that we focus on the challenges that are within our power to address – ensuring policy certainty, restoring investor confidence in the durability of our institutions and addressing structural factors that constrain economic growth.

Low economic growth leads to shortfalls in revenue. If nothing is done to adjust the fiscal path, fiscal consolidation could be derailed as national debt continues to rise. No country can claim true sovereignty if it increasingly relies on debt to fund its programmes.

To ensure that its fiscal objectives are achieved even in the face of economic slowdown, government lowered its expenditure ceiling and announced tax measures to boost revenue. All this was done in a manner that sought to balance the need to protect growth and jobs on the one hand, while also preserving spending on key social programmes on the other hand.

These are tough times! Government must do more with less. Accordingly, the Office of the Chief Procurement Officer (CPO) has instituted a range of measures aimed at reducing the cost at which government buys goods such as learner and teacher support materials, and services such as travel and accommodation. A Central Supplier Database for Government was established on 1 September 2015. Over 100 000 businesses had registered on the system by 1 April 2016.

PART A: GENERAL INFORMATION – CONTINUED



The CPO also launched the eTender portal on 1 April 2015, a web-based platform to advertise bids and to publish bid notices, amendments and awards. The eTender will improve transparency and save costs for government. As these savings are realised, new resources could then be allocated for core public services such as education and health.

The cities are already centres of economic activity where the majority of our population live. To a large extent, our efforts to achieve economic transformation, growth and social inclusion depend on how we reform the urban economy. Through its City Support Programme, the National Treasury has assisted cities to leverage private sector investment in areas such as infrastructure and public transport. We have also finalised a toolkit for the Cities Infrastructure Delivery Management System, which will assist cities with planning and implementing infrastructure projects.

National Treasury also plays an active role in strengthening international co-operation. Ratification of the BRICS Contingent Reserve Agreement's Articles of Association has been finalised, as well as the Articles of Agreement establishing the New Development Bank (NDB). The National Treasury, on behalf of the South African Government, is working towards setting up of the NDB Africa Regional Centre in Johannesburg.

The main challenge in the period under review was the heightened risk of South Africa losing its investment grade credit rating. This risk underscores the urgency with which we should implement the actions and reforms required to reinvigorate the economy. Through working with business and labour, we have averted a downgrade, but we must redouble our efforts in the period ahead, focusing on improving our growth prospects.

Under trying economic and political conditions, the National Treasury has proven its resilience and value to the South African economy. I am grateful to the staff for their support and their dedication in making a contribution to our country. I do not take for granted the personal sacrifice required at times to do this work. I am grateful to Minister Gordhan for his exemplary and unerring leadership, to the deputy minister for his wise counsel and to both of them for their loyalty to the nation.

A handwritten signature in black ink, appearing to read 'Lungisa Fuzile', written over a large, stylized circular flourish.

Lungisa Fuzile
Director-General



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PART A

GENERAL INFORMATION (CONTINUED)

5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT
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9. PUBLIC ENTITIES REPORTING TO THE MINISTER



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PART A: GENERAL INFORMATION – CONTINUED



5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

To the best of my knowledge and belief, I confirm the following.

All information and amounts disclosed throughout the annual report are consistent.

The annual report is complete, accurate and is free from any omissions.

The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.

The annual financial statements (Part E) have been prepared in accordance with the modified cash standard and the relevant frameworks and guidelines issued by the National Treasury.

The Accounting Officer is responsible for the preparation of the Annual Financial Statements and for the judgements made in this information.

The Accounting Officer is responsible for establishing and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources' information and the Annual Financial Statements.

The external auditors are engaged to express an independent opinion on the Annual Financial Statements.

In my opinion, the annual report fairly reflects the operations, the performance information, the human resources' information and the financial affairs of the department for the financial year ended 31 March 2016.

A handwritten signature in black ink, appearing to read 'Lungisa Fuzile', written over a large, stylized circular flourish.

Accounting Officer

Lungisa Fuzile



PART A: GENERAL INFORMATION – CONTINUED

6. STRATEGIC OVERVIEW

6.1. 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.

6.2. 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.

6.3. 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.

PART A: GENERAL INFORMATION – CONTINUED



7. LEGISLATIVE AND OTHER MANDATES

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 PSO 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
- 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.

PART A: GENERAL INFORMATION – CONTINUED

8. ORGANISATIONAL STRUCTURE (ORGANOGRAM)



PRAVIN GORDHAN
MINISTER OF FINANCE



MCEBISI JONAS
DEPUTY MINISTER OF FINANCE



LUNGISA FUZILE
DIRECTOR-GENERAL



11. ANDREW DONALDSON
ACTING HEAD: GOVERNMENT TECHNICAL ADVISORY CENTRE (GTAC)
• Technical Assistance Unit
• Public Private Partnership Unit

PART A: GENERAL INFORMATION – CONTINUED



- Media Liaison & Communications
- Legal Services
- Legislation
- Internal Audit Function
- Chief Risk Officer

1. STADI MNGOMEZULU

HEAD: CORPORATE SERVICES

- Strategic Projects & Support
- Human Resources Management
- Chief Financial Officer
- Information & Communications Technology

2. ANTHONY JULIES

HEAD: ASSET & LIABILITY MANAGEMENT

- Sectoral Oversight
- Liability Management
- Financial Operations
- Strategy & Risk Management
- Governance & Financial Analysis

3. MALIJENG NGQALENI,

HEAD: INTERGOVERNMENTAL RELATIONS

- Local Government Budget Analysis
- Intergovernmental Policy & Planning
- Provincial & Local Government Infrastructure
- Provincial Budget Analysis
- Neighbourhood Development Unit

4. MMAKGOSHI PHETLA-LEKHETHE

HEAD: INTERNATIONAL & REGIONAL ECONOMIC POLICY

- African Economic Integration
- International Finance & Development
- Global and Emerging Markets
- Country and Thematic Analysis

5. 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

6. DONDO MOGAJANE

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

7. ISMAIL MOMONIAT

HEAD: TAX & FINANCIAL SECTOR POLICY

- Financial Sector Development
- Financial Services
- Financial Stability
- Economic Tax Analysis
- Legal Tax Design

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. JAYCE NAIR

ACTING 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)

10. MONALE RATSOMA

HEAD: ECONOMIC POLICY

- Modelling & Forecasting
- Microeconomic policy
- Macroeconomic policy
- Regulatory Impact Assessment

PART A: GENERAL INFORMATION – CONTINUED

9. 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 17 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.

PART A: GENERAL INFORMATION – CONTINUED



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 (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 has collected R1.0699 trillion in taxes. This exceeds the R1.0697 trillion target by R154.07 million set out in this year's budget speech by the Minister of Finance. Achieving the target of a trillion rand is the first for South Africa and SARS.
- Key to this accomplishment is the enhancement of the entity's operating model which has started transforming SARS into an organisation that is adapting to a changing global environment and refocusing the organisation on the execution of its mandate: that of collecting all revenue that is due to the fiscus.
- Despite South Africa facing declining GDP growth, tax revenue collections have outperformed the economy, representing a growth of 8.5% from the 2014/15 fiscal year, and increasing the estimated tax to GDP ratio from 25.8% in Budget 2015, to 26.3% as projected in Budget 2016. This level of tax extraction moved closer to the levels obtained during the commodity boom cycles in the mid 2000s.



PART A: GENERAL INFORMATION – CONTINUED

OFFICE OF THE TAX OMBUD (OTO)

This year marks three years since the inception of the Office of the Tax Ombud as established under the Tax Administration (Act No. 28 of 2011) (TAA). 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 a provision of a tax act by SARS. The Tax Ombud as appointed by the Minister of Finance 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 fulfilling his/her mandate, the Tax Ombud strives to promote fairness and impartiality, to ensure that taxpayers are treated equally in the tax system and increase the level of tax compliance so that, in turn, more resources will be available for socio-economic and infrastructural development.

- More than 80% of tax complaints received are in favour of the taxpayer.
- The OTO attended to more than 2000 complaints from taxpayers.
- Utilisation of the OTO by individual taxpayers continues to increase as we promote and create awareness about its existence, using different communication channels.
- The website is regularly updated and has been improved to promote usability. Educational material about the services of the OTO is continually distributed through various engagements and is in different languages to promote higher levels of comprehension among taxpayers.
- The modes of contact with the OTO continue to improve as taxpayers are able to reach it by telephone, fax, post, email and walk-in visits.
- Engagements, collaboration and education enhanced relationships with industry to the benefit of the taxpayers. The engagements included the following:
 - Roadshows were held in provinces in collaboration with industry bodies such as the South African Institute of Chartered Accountants (SAICA), South African Institute of Professional Accountants (SAIPA) and South African Institute of Tax Professionals (SAIT).
 - The Tax Ombud and CEO participated in international engagements where they exchanged ideas on good governance, taxpayer rights' initiatives and benchmarking of service with the OTO's international counterparts.
 - Media engagements and educational broadcasting on radio, television and online media promoted the services of the OTO to taxpayers at large.

PART A: GENERAL INFORMATION – CONTINUED



FINANCIAL INTELLIGENCE CENTRE (FIC)

(Schedule 3A: National public entity)

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 continuously evolve domestic policy and legislation in order to promote our national interest.

The FIC's achievements in the reporting year included:

- The number of accountable/reporting institutions registered in terms of FIC Act increased to 34 255 (30 461 in 2014/15).
- Ongoing capability improvements have enabled the FIC to manage 9.5 million incoming reports (6.9 million in 2014/15). The information received comprised Suspicious Transaction Reports, Cash Threshold Reports and Terror Property Reports.
- Increased support to the criminal justice system, through the FIC's contribution to 1 979 national and international law enforcement matters (1 799 in 2014/15).
- The value of suspected proceeds of crime blocked increased to R184.6 million (R181 million in 2014/15).
- Ensured supervision and enforcement in terms of the Financial Intelligence Centre Act (Act No. 38 of 2001) (FIC), with 145 risk-based compliance inspections performed (130 in 2014/15). The inspections and compliance documents will guide businesses to have better information at hand to enable quality reporting to the FIC.



PART A: GENERAL INFORMATION – CONTINUED

ACCOUNTING STANDARDS BOARD (ASB)

(SCHEDULE 3A: NATIONAL PUBLIC ENTITY)

The ASB's legislative mandate is to develop uniform standards of generally recognised accounting practice (GRAP) for all spheres of government in terms of section 216 (1) (a) of the Constitution and the Public Finance Management Act, (Act No. 1 of 1999), as amended. A further function of the board is to promote accountability, transparency and the effective management of revenue, expenditure, assets and liabilities of the entities to which the standards of GRAP apply.

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

- Issued 14 pronouncements for the year, the majority of which focused on dealing with reporting on South African specific issues, as identified by stakeholders. These include developing guidance on accounting for land, housing arrangements, principal-agent arrangements and the accounting implications of the custodianship and management responsibilities of government over natural resources.
- Developed a framework that allows entities to assess whether they should apply international financial reporting standards (IFRSs) or GRAP based on the nature of their operations.
- Commented on all pronouncements issued by the International Public Sector Accounting Standards Board, most notably social benefits, and participated in the task groups on revenue, public sector specific financial instruments, and heritage assets.
- Submitted one new standard of GRAP to the Minister of Finance for promulgation of the effective date.

PART A: GENERAL INFORMATION – CONTINUED



CO-OPERATIVE BANKS DEVELOPMENT AGENCY (CBDA)

(Schedule 3A: National public entity)

The CBDA was established in terms of the Co-operative Banks Act (Act No. 40 of 2007). The CBDA's mandate is to create a strong and vibrant co-operative banking sector. Its overarching objectives are to support, promote and develop co-operative banking, and to register, supervise and regulate deposit taking financial services co-operatives, savings and credit co-operatives, community banks and village banks as co-operative banks.

The CBDA's achievements during 2015/16 included:

- Developed online applications and returns portal with 27 CFIs registered. The online portal allows CFIs to submit applications and to submit their returns to the CBDA electronically.
- Diploma in CFI management commissioned with the University of Fort Hare. The current intake is 25 students from the CFI sector and government entities responsible for CFIs. This programme further enhances skills development and capacity building in the CFI sector.
- Published 3 quarterly reviews and 2 connection newsletters.
- Three CFIs were taken live on the banking platform system with funding from the Department of Small Business Department, (via the Small Enterprise Financing Agency) toward the banking platform project.
- Training and mentoring of eight interns who will be absorbed in the CBDA structure in the new financial year (2016/17).



PART A: GENERAL INFORMATION – CONTINUED

FINANCIAL AND FISCAL COMMISSION (FFC)

(Schedule 3A: Constitutional entity)

The mandate of the FFC 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 Financial and Fiscal Commission Act (Act No. 99 of 1997) (FFC); the Intergovernmental Fiscal Relations Act (Act No. 97 of 1997); Money Bills Amendment Procedure and Related Matters Act (Act No. 9 of 2009); Provincial Tax Regulation Process Act (Act No. 53 of 2001); Municipal Fiscal Powers and Functions Act (Act No. 12 of 2007); Borrowing Powers of Provincial Government Act (Act No. 48 of 1996); Municipal Finance Management Act (Act No. 56 of 2003); and the Municipal Systems Act (Act No. 32 of 2000).

In 2015/16 the FFC successfully conducted research, published findings and briefed, advised and participated in Parliament and other spheres of government. This involved the following:

- The submission of 2016/17 Division of revenue bill to Parliament for tabling.
- The submission of Medium-term Budget Policy Statement (MTBPS) in term of Part 1 (3) (1) of FFC Act.
- The submission and briefing on BRICS New Development Bank and Contingency Reserve Arrangements.
- Made a special submission on the Eskom Special Appropriation Bill and Eskom Subordinated Loan Special Appropriation Amendment Bill.

PART A: GENERAL INFORMATION – CONTINUED



INDEPENDENT REGULATORY BOARD FOR AUDITORS (IRBA)

(Schedule 3A: National public entity)

The IRBA was established by an act of parliament in April 2006. Its mandate, as set out in the Auditing Profession Act (Act No. 26 of 2005) is to protect the sections of the public that rely on the services of the 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 IRBA celebrates 10 years of independent audit regulation this year.

- South Africa maintained its number one ranking for the strength of auditing and reporting standards in the World Economic Forum Global Competitiveness Survey for 2015/2016 for the sixth consecutive year. This means that investors are able to rely on financial reports signed off by auditors which will in turn attract more investments to South Africa and help grow the economy.
- The IRBA issued the Public Inspections Report: Striving for Consistent, Sustainable High Quality Audit. The report provides an analysis of key findings arising from firm and engagement inspections performed by the Inspections Department.
- The Audit Development Programme (ADP) was launched in May 2015. As at 31 March 2016, 13 registered candidate auditors (RCAs) had registered on the programme. The ADP provides the IRBA with an opportunity to work with the firms in the development of their quality structures and ensure that the training ground is compliant with ISQC 1.
- As part of the ADP monitoring process, the IRBA has monitored 10 offices. Some of these training offices have already developed action plans based on the IRBA monitoring process.
- The IRBA started researching measures which could be introduced in South Africa to strengthen auditor independence. Some of the measures which the IRBA is considering are:
 - Mandatory audit tendering
 - Mandatory audit firm rotation
 - Joint audits.
- The IRBA conducted an independent survey to explore and quantify factors driving and limiting professional advancement in auditing. The study involved questionnaires completed by a sample of auditing students who are in the process of completing their articles at an accounting or auditing firm, and recently qualified CAs. Findings of the study were presented to the IRBA Board and also shared at the 2nd Annual Audit Educators' workshop held in March 2016.



PART A: GENERAL INFORMATION – CONTINUED

FINANCIAL SERVICES BOARD (FSB)

(Schedule 3A: National public entity)

The Financial Services Board (FSB) was established by the Financial Services Board Act, (Act No. 97 of 1990), to be the prudential and market conduct regulator of the South African non-banking financial services industry. In this capacity the FSB is 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 protect the investing community. In line with the twin peaks model of financial regulation the FSB will cease to exist in its current form and will transition to become the market conduct regulator of the financial services industry. The enabling legislation, the Financial Sector Regulation Bill, was tabled in parliament on 27 October 2015. When enacted it will establish the Financial Sector Conduct Authority (FSCA). The FSB will transition to become the FSCA.

Highlights of the 2015/16 financial year include the following:

- There was a positive response from the Hedge Fund industry to the call for registration with 21 hedge fund management companies, collectively representing in excess of 280 hedge fund portfolios, submitting applications to the FSB.
- To date, five applications have been presented to the FSB's Licensing Committee with all five being approved with a further four being finalised for consideration over the next month.
- Through its consumer education department, the FSB continued to utilise a variety of methods to target consumers of financial services and products with its array of educational interventions. These included the use of workshops, development of materials, various media, exhibitions and a consumer education website.
- During the 2015/16 financial year the department held 218 workshops, 29 exhibitions, 40 media activities and developed six new consumer education resources.

PART A: GENERAL INFORMATION – CONTINUED



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 (Act No. 37 of 2002) (FAIS). The FAIS Ombud is a Schedule 3A entity in terms of the PFMA and reports to the Board of the Financial Services Board. Its mandate flows directly from section 20 of the FAIS Act, that being to resolve complaints in an economical, informal and expeditious manner. A further mandate is derived from the Financial Services Ombud Schemes Act (Act No. 37 of 2004).

- During the 2015/16 financial year, the FAIS Ombud's office received 9 891 complaints, an increase of 9.9 per cent from the previous year.
- The FAIS Ombud resolved 8 081 cases in the same year.
- The quantum of cases settled and determined increased from R46.6 million in 2014/15 to R50.2 million in 2015/16.
- The number of justiciable complaints increased by 15.3 per cent from the previous year, amounting to 4 263 justiciable complaints.



PART A: GENERAL INFORMATION – CONTINUED

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 (Act No. 24 of 1956). 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; to investigate complaints in a procedurally fair manner; reaching a just and expeditious resolution in accordance with the law; to incorporate innovation and proactive thought and action in its activities; and to support, encourage and provide opportunities for individual growth. The OPFA has jurisdiction only over funds that are registered under the Pension Funds Act.

The OPFA achieved the following in the 2015/16 financial year:

- A record number of complaints were lodged with the OPFA. This was due to a combination of stakeholder outreach programmes undertaken by the OPFA and the communication regarding unclaimed benefits held by pension funds.
- A total of 9 667 new complaints were received, 1 544 matters were settled, three complaints were settled through conciliation, 3 476 complaints were formally determined, and 3 438 complaints reported were out of the OPFA's jurisdiction.
- There were also an increased number of complaints from members of the Government Employees Pension Fund, which the OPFA does not have jurisdiction over. A total of 14 appeals were lodged against the determinations of the OPFA in terms of section 30P of the Pension Funds Act.

PART A: GENERAL INFORMATION – CONTINUED



GOVERNMENT PENSIONS ADMINISTRATION AGENCY (GPAA)

(Schedule 3A: National public entity)

The GPAA was established in terms of the Government Employees Pension Law, 1996, as amended; the Temporary Employees Pension Fund Act (Act No. 75 of 1979); the Associated Institutions Pension Fund Act (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 (Act No. 84 of 1976); injury on duty payments in terms of the Compensation for Occupational Injuries and Diseases Act (Act No. 130 of 1993); and special pensions in terms of the Special Pensions Act (Act No. 69 of 1996). The GPAA also provides pension administration services on behalf of the 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 has developed a roadmap for improving its administrative efficiency, with 100% of benefits paid accurately.
- 84% were paid on time after receipt of duly completed documentation.
- 92% of core business processes have been mapped, which is a combination of as-is and to-be processes.
- Mobile units have been deployed to all provinces, resulting in better client access to services in rural areas.
- The GPAA administered benefits on behalf of the GEPF, with membership of 1 269 948 in the past year. Contributions of approximately R60.3 billion were received in 2015/2016 and benefits of approximately R87.7 billion were paid to clients and beneficiaries.

The initiatives that were high on the agenda were:

- Stakeholder management to enhance employer department support and improvement on payment turnaround time.
- Establishment of backlog committee to focus on delayed payments.



PART A: GENERAL INFORMATION – CONTINUED

GOVERNMENT EMPLOYEES PENSION FUND (GEPF)

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

The 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. GEPF has more than 1.2 million active members, and around 406 395 pensioners and beneficiaries

PART A: GENERAL INFORMATION – CONTINUED



DEVELOPMENT BANK OF SOUTHERN AFRICA (DBSA)

(Schedule 2: Major public entity)

The DBSA is a state-owned entity with the purpose of accelerating sustainable socio-economic development and improving the quality of life of the people of the Southern African Development Community (SADC) by driving financial and non-financial investments in the social and economic infrastructure sectors.

Progress in terms of key objectives in the 2015/16 financial year included:

- The Bank recorded disbursements of R17.8 billion (2014/15: R13 billion) during the 2015/16 year. Overall disbursement levels for the 2015/16 financial year was R700 million lower than the target level of R17.8 billion.
- The DBSA approved infrastructure funding amounting to R23.5 billion during the 2015/16 financial year and committed an additional R17.9 billion. This will ensure a continued pipeline of projects that can be supported by the Bank.
- Of the R3.5 billion disbursed to the African continent, R3.3 billion was disbursed to the Southern African Development Community (SADC). This means that the full year disbursement to the African continent (excluding SADC) amounted to R200 million.
- The DBSA achieved its financial sustainability goals for the 2015/16 financial year. Sustainable earnings exceeded the yearly target by R489 million mainly as a result of net interest income exceeding its yearly target by R789 million as well as lower than forecast operating expenses.



PART A: GENERAL INFORMATION – CONTINUED

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 (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 2016 the assets under management were valued at R1.85 trillion, a slight increase from the previous year's R1.813 trillion. This figure represents almost one half of the South African GDP, thus making the PIC one of the most influential organisations in the South African economy.

Achievements in the 2015/16 financial year included:

- Approximately 13 200 jobs were created.
- Investments in renewable energy generated an additional 302 megawatts of electricity, resulting in 2 319 megawatts of electricity being generated since inception of the programme.
- In excess of 12 500 student loans were approved and disbursed.
- Approximately 220 Small Medium Enterprises (SMEs) were funded through intermediaries funded from the unlisted investment portfolio.
- A facility of R11 billion was developed and approved towards SA Home loans for housing end-user financing for members of the Government Employees Pension Fund (GEPF).
- More than a total of R57 billion of trades (64% of our brokerage) were given to stock brokers that are majority owned by black people.

PART A: GENERAL INFORMATION – CONTINUED



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 (Act No. 15 of 2002). It is aligned with government's developmental objectives which promote, among 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 disbursements to clients during the period under review amounted to R1.3 billion which is 62% lower than the R3.4 billion disbursed in 2014/15 financial year;
- The Bank's capital adequacy ratio improved to 27.1 per cent, above the 20 per cent target, and cost-to-income ratio slightly increased to 63.6% (or 57.1% excluding costs related to the organisational review) when compared to 57.4% in the 2014/15 financial year.
- The loan book quality was healthy at 5.2 per cent which is below the targeted limit of 6.3 per cent.
- The Bank recorded a net interest income of R1 087 million, 2 per cent higher than the R1 068 million net interest income generated in the 2014/15 financial year.
- The Bank's operating expenses increased by 32 per cent to R695.5 million (2015: R528.8 million) which is largely driven by the organisation review cost amounting to R57.8 million. The Bank's comprehensive income decreased to R117.2 million representing a 60 per cent decline from previous year (2015: R292.4 million).



PART A: GENERAL INFORMATION – CONTINUED

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 (Act No. 56 of 1989), the Conversion of SASRIA Act (Act No. 134 of 1998), and continual engagement with the National Treasury.

Key achievements during the year under review include:

- Gross written premium income increased from R1.52 billion to R1.67 billion during 2014/15, a 10.2% increase.
- 64% per cent of the claims received during the financial year have been finalised. The closure ratio has increased by 36%. This resulted in the achievement of the turnaround times targets, 86.5% of claims under R0.250 million were settled within 30 days and 67.5% of large losses were settled within 60 days.
- Reduction in staff vacancy rate from 16% to 6.4% when compared to the same period last year.
- 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 R5.3 billion in 31 March 2016.
- 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 R183.2 million during the year under review, demonstrating the company's sustained commitment to shareholder value.

PART A: GENERAL INFORMATION – CONTINUED



SOUTH AFRICAN AIRWAYS

(Schedule 2: Major public entity)

On 2 April 2013 SAA provided the (then) Minister of Department of Public Enterprises with a Long-Term Turnaround Strategy (LTTS). This was refined by the Board of SAA and a 90 day action plan was proposed, beginning mid-November 2014, to return the company to relative stability. Progress has been made in multiple areas of the LTTS, with some of the initiatives implemented by SAA as follows:

- **Wide body fleet:** The replacement/renegotiation of SAA's wide body fleet is a critical pillar of SAA's turnaround strategy as the current operating cost is a concern. SAA has successfully extended the lease terms of the remaining five wide-body leased aircraft, with approximately 50% reduction in lease rental, and 98% reduction in return conditions.
- **Narrow body fleet:** The leases of three A319 aircraft were successfully extended, with approximately 31% reduction in lease rental and 30% reduction in return conditions.
- **Cost Compression:** On top of R3.3 billion cost savings realised in the three financial years, including the 2016 financial year, an additional saving of R1.2 billion has been targeted over the next two years.
- **Human capital development and organisational redesign:** Performance management was identified as one of the key pillars of a successful turnaround of the organisation, and significant progress has been made in this respect. The development of an Integrated Performance Management Framework Policy has been completed and an HR Strategy for the financial years 2016 to 2019 has been developed.
- **Headcount rationalisation process:** The headcount rationalisation process within SAA and SAA Technical (SAAT), which began in April 2015, has been concluded. A total of 242 voluntary severance packages (VSPs) were approved in SAA, and 94 in SAAT, amounting to savings of R134.4 million versus a target of R181 million. The balance will flow through to 2016/17 due to an initial delay in negotiations. The process was successfully finalised without any employees being retrenched.
- **Air Chefs:** In the 2015/16 year Air Chefs has focused on various initiatives to turn the business around. The key focus areas were cost of sales, revenue improvement and labour cost reduction. Improvements have been made on all these fronts. Excluding once-off retrenchment costs, Air Chefs is showing positive results. Remaining challenges are Air Chefs inability to get new business as a result of the current poor infrastructure and the cost of maintenance of equipment. As a result a request for information (RFI) has been sent to the market to explore strategic options, the outcome of which will be shared with the shareholder once the process has been completed and approved by the Board.
- **Risk and fraud management:** Risk management activities within SAA are guided by the Group Risk Policy and Framework. This policy is aligned to ISO31000 and is reviewed annually. The policy has undergone a review in consultation with the shareholder and was approved in March 2016. The changes identified in the policy will be implemented during the 2016/17 financial year.

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ANNUAL REPORT

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PART
B

PERFORMANCE INFORMATION



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

PART B: PERFORMANCE INFORMATION



1. AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The AGSA currently performs certain audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with material findings being reported under the Predetermined Objectives heading in the Report on other legal and regulatory requirements section of the auditor's report.

Refer to page 231 of the report of the Auditor-General, published as Part E: Financial information.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 Service Delivery Environment

The 2015/16 financial year was a challenging one for South Africa and a year in which the country met both external and domestic challenges that impacted negatively on global perceptions. This posed a particular challenge (and opportunity) to showcase South Africa positively at international forums such as the World Economic Forum and the OECD.

In the past year, the perceptions of risk associated with lending or investing in South Africa have increased. Deterioration in the credit rating outlook towards the end of 2015 was followed by unanticipated changes in the finance portfolio, impacting on investor confidence and raising concerns about fiscal probity. The yield on 10-year government bonds – an indicator of the cost of government borrowing – surged by nearly two percentage points. While declining soon after the mid-December spike, the borrowing rate is trending on a higher plateau. Debt-service costs have increased by R15.3 billion over the next two years.

Business confidence is at its lowest point since the 2009 recession, reflected in slowing private investment. Consumer confidence is equally at historically low levels and demand for durable goods is subdued. South Africa's GDP growth rate is expected to recover gradually over the medium-term as electricity availability improves and confidence returns.

But in the absence of action to restore confidence in fiscal sustainability, the recovery risks being cut short is challenging as deteriorating conditions create a vicious cycle of lower growth, declining incomes, rising inflation, capital outflows, further currency depreciation, rising interest rates, and falling investment and consumption.

Fiscal constraints were more binding than anticipated at the outset of the budget process leading up to the 2016 Budget. As GDP growth stagnated over the 2015 calendar year, the initial revenue forecasts disappointed and the aggregate government expenditure ceiling forward estimates for the three upcoming financial years had to be reduced. This resulted in line department budgets being reduced over the three years of the 2016 MTEF, late in the budget process leading up to the 2016 Budget Day.



PART B: PERFORMANCE INFORMATION – CONTINUED

Adverse economic pressures post the tabling of the MTBPS required further adjustments of R25 billion to government's medium-term spending plans, which was implemented just before the tabling of the 2016 Budget. In order to achieve the reduction of R10 billion for 2017/18 and R15 billion for 2018/19, an extraordinary process needed to be invoked in January 2016. Line departments co-operated and the Estimates of National Expenditure and provincial departmental budgets reflect the details of the appropriations adjusted after the MTBPS. Given the lateness of these changes, it is anticipated that some line departments will need to plan carefully in order to spend within their 2016/17 budget and compensation ceilings.

Various intergovernmental forum and task team structures were used during the reporting period to enhance intergovernmental collaboration and discussion on various issues impacting on the provincial and local government fiscal frameworks (equitable share, conditional grants and own revenues)

Cabinet has recently resolved that national departments that intend to introduce new policy, legislation and regulations must conduct a Socio-Economic Impact Assessment (SEIAS) before such policy/legislation/regulation is submitted to Cabinet for approval. Due to this new requirement, the formal consultations on the draft policy framework for development charges and draft Municipal Fiscal Powers and Functions Amendment Bill had to be delayed. A draft SEIAS report on development charges has been developed and submitted to the Department of Monitoring and Evaluation (DPME) for certification. Discussions are underway with DPME to finalise the report.

The re-demarcation of municipal boundaries has made the allocation of funds in the Division of Revenue Act as well as the provision of support to provinces and municipalities significantly more complicated in 2016/17.

The Department of Rural Development and Land Reform promulgated the Spatial Land Use and Management Act (Act No. 16 of 2013) which makes provision for the levying of development charges by municipalities. However, the legislation does not prescribe how these development charges should be levied. This necessitated the development of a policy framework on development charges.

It should be noted that National Treasury Programme 7 is unique in that it is administered on behalf of the National Treasury by the Government Pensions Administration Agency (GPAA). The programme administers diverse portfolios of non-contributory funds. Pensioners and beneficiaries total 118 900 as at end of the financial year 2015/2016. The increase in post-retirement medical subsidies by 28,5% presented the administration with challenges, namely, fiscal constraints, medical aid schemes consultation and changes to systems, an increase in the numbers of applicants for the subsidy and a need to conduct internal training for regional office personnel.

The military medical accounts sub-section is experiencing service delivery pressures due to lack of skilled personnel, appropriate systems and processes and lack of industry protocol policy to reduce rejections of invoice for services already consumed.

PART B: PERFORMANCE INFORMATION – CONTINUED



2.2 Service Delivery Improvement Plan (SDIP)

- The department has not yet completed its SDIP

2.3 Organisational environment

The executive structure of the department has experienced significant developments with the re-deployment of Minister Pravin Gordhan as Minister of Finance. This caused no disruption to the department's ability to deliver on its objectives and mandate continued seamlessly under his leadership. Both the positions of Accountant-General (AG) and Chief Financial Officer (CFO) became vacant during the reporting period, and acting appointments were made from within the strong National Treasury talent pool to ensure that the operations of these critical functions continued unimpeded. Subsequently a new CFO was appointed and interviews to appoint an AG were held.

The year under review focused on stabilising and adjusting the funded staff establishment of the department in line with the available budget and programme needs. In this regard, there has been a drive to capacitate the office of the Chief Procurement Officer and the Intergovernmental Relations Divisions to ensure the achievement of their objectives. The talent pipeline of the department has been strengthened through the department's internship, learnership and bursary programmes, facilitated through the Graduate Development Programme and Chartered Accountant's Academy.

As indicated in the Service Delivery Environment, Programme 7 is unique in that it is administered on behalf of the National Treasury by the Government Pensions Administration Agency (GPAA) and their environment was tested by a series of changes. In military pensions, the GPAA has experienced increased retirements of employees which resulted in the flight of institutional memory.

The employment of the new CEO in August 2015 ensured that the moratorium for vacant positions was lifted, thereby allowing many positions that were either frozen or not filled to be advertised and filled. The CEO also ensured the stabilisation of the employee environment, stakeholder management activities and improved service delivery to our clients and customers.

2.4 Key policy developments and legislative changes

No major changes to NT policies were made

PART B: PERFORMANCE INFORMATION – CONTINUED

3. STRATEGIC OUTCOME ORIENTED GOALS

Strategic outcome	Achievement to date towards the achievement of the 5 year targets
<p>Programme 1 ensures effective leadership, strategic management and administrative support to the National Treasury through continuous refinement of organisational strategy and structure in line with appropriate legislation and best practice.</p>	<p>The National Treasury has been successful in delivering on its mandate over the past financial year; this was achieved through diligent and continuous improvement in effective leadership and strategic management.</p>
<p>Programme 3 aims to promote growth, social development and poverty reduction through sound fiscal and financial policies and through effective, efficient and appropriate allocation of public funds to address government's policy priorities. It aims to achieve these objectives by:</p> <ul style="list-style-type: none"> • Providing analysis and advice on fiscal policy and public finances, intergovernmental financial relations and expenditure planning and priorities. • Managing the annual budget process and providing public finance management support. 	<p>The 2016 Budget proposals respond actively to the changed circumstances since the tabling of the 2015 MTBPS. The budget deficit will narrow from 3.2 per cent in 2016/17 to 2.8 per cent in 2017/18 and 2.4 per cent the following year. In 2016/17, for the first time since the 2009 recession, government will achieve a consolidated primary surplus: revenue will exceed non-interest spending. Relative to projections contained in the 2015 MTBPS, these steps will lead to additional fiscal consolidation of R18.1 billion in 2016/17, R25 billion in 2017/18 and R30 billion in 2018/19</p> <p>The annual budget process was managed effectively and the aggregate expenditure ceiling was adhered to in the budget allocations. Funding was provided for government's priorities despite the fiscal constraints by reallocating budgets to higher priorities. In addition, the aggregate expenditure ceiling was lowered, reducing expenditure planned for the 2016 MTEF period by line departments.</p> <p>As a result of policy analysis, an <i>early childhood development grant</i> was introduced in the 2016 MTEF to harness the overwhelming evidence that links early childhood intervention to better education outcomes, income potential and promotes growth and social development.</p>
<p>Programme 4 manages government's annual funding programme in a manner that ensures prudent cash management and an optimal portfolio of debt and other fiscal obligations. This programme also seeks to promote and enforce prudent financial management of state owned entities through financial analysis and oversight.</p>	<p>ALM was able to finance government's gross borrowing requirements for the first two years and strategies are in place to finance the borrowing required for the remaining three years. The corporate plans of public entities were reviewed annually to assess their alignment with government's priorities, financial sustainability and soundness of governance to identify risks and enabling mitigating actions to be taken. Borrowing limits and guarantee facilities were approved and closely monitored. Major transactions, tariff applications and remuneration trends were analysed. The public entities' performance was assessed through a review of their annual reports. In 2015/16, 32 corporate plans and 30 annual reports of public entities and development funding institutions (DFIs), and nine corporate plans and nine annual reports of water boards were reviewed.</p>

PART B: PERFORMANCE INFORMATION – CONTINUED



Strategic outcome	Achievement to date towards the achievement of the 5 year targets
<p>Programme 5 is made up of two divisions: the Office of the Accountant-General and the Office of the Chief Procurement Officer. This programme facilitates accountability, governance and oversight by promoting effective, efficient, economic and transparent management of revenue, expenditure, assets and liabilities across all spheres of government and public entities.</p>	<p>In our efforts of modernising the public sector procurement, the OCPO has introduced the Central Supplier Database for Government and eTender portal.</p> <p>On the SCM Governance, Monitoring and Compliance, 218 bid specifications were reviewed, 102 procurement plans were aligned, and 219 BEC/BAC minutes were reviewed to ensure compliance with evaluation criteria /scoring. 127 projects were visited and 192 contracts were reviewed in terms of physical verification of infrastructure.</p> <p>Strategic Procurement Framework has been drafted and developments on sourcing strategies were also made on medical equipment, mobile and fixed line communications, travel and accommodation project, national travel policy framework, car hire and travel buy site. 14 Transversal contracts were renewed; industry research is to intensify for open competition.</p> <p>Standard for Infrastructure Procurement and Delivery Management were developed and issued. PPPFA Regulations have been revised. Stakeholder and Client management function has also been established to ensure that government stakeholders are informed of the public sector SCM matters.</p>
<p>Programme 6 manages South Africa's interests in shaping regional and global policies which advance the economic, financial and development objectives of the country and those of Africa as a whole.</p>	<p>The New Development Bank has approved the first loans with ESKOM receiving a loan of US\$ 180 million.</p> <p>AU Scale of Assessment : A new financing framework for the Africa Union was adopted in an effort to reduce the reliance on development partners to finance the activities of the Africa Union.</p> <p>The SACU Council and Summit was convened in November 2015 (for the first time in 2 years)</p>
<p>Programme 7 provides for the processing and payment of pensions to members and their dependants in terms of various statutes, collective bargaining agreements and other commitments.</p>	<p>The programme achieved more than 90% of its SLA indicators and, in terms of Internal and external audit findings, 81% was achieved</p>

PART B: PERFORMANCE INFORMATION – CONTINUED

Strategic outcome	Achievement to date towards the achievement of the 5 year targets
<p>Programme 8 provides 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.</p>	<ul style="list-style-type: none"> • Establishment of the Government Technical Advisory Centre to consolidate the National Treasury's advisory and project management support activities. • Technical and advisory support for 189 projects during 2015/16, including the Basic Education and Mining Phakisa processes. • Internal audit established in all municipalities, and significant improvements in municipal audit outcomes. • 355 neighbourhood development projects in 65 municipalities, and 258 township projects completed. • R5.5 billion in Jobs Fund project allocations, out of R9 billion programme total. • 78 172 permanent jobs created out of programme target of 150 000 (52%).

Significant achievement with regard to the national outcomes

National outcome	Indicator	Target	Achievement
Outcome 4: Decent employment through inclusive economic growth	Net loan debt as a percentage of GDP.	42.5% (R1 781.3 bn)	44.3% (R1 800 bn)
	Value of government gross annual borrowing.	R204.5 bn	R202.1 bn
	Total number of new jobs contracted for approved and active projects in the Jobs Fund.	140 000	129 018
	Number of training placements contracted with active private companies in the Jobs Fund per year.	160 000	223 750
	Number of placements contracted with project partners in the Jobs Fund (cumulative inception to date and still active) per year.	70 000	88 833
Outcome 8: Sustainable human settlements and improved quality of household life	Total estimated third-party investment leveraged.	R3 bn	R4.180 bn
	Number of long-term urban regeneration programmes registered per year.	18	18
Outcome 9: Responsive, accountable, effective and efficient developmental local government system	Number of <i>neighbourhood development partnership grant</i> projects under construction per year.	40	61
Outcome 12: An efficient, effective and development oriented public service	Percentage of identified transversal contracts with strategic sourcing principles introduced per year.	100% (14)	100% (14)
	Number of individuals trained per year to assist with the implementation of financial management reforms.	1000	1380

PART B: PERFORMANCE INFORMATION – CONTINUED



4. PERFORMANCE INFORMATION BY PROGRAMME 2015/16

4.1 PROGRAMME 1: ADMINISTRATION

Purpose

The programme ensures effective leadership, strategic management and administrative support to the National Treasury through continuous refinement of organisational strategy and structure in line with appropriate legislation and best practise.

Measurable objective

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

Programme's sub-programmes

The programme is divided into four sub-programmes:

- The Ministry sub-programme incorporates the Office of the Minister of Finance and includes parliamentary and ministerial support services.
- The Deputy Minister sub-programme incorporates the Office of the Deputy Minister of Finance and support services.
- The Management sub-programme incorporates the Office of the Director-General and related support services (Strategic Planning, Monitoring and Evaluation, Communications, Legal Services, Legislation, Internal Audit and Enterprise Risk and Security Management).
- The Corporate Services sub-programme 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 2015/16 as part of the three-year rolling plan as approved by the National Treasury Audit Committee.

There were 50 planned audits for the 2015/16 financial year. Nine planned audits were postponed to the next financial year with approval by the audit committee. A total of 41 planned and 14 ad-hoc reviews were completed within the predetermined timeframes, representing 100 per cent completion of the approved 2015/16 audit plan. All reviews were



PART B: PERFORMANCE INFORMATION – CONTINUED

conducted in accordance with International Standards for the Professional Practice of Internal Audit, issued by the Institute of Internal Auditors (IIA).

Recommendations for leading practices provided during the independent external quality assurance review that was conducted on the function during the 2014/15 financial year have been implemented through the unit's quality assurance and improvement programme. The function strives to maintain the highest possible rating of general conformance to the definition of internal auditing, International Standards for the Professional Practice of Internal Auditing, the Code of Ethics of the Institute of Internal Auditors and applicable legislation, as well as to ensure that it continues to perform consistently above average as measured against leading global internal audit functions.

Enterprise Risk Management in an institution is effective if identified risks continuously remain on the radar of senior management. During the year under review the focus has been to ensure that the risk management culture of NT continues to mature. Risk management continues to be an agenda item at EXCO meetings of NT, and this approach has been extended to divisional meetings where risk management matters are considered and emerging risks are discussed and dealt with timeously.

The business continuity function has been dealing with emerging risks that could disrupt business operations and damage the reputation of NT. The business continuity unit has commenced with phase two of a three phase business continuity strategy with the department now having two business continuity sites established with a third site in the feasibility study phase.

Prevention of fraud and corruption remains high on the agenda of NT. During the year under review NT held a very successful commemoration of International Anticorruption Day, focusing on breaking the chain of corruption. The establishment of an anticorruption database which will improve fraud profiling and proactively reduce the risk of fraud has further enhanced the unit's functionality.

Vetting of employees is an important part of prevention of fraud and corruption. The National Treasury uses a two-step approach to vet its employees. All candidates who attend interviews are pre-screened, followed by a full vetting process. In the current year, the target for vetting of employees was 310 out of the identified list of employees and 241 vetting files were submitted to the state security agency. The vetting unit has been capacitated with additional resources in order to further improve the vetting statistics of the institution.

Human Resources (HR) provided an integrated approach to attracting, engaging and developing talent across the department, resulting in a highly skilled workforce with a strong performance culture leading to 89 internal promotions during the period.

The department conducted a comprehensive employee engagement survey which yielded a 77% response rate with positive results. Together with the 87% retention rate for the year, this supports the department's goal to be considered the employer of choice.

The graduate development programme continues to provide a strong talent pool for future selection purposes, with 74 interns employed and 15 external bursaries provided to students. The department has increased its focus on gender mainstreaming with 56% of employees accessing development programmes.

PART B: PERFORMANCE INFORMATION – CONTINUED



The Siyaphila lifestyle programme, which contributes to a healthy work environment, continued to receive strong support during the year, with employees taking an active role in ensuring a balanced work life and prioritising health and wellness.

The National Treasury closed its financial books ahead of all national and provincial departments on 5 April 2016. The Financial Management team processed 98 per cent of supplier payments in an average of nine days from receipt of an invoice. The unit applied strategic sourcing effectively and efficiently in curbing deviations and non-compliance cases. The unit successfully reviewed 68 per cent of NT contracts. In addition, accurate semi-annual and annual tax reconciliations were submitted to SARS six weeks before the closing date.

Strategic Projects and Support focused on preserving the institutional memory of the department by identifying, documenting and supporting the review, development and implementation of knowledge asset strategies. They ensured that explicit knowledge assets are structured, classified, stored and retrieved in line with the National Archives of South Africa Act (Act No. 43 of 1996). Training workshops were conducted to increase awareness on the importance of record keeping and knowledge sharing. A manual on the Promotion of Access to Information Act (Act No. 2 of 2000) (PAIA) was developed to ensure that the National Treasury information is accessible to the public. Nineteen requests were received and facilitated in line with PAIA.

In responding to fiscal consolidation there has been a focus on enhancing oversight and accountability within public entities by reviewing 40 quarterly reports, 10 annual reports and 10 strategic plans during the period under review. As part of the process to ensure active oversight, onsite visits to public entities were conducted. Three Chief Financial Officer forums were held, to share best business practice.

Information and Communication Technology (ICT) continued with the formalisation of ICT governance in line with the Corporate Governance of ICT Policy Framework (CGICTPF). The unit implemented several projects to enhance service delivery, including internet upgrade, local area and wide area network upgrades and the procurement of server and storage infrastructure which supported the budget process and other NT mandates. The unit also optimised the email system by upgrading to a newer exchange version and enforcing email maintenance policies. It supported key NT ICT service delivery initiatives such as the roll out of the Central Supplier Database and migration of ALM Systems from Mainframe to Wintel. The ICT Unit also assisted in setting up the ICT services of the New Development Bank's Africa Regional Centre in Johannesburg.



PART B: PERFORMANCE INFORMATION – CONTINUED

PROGRAMME 1 ADMINISTRATION

Performance Information Plan 2015/16 and prior year 2014/15 audited information		Performance analysis 2015/16	
Indicator	Actual achievement 2014/15	Target 2015/16	Actual
Strategic Objective: Provide integrated business solutions			
<ul style="list-style-type: none"> Cost efficient management of goods and services. 	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Savings in goods and services 	<ul style="list-style-type: none"> A saving of R4 925 306.40 against expenditure of R657 212 685.63 was attained for April to March 16. This result in a saving of 0.7%.
<ul style="list-style-type: none"> Provide an effective and efficient information and communication technology (ICT) service. 	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> Strategic alignment of business and ICT and 80% of approved solutions deployed with 95% compliance to SLA/OLA 	<ul style="list-style-type: none"> LAN migration in 240 Madiba, 40 Church and Cape Town. Implementation of hosted SharePoint applications for business. <p>SLA/OLA</p> <ul style="list-style-type: none"> Allocating technicians dedicated floors (ICT Business Partners) assisted in improving the overall turn-around times. Migrating email databases to new infrastructures improved performance. Close monitoring SLA performance by management improved service delivery.

PART B: PERFORMANCE INFORMATION – CONTINUED



Performance Information Plan 2015/16 and prior year 2014/15 audited information		Performance analysis 2015/16	
Indicator	Actual achievement 2014/15	Target 2015/16	Actual
Strategic Objective: Provide integrated business solutions			
<ul style="list-style-type: none"> Retain appropriately skilled personnel. 	<ul style="list-style-type: none"> 93.3% of positions filled 	<ul style="list-style-type: none"> 92% of positions filled 	<ul style="list-style-type: none"> 91% of positions filled
	<ul style="list-style-type: none"> 90.2% retention rate 	<ul style="list-style-type: none"> 87% retention rate 	<ul style="list-style-type: none"> 89% retention rate
<ul style="list-style-type: none"> Business Continuity Management (BCM) facility established and fully functional (People, Systems and Assets). 	<ul style="list-style-type: none"> Temporary life recovery solution provided 	<ul style="list-style-type: none"> Provide a permanent life recovery solution for Assets and Liabilities Management division's new back office system. 	<ul style="list-style-type: none"> Permanent recovery solution for ALM provided by putting infrastructure that allows the replication of the back office system at SITTA, Centurion. Ongoing enhancement of the back office system will also be incorporated into the new infrastructure on regular basis. System backups to restore the system have been created and stored in a safe environment.
			<ul style="list-style-type: none"> The target has been exceeded by 2% due to the retention of employees through the implementation of NT retention framework and 69 promotions within the organisation.
			<ul style="list-style-type: none"> Reasons for not achieving targets include: <ul style="list-style-type: none"> 9% vacancy rate includes 2% for positions (31 posts) that became vacant with the latter quarter of the financial year. For retention and development purposes, our positions were mainly filled by internal candidates through internal promotions and this has affected a vacancy rate. Funded positions increased from 1 218 to 1 341 (NT structure grew by 57 positions: 4%)
			<ul style="list-style-type: none"> N/A



PART B: PERFORMANCE INFORMATION – CONTINUED

PROGRAMME 1 ADMINISTRATION - continued

Performance information Plan 2015/16 and prior year 2014/15 audited information		Performance analysis 2015/16	
Indicator	Actual achievement 2014/15	Target 2015/16	Actual
Strategic Objective: To ensure good governance and a sound control environment			
<ul style="list-style-type: none"> Implement Enterprise Risk Management (ERM) strategy and vetting of identified employees. 	<ul style="list-style-type: none"> 100% of the Enterprise Risk Management Strategy implemented 36% of identified employees were vetted for the year 	<ul style="list-style-type: none"> 100% implementation of enterprise risk management strategy Implementation of 50% vetting of identified employees 	<ul style="list-style-type: none"> 95.5% of ERM strategy implemented. The department has achieved 39% of its 50% target. A total of 620 employees were identified for vetting purpose during the 2015/16 financial year. The target set to be vetted in the 2015/16 financial year was 50% (310) of the (620) identified employees. The forms distributed to the employees amounted to 484; of the forms distributed a total of 241 were received and were subsequently submitted to State Security Agency (SSA).
			Reason for variance or deviation <ul style="list-style-type: none"> The 4th quarter RMC meeting did not convene and a Risk Awareness Survey was not distributed. The target is not achieved due to a slow return of forms from employees and unavailability of employees' references for interview.

PART B: PERFORMANCE INFORMATION – CONTINUED



Performance Information Plan 2015/16 and prior year 2014/15 audited information		Performance analysis 2015/16	
Indicator	Actual achievement 2014/15	Target 2015/16	Actual
Strategic Objective: To ensure good governance and a sound control environment			
<ul style="list-style-type: none"> Retention of intellectual capital and institutional memory – Knowledge Management (KM). 	<ul style="list-style-type: none"> Policies and frameworks approved Complete implementation plan 	<ul style="list-style-type: none"> Implement, monitor and evaluate piloted projects 	<ul style="list-style-type: none"> Evaluation of the current pilot projects (business process mapping in CS, knowledge harvesting in IGR and divisional portals EP and ALM) was carried out.
		<ul style="list-style-type: none"> Integrated records management in NT 	<ul style="list-style-type: none"> Research was conducted and best practice in terms of the National Archives and Records Service of South Africa was identified. The records retention policy was reviewed and a new record keeping policy was drafted and submitted for approval. Record keeping business processes and procedures were developed.
<ul style="list-style-type: none"> Exercise oversight over public entities to enable the achievement of government policy objectives in a financially sustainable manner. 	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> Tabling of public entities strategic and annual performance plans 	<ul style="list-style-type: none"> The Minister tabled the Public Entities' Strategies and Annual Performance Plans.
		<ul style="list-style-type: none"> Public entities quarterly report submissions to Minister 	<ul style="list-style-type: none"> All quarterly reports were submitted to the Minister in compliance with NT Regulations, 30 days after submission from the entities.



PART B: PERFORMANCE INFORMATION – CONTINUED

PROGRAMME 1 ADMINISTRATION - continued

Performance Information Plan 2015/16 and prior year 2014/15 audited information		Performance analysis 2015/16	
Indicator	Actual achievement 2014/15	Target 2015/16	Actual
Strategic Objective: To ensure good governance and a sound control environment			
<ul style="list-style-type: none"> Implement the risk-based internal audit plan. 	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> 100% implementation of the annual risk-based internal audit plan 	<ul style="list-style-type: none"> The annual risk-based internal audit plan has been fully (100%) implemented, with 55 (41 planned and 14 ad-hoc) audits completely executed during the 2015/16 financial year. The initial audit plan was approved with 50 audits, and was subsequently revised during the year as a result of requests from management to postpone some audits (9); these requests for postponement were approved by the audit committee. The approval of the postponement left the plan with 41 audits and was completely executed.
			<ul style="list-style-type: none"> N/A

PART B: PERFORMANCE INFORMATION – CONTINUED



Strategy to overcome areas of under performance

The Chief Risk Office appointed two additional resources to improve investigations and finalisation of vetting cases. A revised strategy to address the slow response times from employees in finalising and completing their vetting documents was also implemented. The department is developing a workforce plan in order to prioritise vacant positions in line with available funds. The plan will seek to address existing vacancies and prioritise future needs to ensure that positions are timeously filled.

Linking performance with budgets

Programme 1	2015/16 Financial Year			2014/15 Financial Year		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Ministry	3 633	3 628	5	4 005	3 308	697
Departmental Management	48 350	47 115	1 235	47 900	47 458	442
Corporate Services	125 333	116 477	8 856	111 690	107 274	4 416
Enterprise Wide Risk Management	27 553	27 537	16	23 548	22 496	1 052
Financial Administration	38 862	38 699	163	40 051	38 632	1 419
Legal Services	18 749	18 657	92	16 794	16 593	201
Internal Audit	20 993	20 682	311	18 311	17 119	1 192
Communications	10 292	10 202	90	10 276	10 120	156
Office Accommodation	92 880	92 586	294	99 806	99 528	278
Total	386 645	375 583	11 062	372 381	362 528	9 853



PART B: PERFORMANCE INFORMATION – CONTINUED

4.2 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 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 co-ordinate the National Treasury's interaction with:

- The SARB 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 co-operative financial institutions and the regulation and supervision of co-operative banks.
- Three committees on macroeconomics, financial regulation and financial markets. These committees are cochaired with the SARB 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.

PART B: PERFORMANCE INFORMATION – CONTINUED



SERVICE DELIVERY OBJECTIVES AND INDICATORS

Recent outputs

Economic policy

In addition to the research conducted during the reporting year, the division also advised on growth enhancing policies.

Areas of work included:

- Monthly reports on CPI, PPI, PMI, credit report, trade, gross reserves, SARB leading indicator, mining production and sales, manufacturing, retail sales, building statistics, monthly presentation on global and domestic economic developments, tax report.
- Regular reports: MPC preview and review; IMF World Economic Outlook update, quarterly transport and telecommunications report; quarterly electricity, gas and water report; quarterly agriculture report; quarterly GDP preview and review; quarterly bulletin update; quarterly employment statistics report; quarterly construction report, balance of payment report, quarterly labour force survey report; Andrew Levy Survey.
- Daily economic update.
- Analysis of key macroeconomic trends which include regional analysis of GDP, update on China, Agoa and Brazil, briefing notes on key priorities and government on i) economic growth reforms, ii) SOEs and iii) policy uncertainty.
- Exchange rate misalignment note and briefing note on exchange rate movements.
- Optimal level of reserves and EM comparison of reserves.
- Various papers and breakfast conference on exchange rate hedging survey and exchange rate system.
- Microeconomic Policy unit: Review of key trends in the mining sector and initiatives to alleviate constraints to growth; implications of the prolonged nation-wide drought; key factors that highlight the importance of agriculture for the South African economy; findings from recent interactions with firms in agriculture and fisheries; update on the electricity sector; small business support initiatives; findings of NT commissioned research into barriers to entry in the telecommunications sector; enhancing South Africa's export competitiveness: reform of the port and rail network; export taxes: the need for guidelines and consultation; firm and sector level "tipping points" for electricity tariff increase scenarios.
- The Modelling and forecasting unit continued to produce quarterly economic and revenue forecasts accompanied by scenarios highlighting the main risks to the baseline forecast. In addition to the regular model maintenance, a number of additional projects were completed. These included improving the global demand measure and the determinants of long-term bond rates in the quarterly forecasting model; developing regional input/output models; improving short-term inflation forecasting accuracy; building a 2012 social accounting matrix for South Africa; calculating substitution and transformation elasticity for South African trade; calculating elasticity of factor substitution in South Africa; comparing 2009 and 2012 SAM; comparing price mark-ups across countries. The unit has also embarked on a comprehensive back-casting exercise to estimate and validate the parameters used in NT's CGE model. In addition to managing the tax administrative database, the unit continues to build capacity in tax analysis. For example, during the 2015/16 financial year a research paper on the impact of the small business corporation tax regime on company behaviour was published, while three studies focusing on corporate tax incentives, individual rental income and VAT vendors respectively were released in briefing note format.



PART B: PERFORMANCE INFORMATION – CONTINUED

Tax and Financial Sector Policy

Tax Policy conducted research and developed policy which culminated in the revenue forecasts and tax proposals made in the 2016 Budget. Legislation to give effect to the tax proposals as announced in the 2015 Budget Review was completed and promulgated. Amendments relating to the tax treatment of contributions to provident funds were amended to allow more time for consultation. Contributions to provident funds will be tax deductible (up to certain limits) and the full amount of accumulated savings will be available upon retirement for the period to 2018. It is important that these provisions be reviewed in order to bring them in line with that of pension Funds and retirement Annuities. The draft Carbon Tax Bill was published for comment in November 2015. Work to deal with base erosion and profit shifting is ongoing. A number of bilateral tax treaties have been revised and ratified.

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 2011 document 'A safer financial sector to serve South Africa better'. During the year under review, the unit tabled the Financial Sector Regulation Bill in Parliament. This Bill aims to implement the 'Twin Peaks' approach to financial sector regulation, giving new responsibilities to the South African Reserve Bank, creating a new Prudential Authority and converting the FSB into a dedicated market conduct regulator. Extensive submissions and public hearings were held on the Bill through Parliament. It is anticipated that the Bill will be enacted in the latter half of 2016 and work is underway to ensure the smooth establishment of the new regulatory authorities. The Financial Sector Policy Unit is working with the Department of Trade and Industry (dti) to improve the ease of doing business and the general investment climate in South Africa. One concrete initiative that has been put in place is the InvestSA/ One Stop Shop that will be launched in the third quarter of the 2016/2017 financial year. Work in this area is continuing working closely with the World Bank and UNCTAD to address shortfalls in the business facilitation processes. The objective is to ensure that South Africa remains attractive for investment.

The unit is also responsible for promoting financial integrity by formulating policies which assist in combating financial crimes like money laundering, corruption and terror financing. In achieving this objective, the unit tabled and successfully processed the Financial Intelligence Centre Amendment Bill of 2015 in Parliament. The unit is also responsible for financial inclusion, and participates in the Financial Sector Charter Council and other forums to promote financial access and inclusion.

PART B: PERFORMANCE INFORMATION – CONTINUED



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

Performance information Plan 2015/16 and prior year 2014/15 audited information		Performance analysis 2015/16	
Indicator	Actual achievement 2014/15	Target 2015/16	Reason for deviation
Strategic objective: Build economic research capacity in academic research institutions with the objective of promoting relevant research			
Number of papers published by research institutions and internally.	<ul style="list-style-type: none"> i. 85 Economic Research Southern Africa (ERSA) papers were published. ii. 6 department papers were published. 	<ul style="list-style-type: none"> i. Academic and research institutions publish 40 papers. ii. Department publishes 4 papers each year. 	<ul style="list-style-type: none"> ERSA papers are demand driven and it is difficult to predict how many will be published per month.
Strategic objective: Provide policy advice on the financial sector			
Implement Twin Peaks model legislation.	<ul style="list-style-type: none"> • Arranged a series of stakeholder consultation engagements on the Financial Sector Regulation (FSR) 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 the regulators - FSB and SARB. • Collated comments received on FSR Bill. 28 separate submissions were made, totaling over 400 pages of comment. • Began considering comments with the aim of finalising the FSR Bill for submission to Parliament in the first half of 2015. • Stage 1 - A second draft of the Financial Sector Regulation Bill was published in December 2014. • Stage 2 - A draft Market Conduct Policy Framework for South Africa was published in December 2014, for public comment. 	<ul style="list-style-type: none"> • Implement legislation to establish Twin Peaks regulators. 	<ul style="list-style-type: none"> • FSR Bill is currently before Parliament, which is expected to pass the Bill by the end of this calendar year. Implementation of the legislation is only possible after it is enacted into law. • FIC Amendment Bill currently before Parliament.



PART B: PERFORMANCE INFORMATION – CONTINUED

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

Performance information Plan 2015/16 and prior year 2014/15 audited information			
Indicator	Actual achievement 2014/15	Target 2015/16	Actual
Strategic objective: Provide policy advice on the financial sector			
Implement savings and retirement policies.	<ul style="list-style-type: none"> 20 February 2015 - Final regulations for the tax free savings account issued. 1 March 2015 - Tax free savings accounts offered by financial institutions. 	<ul style="list-style-type: none"> Introduce legislation and implement regulatory reforms. 	<ul style="list-style-type: none"> Tax harmonisation laws implemented from 1 March 2015 and Revenue Laws Amendment Bill currently before Parliament. Bill postpones annuitisation by two years to 2018. Default regulations released on 22 July 2015 and currently going through consultations. The tax law harmonising the taxation and benefit pay-outs of all retirement funds was released for public consultation and approved by Parliament. The Bill postponing annuitisation currently being considered by NCOP.
			<ul style="list-style-type: none"> Postponement due to further consultations between government and trade unions.

PART B: PERFORMANCE INFORMATION – CONTINUED



Performance Information Plan 2015/16 and prior year 2014/15 audited information		Performance analysis 2015/16		
Indicator	Actual achievement 2014/15	Target 2015/16	Actual	
Strategic objective: Provide advice and input into tax policy, frameworks and legislation				
<p>Publish tax proposals in annual budget review.</p>	<ul style="list-style-type: none"> January and 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. 25 February – Government notice published in terms of section 12T of the Income Tax Act (Act No. 58 of 1962), in respect of persons or entities that may administer financial instruments or policies as tax free investments. 25 February – Published government amendment of regulations made under section 72 to the Long-term Insurance Act (Act No. 52 of 1998). 25 February – Published government regulations in terms of section 12T(8) of the Income Tax Act (Act No. 58 of 1962), on the requirements for tax free investment. 6 March – Tax treaty signed with Qatar. 	<ul style="list-style-type: none"> Proposals published on Budget Day. 	<ul style="list-style-type: none"> 2016 Tax proposals published in Chapter 4 of Budget Review on Budget Day, 24 February 2016. Revenue Laws Amendment Bill and Rates Bill currently before Parliament. Consultations for 2016 TLAB have commenced. 	<ul style="list-style-type: none"> N/A
<p>Implement, monitor and evaluate environmentally sustainable tax legislation.</p>	<ul style="list-style-type: none"> 6 March – Published regulations in terms of section 12L of the Income Tax Act, on the allowance for energy efficiency savings. 10 March – Delivered a presentation on implementation of the carbon tax policy package at the World Bank’s Partnership for Market Readiness meeting in London. 	<ul style="list-style-type: none"> Implement, monitor and evaluate effectiveness of legislation. 	<ul style="list-style-type: none"> The draft Carbon Tax Bill is being revised to take account of public comments. Process of consultation completed. 	<ul style="list-style-type: none"> N/A



PART B: PERFORMANCE INFORMATION – CONTINUED

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

Performance information Plan 2015/16 and prior year 2014/15 audited information		Performance analysis 2015/16	Reason for deviation	
Indicator	Actual achievement 2014/15	Target 2015/16	Actual	
Strategic objective: Provide input into economic policy and frameworks				
Provide economic analysis and assessment of government policy proposals.	<ul style="list-style-type: none"> Sector analysis of foreign equity investment in JSE. Macro-monitor global liquidity changes. Briefing note on reserve sterilisation options. Optimal level of reserves. 	<ul style="list-style-type: none"> Reports and analysis on key macroeconomic trends and variables. Reviews and economic assessment of government policy proposals within acceptable turnaround times. 	<p>Monthly reports on CPI, PPI, PMI, credit report, trade, gross reserves, SARB leading indicator, mining production and sales, manufacturing, retail sales, building statistics; monthly presentation on global and domestic economic developments, tax report.</p> <p>Regular reports: MPC, preview and review; IMF World Economic Outlook update; quarterly transport and telecommunications report; quarterly electricity, gas and water report; quarterly agriculture report; quarterly GDP preview and review; quarterly bulletin update; quarterly employment statistics report; quarterly construction report, balance of payment report; quarterly labour force survey report; Andrew Levy Survey.</p> <p>Daily economic update.</p>	<ul style="list-style-type: none"> N/A
			<ul style="list-style-type: none"> Analysis of key macroeconomic trends: Regional analysis of GDP. Presentation on "Why invest in SA". Updates on China, Ageo and Brazil. Briefing notes on key priorities for government on i) economic growth reforms, ii) SOEs and iii) policy uncertainty. Various ITAC Comments. 	

PART B: PERFORMANCE INFORMATION – CONTINUED



Performance Information Plan 2015/16 and prior year 2014/15 audited information		Performance analysis 2015/16		
Indicator	Actual achievement 2014/15	Target 2015/16	Actual	
Strategic objective: Provide input into economic policy and frameworks				
Development and maintenance of economic models.	<ul style="list-style-type: none"> Utilised LSTARMAX model to estimate asymmetric tax elasticities. Identified sectors with the highest multipliers. Estimated impact of additional fuel levy increases. Update of quarterly forecasting model. 	<ul style="list-style-type: none"> Quarterly updates to various models as required. 	<ul style="list-style-type: none"> Update CPI model. Revenue model updates Quarterly forecast model update. Improving the global demand measure in the quarterly forecast model. Macroeconomic determinants of the yield curve and improving the long run yield specification in the model. Develop regional input/output model. Improving short-term inflation forecasting accuracy. Building a 2012 social accounting matrix for South Africa. Substitution and transformation elasticity for South African trade. Elasticity of factor substitution in South Africa. Comparing 2009 and 2012 SAM. Comparing price mark-ups across countries. 	<ul style="list-style-type: none"> N/A
Develop quarterly economic forecasts based on high-quality policy and scenario modelling.	<ul style="list-style-type: none"> Budget 2015 Q&A. Budget 2015 number checking. Inputs into the Budget Review. Quarterly GDP report. Budget forecast and forecast memorandum. Long-run forecast. Tax revenue forecast and analysis. 	<ol style="list-style-type: none"> Publish Budget Review and MTBPS every year. Develop policy scenarios as required to inform internal National Treasury analysis. Conduct policy analysis using suitable economic models. Assist other government departments with economic modelling and analysis. 	<ul style="list-style-type: none"> GDP outlook table Quarterly Forecasts Memo on evaluating tax proposals RAWC revenue forecasts Long run forecast Forecast scenarios Forecast presentation Pre-forecast analysis of economic trends. 	<ul style="list-style-type: none"> N/A

PART B: PERFORMANCE INFORMATION – CONTINUED

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

Performance information Plan 2015/16 and prior year 2014/15 audited information		Performance analysis 2015/16	
Indicator	Actual achievement 2014/15	Target 2015/16	Actual
Strategic objective: Provide input into economic policy and frameworks			
Develop economic policy analysis, research, assessment and advice on macroeconomics.	<ul style="list-style-type: none"> Compilation of a database of local and key international data as well as drafting a presentation of key developments in these data. 	<ul style="list-style-type: none"> Assessment of exchange rate and capital flow trends, impact of exchange rate volatility and strength. 	<ul style="list-style-type: none"> Exchange rate misalignment note. Briefing note for DM on exchange rate movements. Optimal level of reserves and EM comparison of reserves. Papers and breakfast conference on exchange rate hedging survey and exchange rate system.
Develop economic policy analysis, research, assessment and advice on microeconomics.	<ul style="list-style-type: none"> SADC Macroeconomic Convergence Review report on South Africa. Memorandum for the DG on spectrum allocation. Export taxes literature review document. Impact of electricity supply shocks to ferrous vs. non-ferrous activities. 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). Analysis of trends in FTE employment, 2008-2012. Analysis of trends in gross profitability. Role of SMEs in job creation. Estimates of sector prices in South Africa, 2000-2013. Transnet Freight Rail (TFR) performance research - input for Rail and Ports Research Paper. 	<ul style="list-style-type: none"> Assessment of industrial policy, SMIME policy, assessment of ports and harbours regulation and pricing. 	<ul style="list-style-type: none"> Review of key trends in the mining sector and initiatives to alleviate constraints to growth. Implications of the prolonged nation-wide drought. Key factors that highlights the importance of agriculture for the South African economy. Findings from recent interactions with firms in agriculture and fisheries. Update on the electricity sector. Small business support initiatives. Findings of NT commissioned research into barriers to entry in the telecommunications sector. Enhancing South Africa's export competitiveness: reform of the port and rail network. Export taxes: the need for guidelines and consultation. Firm and sector level "tipping points" for electricity tariff increase scenarios.

Reason for deviation

- N/A

- N/A

PART B: PERFORMANCE INFORMATION – CONTINUED



Linking performance with budgets

Programme 2	2015/16 Financial Year			2014/15 Financial Year		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Programme management for economic policy, tax, financial regulation and research	21 244	21 197	47	21 133	20 668	465
Research	11 697	10 968	729	11 530	11 529	1
Financial sector policy	27 886	27 637	249	32 393	27 974	4 419
Tax policy	27 789	27 609	180	23 697	21 589	2 108
Economic policy	26 773	26 537	236	28 767	25 731	3 036
Co-operative Banks Development Agency	17 341	17 341	-	16 838	16 838	-
Total	132 730	131 289	1 441	134 358	124 329	10 029

PART B: PERFORMANCE INFORMATION – CONTINUED

4.3 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 as expressed in the National Development Plan and the MTSF of government.
- Produce and publish the National Budget, the Budget Review, the Estimates of National Expenditure (ENE), the Adjusted Estimates of National Expenditure (AENE), 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, 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.
- Support and enable budget analysis by a broad range of stakeholders such as Parliament, and increasingly including budget participation by the public.

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.

PART B: PERFORMANCE INFORMATION – CONTINUED



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. The unit also regulates, analyses and reports on public sector infrastructure spending. In 2015/16, the unit significantly expanded its budget outreach activities in order to discuss the 2016 Budget with a wider cross-section of South African society. The unit also expanded the activities of the fiscal risks committee which considers risks to government finances across the public sector. This included producing long-run costing estimates of new and existing policies.

The Expenditure Planning unit designs and manages the national budget process. The annual decision-making process considers available resources in the three-year fiscal framework against the priorities set out in government plans. The budget process is led by the Minister of Finance and the Ministers on the Budget Committee, and budget allocations were presented to Cabinet for approval before being tabled in Parliament.

The unit provides guidance for, and requirements to government institutions, to solicit the informational inputs and administration requirements needed to enable budget decision-making. It also co-ordinated the production of the Appropriation Bill, required for enactment of these budgets, as well as of the accompanying Estimates of National Expenditure publications, tabled with the 2016 Budget in February. Similarly, it managed the 2015/16 financial year budget adjustments process and produced the Adjustments Appropriation Bill, and the accompanying Adjusted Estimates of National Expenditure, published in October 2015.

The unit is also responsible for budget reform, and leads or participates in interdepartmental forums and represents South Africa in this capacity. Broadening public participation in the budget has been a focus area in the last year. This is in line with the international Open Government Partnership agreement, which in South Africa is led by the Department of Public Service and Administration. Active engagement is also maintained with the International Budget Partnership and the Global Initiative on Fiscal Transparency. Domestically, budget outreach events accompany budget calendar events and range from smaller meetings, to seminars with university students and engagement with civil society groupings. This has enabled these stakeholders to produce budget commentary and analysis, with the assistance of the National Treasury.

The Public Finance Statistics (PFS) unit is responsible for producing government sector consolidated budgets and other public sector financial statistics that comply with national and international standards. The unit compiled the consolidated government accounts for the 2015 MTBPS and the 2016 Budget Review, economically and functionally classified and provided the table of the operating account, the capital account and consolidated financing position. All newly listed entities were included in the consolidation and more inter-unit transactions were identified for elimination to improve the consolidation.

PFS prepared data for the estimation of the preliminary spending numbers and calculation of the preliminary budget balance for 2015/16. The public entities quarterly reporting system was further enhanced and agreement was reached on the level of auditing of the quarterly reporting for 2015/16. The unit also provided reporting data to various clients within and outside of NT. Budget and in-year reporting data for national and provincial departments as well as the quarterly reporting data for public entities was moved to the Structured Query Language Server while continuing further development of the database.

The SCOA committee published four classification circulars and assisted the OAG with provincial visits regarding the asset inventories and participated in BAS user forums. Training manuals were updated for SAQU accredited courses and arrangements made to roll out training and allow private accredited trainers to use the material. A mapping between



PART B: PERFORMANCE INFORMATION – CONTINUED

Economic Reporting Format classification and the Government Finance Statistics (2014) classification as well as SCOA was done on the Vulindlela database to enable the SARB to access correctly classified data. The unit also continued with the process of ensuring that programme descriptions in BAS and PERSAL 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 cooperation and concessionary loans. In line with SA priorities, the focus of support has shifted from policy/strategy development to strengthening service delivery and reducing poverty. ODA coordination is supported through engagement with development partners at annual consultations and high level bilateral meetings. Within departments, coordination is enhanced through national and provincial ODA coordinators' forums. Two joint national and provincial coordination forums, and over ten bilateral development partner consultations and high-level meetings, were held during the financial year including the SA-EU Joint Cooperation Council, Switzerland, Flanders and USAID respective annual consultations with SA as well as the Germany – SA Bi-National Commission, among others.

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. However, a number of bilateral financing agreements were still concluded and signed including the SA-EU Multiannual Indicative Programme 2014-2020 (reduced from €980m to €242m) and the SA-German Technical and Financing Cooperation Agreements (€287m). New ODA programmes include the Teaching and Learning Programme for Department of Higher Education and Training (€26m); the Socio-economic Justice for All Programme at the Department of Justice and Constitutional Development (€25m); the Expansion of Social Enterprise Fund at the Industrial Development Corporation (€4m); the KwaZulu-Natal iLembe Local Economic Development (LED) Programme (CHF7.5m) and the Infrastructure Investment Programme for South Africa (IIPSA) (€100m) managed by the DBSA. Programme evaluations and reviews undertaken 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 (SURUDEC) programme.

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. The unit developed and implemented remuneration frameworks related to public entities. The unit also provided public entities with advice on legislative, financial, human resources and other issues and thus continued to support an enhanced regulatory and governance environment. The unit supported 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 COLA model was reviewed and a quarterly projection module was introduced. The model was used to assess the cost implications of the 2015/16 wage negotiations and to set budget ceilings for the 2016 MTEF. An integrated sector-based personnel costing model is being developed with assistance from GTAC. It is anticipated that the model will be finalised by the end of the 2016/17 financial year.

Consideration of the implications of amalgamating the Temporary Employees Pension Fund (TEPF) with the Government Employees Pension Fund (GEPF) is ongoing. The effective date of amalgamation will be approved by the Minister of

PART B: PERFORMANCE INFORMATION – CONTINUED



Finance following finalisation of the applicable processes. Among 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 would fall under the overall amalgamation process.

The amalgamation of the Associated Institutions Pension Fund (AIPF) with the GEPF still awaits amendments to the Associated Institutions Pensions Fund Act (Act No. 41 of 1963) (AIPF). These have been submitted for consideration and are currently in the parliamentary legal processes.

The development of pre-funding options to address post-retirement medical liabilities in the public service is still under consideration. The National Treasury will continue to hold discussions with relevant departments in order to arrive at appropriate proposals. It is envisaged that dedicated discussions with relevant stakeholders will form part of preparations for the next round of salary negotiations in 2018.

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 NT approval. It is the primary link between NT and other national departments and government agencies.

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 2015/16 included:

- The Presidency: the unit facilitated the transfer of the planning functions and the National Youth Development Agency (NYDA) to the Department of Planning, Monitoring and Evaluation.
- 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 assisted the NYDA with its restructuring process and implementation of the new organisational structure. The unit participated in the inter-departmental task team reviewing the National Youth Development Act (Act No. 54 of 2008).
- 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, National Treasury and the Department of Public Service and Administration is currently developing proposals on foreign services dispensation reforms.
- Department of Home Affairs: the unit is playing a coordinating role in the process with the department to establish a Border Management Agency (BMA). The unit is part of a working committee to develop a funding model for the proposed BMA; has briefed senior management and the Minister on progress in relation to the BMA project, and coordinated NT's inputs into and interventions in the Bill process at Nedlac; assisting in the development of a business case on repositioning the department with regard to its role and location in the state; the development of a Green Paper and business case on International Migration Policy and the State Printer's Bill on the conversion of the Government Printing Works (GPW) into a State Owned Enterprise.



PART B: PERFORMANCE INFORMATION – CONTINUED

- Statistics South Africa: the unit, as part of the working committee on the project, assisted the organisation's Public-private Partnership (PPP) project to obtain new head office accommodation. Construction started in 2014/15 and 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 identified capacity deficits in the implementation of the turnaround project in the Department of Public Works (DPW), discussed these with the DPW's management, and facilitated the recruitment of GTAC for the capacitation of the project management office. It also worked with the intergovernmental relations division on inputs into a DPW Cabinet Memorandum on progress thus far in resolving outstanding government debt owed to municipalities and measures which need to be put in place to minimise and eliminate such debt. The unit provided and coordinated the National Treasury's extensive and formal comments on the business case for the Independent Development Trust. Another initiative prepared and finalised a memorandum and the relevant minister to minister letter to motivate the handover from the National Treasury to the Department of Home Affairs of the leadership for the development of a one-stop border post policy for South Africa.
- National School of Government: the unit initiated discussions with the principal of the NSG on the appropriate funding model for it and relevance of the provisions of the Public Administration Management Act (Act No. 11 of 2014) for future business and funding models for it.
- Department of Public Service and Administration: the unit provided advice on the costing of the presidential remuneration review commission and provided appropriate funding for the extension of the term of office for the commission; provides advice on the costing for the establishment of the government employees housing scheme and the phased in funding of the scheme; supported the department with the transfer of the Public Sector Education and Training Authority to the Department of Higher Education and Training; managed and provided substantial inputs into the development of a report on the financial implications of and possible funding models for Thusong service centres.
- Department of Women: the unit provided substantial guidance on the business case for the department, specifically regarding capacitation and resource allocation options.

The Justice and Protection Services unit oversees planning, expenditure and service delivery by departments in this sector. Key achievements for the 2015/16 financial year included:

- Department of Correctional Services: the unit aided the department in reprioritising funds towards the operationalisation of case management committees and capacitation of the Judicial Inspectorate for the department. Case management committees are required for ensuring that offenders have correctional sentence plans and that the plans are reviewed and updated, while the inspectorate facilitates inspections of correctional centres and reports on the treatment of inmates and conditions of incarceration.
- Departments of Defence and Military Veterans: the unit provided support to the department to retain funds reimbursed by the UN for South Africa's contributions towards peace support operations as self-financing expenditure.
- Independent Police Investigative Directorate: the unit provided detailed inputs and advice to IPID on its expansion strategy and made a presentation on the analysis of the directorate's 2016/17 annual performance plan at the IPID strategic planning session. The unit further conducted a baseline analysis for IPID. This formed the basis for recommendations made to the MTEC and the Minister's committee on the budget for the 2016 MTEF. The unit also assisted IPID with the drafting of its 2016 estimates of national expenditure chapter, outlining key policy focus areas for the directorate. A costing model for compensation of employees was also developed.
- Department of Justice and Constitutional Development: in collaboration with the public entities governance unit and taking cognisance of relevant legislation, the unit provided advisory services and inputs for the establishment of the information regulator and the appointment of the solicitor-general. In addition, support continues to be provided to the department with the implementation of the recommendations of the Truth and Reconciliation Commission.

PART B: PERFORMANCE INFORMATION – CONTINUED



- Department of Police: the unit provided comments on various sector-related policies, cabinet memoranda and reports such as the US securities and exchange commission's due diligence 18K Report, implementation of the recommendations of the Farlam Commission of Inquiry on Marikana, status report on the transformation and change management strategy of South African Police Service (SAPS), follow up sessions with Russia-Africa on the fight against drug abuse and the new rank structure for SAPS. The unit further compiled a detailed briefing note for management on matters related to conditions of service, promotions, grade and pay progression in SAPS, and on the request by the directorate for priority crime investigations to become a separate programme/vote.
- Civilian Secretariat for the Police Service: the unit provided comments on a number of cabinet memoranda prepared by the Secretariat on policing matters such as the White Paper on safety and security, White Paper on policing, the national critical infrastructure protection policy, the National Critical Infrastructure Protection Bill (2015 and 2016) and the Firearms Control Amendment Bill. The unit also provided advice and support to the Secretariat on the implementation of stringent cost containment measures to ensure that the spending outcome for 2015/16 remains within the allocated budget.
- Integrated Justice Cluster: the unit compiled a comprehensive briefing on the integrated justice system modernisation programme which culminated in recommendations on how the programme delivery could be improved. Desktop research was undertaken on various topics, including project costing for the justice modernisation programme, administration and funding of commissions of inquiry, cost of civil claims against the Justice, Crime Prevention and Security Departments, cost of crime on business in South Africa and benefits and limitations of electronic monitoring. This research was conducted with a view to assist in budgetary decision-making. A comprehensive report on crime statistics and performance of the criminal justice system departments was compiled linking non-financial information with financial information. The unit coordinated the compilation of input for the crime prevention section for the 18K form reporting.

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 steering committees for the evaluation of the national school nutrition programme, the early grade reading strategy, and for the performance and expenditure review of school infrastructure. It also provided assistance and guidance in the development of cost guidelines for school infrastructure, and organised and coordinated a basic education sector budget benchmark to identify systemic and organisational issues limiting credible budgeting and sound planning in provincial education departments. It assisted and advised the department on developing norms and standards for inclusive education.
- Department of Higher Education and Training: the unit commenced work as part of a task team with DPME and DHET on costing and financing options for the White Paper on post-school education and training, participated in the performance and expenditure reviews of Technical Vocational Education and Training (TVET) Colleges, and the national student financial aid scheme. It also advised on the mid-term review of university enrolment plans for the period 2017-2019, advised on the revision of targets for outcome 5 of the 2014-2019 MTSF in line with the MTEF. It facilitated agreement between the national Department of Health and the Department of Higher Education and Training to take over the agreement with six universities to fund MBChB students as from 2016/17 onwards, with the necessary funding.
- Department of Sport and Recreation: the unit advised the department and Cabinet on plans to bid to host the 2022 Commonwealth Games and assisted the department and the Department of Planning, Monitoring and Evaluation in revising their MTSF performance indicators for the sport and recreation sector. Together with the IGR branch it

PART B: PERFORMANCE INFORMATION – CONTINUED

assisted the department and the Department of Cooperative Governance and Traditional Affairs to find a resolution on the funding mechanism for sport infrastructure in municipalities, and assisted the department in ensuring that the filling of posts was completed within their allocation for the compensation of employees.

- Department of Labour: the unit held discussions and provided advice to the Unemployment Insurance Commissioner on the inclusion of public servants in the UI safety net; facilitated discussions between the department and the Department of Public Works on the issue of leasing suitable office accommodation; advised the department on the amendment of performance indicators for the public employment services programme; commented on the amendments to the Occupational Health and Safety Bill and advised on the composition of the advisory board and the calibration of fines according to the severity of the transgression.
- Department of Arts and Culture: the unit assisted the department with resolving discrepancies in compensation of employees; addressing challenges in terms of how the capital works budget and function is managed, the outcome of which is the centralisation of the capital works function; facilitated agreement between the Gauteng Department of Sport and Culture, Gauteng Treasury and the national Department of Arts and Culture on the targets set for the library sector on building new libraries if these can't be fully operational on completion; and assisted and advised the Department of Arts and Culture on aligning the departments infrastructure policy with GIAMA and budget timelines to ensure timeous submission of inputs during the budget process.

The Health and Social Development unit in Public Finance oversees budgets, expenditure and service delivery of the Departments of Health and of Social Development respectively, and is closely involved in a number of policy areas for these sectors. Key work carried out in 2015/16 included:

- Department of Health: the unit supported the office of health standards compliance in its first year as a new public entity and many health facilities were inspected. The National Treasury collaborated with the department in producing the White Paper on National Health Insurance, which was published in December 2015. Investment cases for HIV and TB were supported in development and were funded in Budget 2016. These will enable the country to progress towards 90-90-90 goals, as laid out by UNAIDS. Agreement was reached to shift funding for additional medical students from the department to the Department of Higher Education. Unit costs of laboratory tests were reduced to ensure cost-neutrality in the shift of funding to the national sphere for laboratory institutes and laboratory education and training. Five national health insurance work streams commenced with NT representation to take forward more detailed NHI development. The department has been assisted in developing a business case for the South African Health Products Regulatory Authority (SAHPRA) as a new public entity for medicines registration from April 2017. Projects were done, among others, on HIV funding integration, legal aspects of NHI and the Nelson Mandela Children's Hospital. Support was given for the development of a new patient based primary health care information system and an electronic stock management system for medicines, in order to reduce stock outs. The unit was also involved in leading a primary care costing exercise with the department. Supporting work was done on the introduction of sugar tax and related fiscal interventions for health. Levy increases were approved for the Council for Medical Schemes. It is anticipated that the new demarcation regulations will be implemented in 2016. The unit has also contributed to numerous internal and external publications, including a chapter on HIV and AIDS financing in the South African Health Review.
- Department of Social Development: the projection model for social grants continues to be refined and the model was used to inform the 2016 social grant value increases and budget allocations. Child support grant numbers were somewhat unstable in 2015/16 with many previously deregistered children being brought back on to the system. This required additional allocations in Budget 2016/17. Work was done with the department on an improved social assistance grant for orphans that was approved by Cabinet. Research on welfare services financing has progressed, with the first phase focusing on improving the administration of transfers to NPOs. A paper was developed on

PART B: PERFORMANCE INFORMATION – CONTINUED



improving the registration and funding processes for early childhood development (ECD) and was submitted to the department for its consideration. Funding was secured as a new conditional grant to increase the number of children subsidised in ECD centres and to improve the maintenance of these centres. Input was given into the costing of its policy and a concept paper was also drafted on how to approach the financing of ECD going forward, noting the substantial cost implications of the policy approved by Cabinet. The food relief model was reviewed and the unit advised on a series of interventions required for the programme to be more cost effective. The unit also participated in a series of policy debates regarding child protection and violence prevention and is supporting initiatives to strengthen these programmes.

The Economic Services unit works with government departments and agencies. The unit 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 Agriculture, Forestry and Fisheries: assistance was provided to the department in reprioritising R60 million of the comprehensive agricultural support programme grant. This would usually go to provinces to be retained in the national department for the monitoring and evaluation of provinces' use of the grant over the medium-term and in future, including project plans and grant indicators, and project reports. This supports subsistence and smallholder farmers to enter the mainstream agricultural economy. The unit is also part of the task team for Operation Phakisa for agriculture, land reform and rural development. This programme seeks to ensure the formulation of required interventions to ensure greater economic inclusion, offers unique methods and interventions contributing to the revitalisation of pivotal industries in agriculture, forestry, fisheries and agro-processing.
- Department of Rural Development and Land Reform: the unit continued to assist the department with the implementation of agri-parks in 44 priority districts. It continued to support the department with the implementation of Operation Phakisa.
- Department of Mineral Resources: the unit participated in the mining Phakisa aimed at reviving the mining sector and increase the sector contribution to growth and development.
- Department of Public Enterprises: the unit supported the department with the transfer of the R23 billion equity injection to Eskom which was enabled through the Eskom Special Appropriation Act (Act No. 7 of 2015) for security of electricity supply.
- Department of Trade and Industry: the unit provided comments on the National Liquor Policy and the Black Industrialists programme. The unit also participated in Project Kopano for the proposed merger between the National Empowerment Fund and the Industrial Development Corporation.
- Department of Economic Development: the unit supported the department to fund the extended inquiry into private healthcare conducted by the Competition Commission. The unit further engaged with the department in establishing a presidential infrastructure coordinating commission (PICC) support structure within the Industrial Development Corporation as a way to capacitate PICC activities. This was funded through a virement and further engagement will be held to find a way forward in terms of future funding plans.
- Department of Small Business Development: the unit supported the department in amending the budget programme structure to align funding with the objectives of the National Development Plan and the MTSF.
- Department of Environmental Affairs: the unit provided technical support to the department on the restructuring and design of the tyre levy to ensure compliance with the (PFMA). The unit continued to provide technical support to the environment and culture EPWP programme to ensure that the EPWP incentives motivate sector departments to increase labour intensity. Eligibility is determined based on performance of full-time equivalent opportunities created.

PART B: PERFORMANCE INFORMATION – CONTINUED

- Department of Science and Technology: the unit continued to engage with the department on the proposed structuring of a coordination platform to report on the allocation of science and technology expenditure across national departments with extensive research and development (R&D) budgets. This was done to ensure that weakness in sector strategies and interventions for human capital development and infrastructure across the science base in Ministers with R&D intensive portfolios, are allocated effectively.

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, human settlements, telecommunications and postal services, cooperative governance and traditional affairs. Work carried out by the unit in 2015/16 included:

- Department of Cooperative Governance and Traditional Affairs: the unit continued to support the department to strengthen intergovernmental relations and provided inputs with respect to developing and implementing interventions in drought relief. The unit represented the National Treasury in the Southern African Development Community (SADC) meeting dealing with the SADC disaster reduction response plan and fund. The unit also assisted the department to finalise the customary policy on initiation in South Africa, a milestone towards the development of the associated legislation.
- Department of Energy: support was given by the unit to the department in developing the biofuels financial and procurement model. A proposed funding model was sent to the Minister of Energy on the strategic stocks policy. The unit also provided inputs on the integrated energy plan, and served as a panellist on energy workshops. The unit worked with the department to resolve funding shortfalls within some public entities. The department, through the IPP office, was supported in meetings with stakeholders for the development of a gas IPP in South Africa.
- Department of Human Settlements: the unit supported the department with reporting reforms on the national upgrading support programme, and programme and funding support for the title deeds restoration project. It also provided support for institutional and funding reforms related to the social housing regulatory authority (SHRA), inputs and recommendations into the human settlements policy review, provincial BAS and housing subsidy system (HSS) standardisation and alignment, as well as cost efficiency reviews of the *human settlements development grant* (HSDG).
- Department of Telecommunications and Postal Services: support was given to the department in providing inputs on the implementation of the digital development pillar of the broadband policy (SA Connect) and the ICT policy review process through engagements and written inputs. The unit convened and chaired a meeting on progress on broadcasting digital migration to clarify roles and responsibilities, and timelines. The unit worked with the department to resolve funding shortfalls in some public entities.
- Department of Transport: the unit undertook analysis to assist with the reforms to the *public transport network grant*; provided comments to the department on the road accident benefit scheme and supported the new dispensation announced by the Deputy President for phase 1 of the Gauteng freeway improvement project. The unit continued to support the department in monitoring the rolling stock fleet renewal programme implemented by the Passenger Rail Agency of South Africa (PRASA).
- Department of Water and Sanitation: the unit provided inputs on the review of the raw water pricing strategy, the establishment of catchment management agencies (CMAs) as well as the sanitation policy. The unit also contributed to the government agreement on funding of acid mine drainage (AMD). From a funding efficiency point of view, the unit participated in the grant review task team which eventually resulted in the merger of various grants to municipalities into a single grant in order to improve management and service delivery.

PART B: PERFORMANCE INFORMATION – CONTINUED



Intergovernmental relations

The Intergovernmental Relations (IGR) division coordinates fiscal and financial relations between the national, provincial and local spheres of government. This is an important function given that R571.5 billion or 51.1 per cent of non-interest expenditure in 2015/16 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 2016 Division of Revenue Bill was tabled in February 2016 and included new clauses to facilitate the establishment of new municipalities created through a series of re-demarcations that will come into effect at the time of the 2016 local government elections. New provisions were also added to enable conditional grant transfers to municipalities to be stopped if they fail to comply with procurement rules and to require provinces to gazette human settlements allocations to municipalities before they receive grant transfers. The Bill also included a second round of reforms emerging from the ongoing review of local government infrastructure grants. These reforms include the merging of several water and sanitation grants, expanding the scope of grants to fund refurbishment of aging infrastructure and changes to public transport funding to promote investment in more sustainable systems. Led by the National Treasury, the local government infrastructure review is a collaboration involving the Department of Cooperative Governance and Traditional Affairs, the Department of Planning, Monitoring and Evaluation, the South African Local Government Association and the Financial and Fiscal Commission.

- An urban investment partnerships conference was held on 27 and 28 August 2015 to renew and strengthen the dialogue between the public and private sectors on urban investment, and to provide a platform for regular engagements between government and the private sector to jointly develop practical solutions that accelerate investment in strategic infrastructure that drive urban transformation. Following the success of the delivery of the first urban investment partnership conference (UIPC) in August 2015, technical support has been initiated to develop long-term financing strategies for cities, review the municipal borrowing policy framework and improve quarterly monitoring of municipal borrowings. The division initiated a process of amending the Municipal Fiscal Powers and Functions Act (Act No. 12 of 2007) to enable the regulations of the development charges, which is a key financing instrument for the provision of strategic infrastructure that will accelerate economic growth.

The division coordinates the implementation of the city support programme (CSP). CSP, together with the neighbourhood development partnership programme (NDPG), plays a significant role in promoting cities as the key drivers in both transforming the country's spatial landscape and accelerating economic growth.

The CSP supports metropolitan municipalities to lead the development of more inclusive, productive and sustainable cities. CSP targets changes in the enabling policy and regulatory environment for city development and the fiscal framework that funds this. It supports complementary best practices in urban development. Projects and associated activities have been identified in consultation with cities through their city support implementation plans (CSIPs). They are implemented at a national level through five component plans (core city governance, human settlements, public transport and economic development).



PART B: PERFORMANCE INFORMATION – CONTINUED

Key programmes for the year included:

- The reporting reforms project has undertaken work to improve the quality of data collected from municipalities and simultaneously reduce the reporting burden. This initiative also included an overview of the data requirements from the sector departments and provinces.
- Planning support to cities through the annual build environment performance plans (BEPPs) process continued with a key focus on increasingly strong alignment across spheres of government, and with budgets. Support for the preparation of catalytic land development projects identified in BEPPs, including panel reviews facilitated by the Urban Land Institute.
- An executive city leadership course on urban economic development was hosted in Q3, to complement the sub-national cost of doing business study, with follow up system reforms and peer learning events being scheduled in cities.

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 are being assisted to plan and programme catalytic investments in these zones. During the 2015/16 financial year, R251.3 million was allocated to metropolitan municipalities based on a number of indicators of performance on governance. In their BEPP, the metropolitan municipalities identified 14 integration zones, with 30 projects for planning and 13 under implementation in the zones.

To improve infrastructure delivery performance across provinces and local government, the division embarked on a process to implement the infrastructure delivery management system (IDMS). This was supported by the development of an infrastructure delivery management toolkit for provinces, and recently also for metropolitan municipalities (referred to as the Cities IDMS). In support of these reforms, 184 officials have been trained on the toolkit in the 2015/16 financial. In addition to training, the infrastructure plans (18 plans) for provinces were assessed and feedback provided on areas that required future improvement. These reforms have formed the basis for the National Treasury standards for infrastructure procurement and delivery management (SIPDM).

The *infrastructure skills development grant* (ISDG) is conditionally granted to municipalities to develop capacity by creating a long-term and a sustainable pool of registered professionals within the built environment, (i.e. engineering, town planning, architecture, quantity surveying, geographic information systems, and project management). Municipalities recruit unemployed graduates in the built environment for training and register them with the relevant statutory councils. A total of 435 graduates have been enrolled in the programme in 16 participating municipalities. Of these, 124 have already completed their training and are registered as professionals by the relevant statutory councils. Most of them are employed in the public sector, while some have moved to other sectors.

There has been a particular focus during the reporting period in ensuring that all municipal budgets and adjustment budgets are funded. MFMA Circulars No. 78 and 79 were published to provide municipalities with guidance in preparing their 2016/17 MTREF budgets. For eight consecutive years, the division has institutionalised two formal annual engagements with the 17 non-delegated municipalities, namely the municipal budget and benchmark and the midyear budget and performance assessment engagements. These engagements have been instrumental in ensuring that the budgets of 13 of the 17 non-delegated municipalities are credible, sustainable and funded.

In order to improve the oversight by provincial treasuries over the budgeting and financial management practices of the 261 delegated municipalities, IGR facilitated the development of province specific strategies to address the local

PART B: PERFORMANCE INFORMATION – CONTINUED



government finance failures by all provincial treasuries. The National Treasury, through its municipal finance improvement programme (MFIPII), has appointed provincial advisors to assist the Limpopo, Northern Cape, Eastern Cape and Gauteng provincial treasuries with the implementation of their strategic plans and to strengthen the capacity of these treasuries to better execute their monitoring and support responsibilities towards local government.

In-year reporting is now well institutionalised with most municipalities consistently producing in-year financial reports. Consolidated in-year reports on municipal financial performance reports were published quarterly, in line with Section 71 of the municipal Finance Management Act (Act No. 56 of 2003) (MFMA) and Section 31(3) of the 2015 Division of Revenue Act (Act No. 1 of 2015) (DoRA). National Treasury also published the annual consolidated set of budget information for all municipalities for the ninth time. The routine publication of budget and in-year financial performance information for local government enables better in-year management and oversight of budgets, making these reports management tools on the one hand, and early warning mechanisms on the other, for councils to improve municipal performance.

The withholding of local government equitable share (LGES) allocations of 59 municipalities in March 2015 was a bold step taken by the National Treasury after persistent failures by municipalities to honour debts owed to Eskom, the water boards and other creditors delivering services to municipalities. This action followed years of engagement with and warnings to municipalities to pay their creditors as required in terms of legislation. Several stakeholders' engagements with the effected municipalities, provincial treasuries, the Department of Cooperative Governance and Traditional Affairs, Eskom and SALGA have taken place to address the situation. As a result 48 (of 51) municipalities signed payment agreements with Eskom, 12 (of 14) with the water boards. Subsequently 27 of these municipalities defaulted on their repayment agreements during the period March 2015 to July 2015. One of the key observations from this process is that poor revenue management is the core of the problem. Since most of the affected municipalities are delegated municipalities, the accountability has been shifted to where it rightfully belongs, i.e. provincial treasuries. It is intended that provincial treasuries, in collaboration with the Departments of Cooperative Governance and Traditional Affairs, must develop appropriate support plans to assist these failing municipalities.

IGR continued to improve the conditional grant monitoring framework for local government. The 2014/15 unspent conditional grants process has been concluded. Section 22 of the 2015 DoRA was invoked in offsetting previous years' unspent conditional grants against the 2015/16 equitable shares from underperforming municipalities, with R2.2 billion returning to the National Revenue Fund. An additional amount of R159 million was offset from the 2015/16 equitable share allocation as a result of municipalities requesting repayment arrangements against their historical unspent conditional grants between the 2013/14 and 2014/15 financial years. DoRA enables municipalities to repay unspent funds in instalments. This avoids their having to offset the entire amount from their equitable share at once, which could cripple their financial status. To date, the National Treasury has approved 15 repayment arrangements relating to the 2013/14 and 2014/15 financial years. The National Treasury continues to help low performing municipalities to improve spending and managing their conditional grants.

The *municipal infrastructure grant* (MIG) is the main unspent conditional grant. During the 2015/16 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. The National Treasury reallocated R704.6 million against the grant to fast-spending municipalities. As part of the support provided by the National Treasury to underperforming municipalities, NT reallocated monies from the Mafube, Makana, Ikwezi and Thabazimbi local municipalities and redirected their MIG monies to their districts municipalities (Fezile Dabi, Sarah Baartman and Waterberg respectively). The arrangement assisted these local municipalities to continue with projects on site while resolving their financial management and governance challenges.



PART B: PERFORMANCE INFORMATION – CONTINUED

To ensure that all 278 municipalities comply with the regulation on municipal standard classification of accounts (mSCOA) by 1 July 2017, the National Treasury commissioned the mSCOA project Phase 4: change management and piloting in 27 municipalities. The mSCOA version 5.4 classification framework was released for implementation by piloting municipalities, although this is not the final version. The database design to accommodate mSCOA on the local government database was concluded and implemented. The division issued a series of mSCOA circulars to assist non-piloting municipalities in preparation for full compliance by 1 July 2017. In addition mSCOA training was held in nine provinces and in 44 district municipalities.

IGR exceeded its target for budget formulation and budget analysis courses offered to officials in provincial departments. A total of 405 officials were trained during the period under review in a concerted effort to provide support and build capacity in provinces. All nine provinces had staff trained on departmental in-year monitoring of expenditure and personnel costing and the forecasting tool. A significant step in support of public finance reporting was the introduction of the public entities MTEC database tool in the 2015/16 financial year. This will assist in the improvement of oversight over provincial public entities' finances. Provincial entities submitted the database for the preparation of the 2016 MTEF process, with the information analysed for the second round of the benchmark exercise.

IGR continued with the two rounds of the provincial budget benchmarking process in the 2015/16 financial year, with the first round focusing on how service delivery areas have been adequately budgeted for, particularly in the education and health sectors. The second round of the benchmark exercise focused mostly on provincial public entities issues, including governance and medium-term allocations. Conducting two rounds significantly improved the credibility of provincial budgets and reduced the impact of fiscal consolidation on provinces' ability to provide services. Personnel management in provinces has significantly improved, as evidenced by the outcome at the end of 2015/16 financial year. Transparency continued to be a hallmark of the division. The division ensured that all provincial financial information is published quarterly and within the timelines stipulated in the PFMA. In the period under review, the division provided comprehensive parliamentary briefings on outcomes of provincial expenditure for the 2014/15 financial year and possible risks likely to affect provinces in 2015/16 for all provinces.

PART B: PERFORMANCE INFORMATION – CONTINUED



Programme 3: Public finance and budget management

Performance information Plan 2015/16 and prior year 2014/15 audited information		Performance analysis 2015/16	
Indicator	Actual achievement 2014/15	Target 2015/16	Actual
Strategic objective: Developing and implementing South Africa's fiscal policy and related frameworks			
In line with the MTEF, the expenditure proposed in the Budget tabled does not exceed the main budget noninterest expenditure level determined.	<ul style="list-style-type: none"> Planned expenditure for the 2015 MTEF period is in line with expenditure ceiling requirements. 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. 	<ul style="list-style-type: none"> 2015 MTEF: main budget non-interest expenditure announced in the 2014 MTEF + amendment in terms of the fiscal policy stance. 	<ul style="list-style-type: none"> Planned expenditure for the 2016 MTEF period is in line with expenditure ceiling requirements 2016 MTEF: R3.53 trillion main budget non-interest expenditure announced in the 2015 MTEF + R259.5 billion in terms of the fiscal policy stance = R3.79 trillion. This includes a provisional allocation not assigned to votes of R18.3 billion and a contingency reserve of R31 billion.
Ensure enhanced alignment of budget documentation with fiscal guidelines based on principles of countercyclicality, debt sustainability and intergenerational equity.	<ul style="list-style-type: none"> Produced a risk report with emphasis on growth outlook and public entity balance sheets. 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. 	<ul style="list-style-type: none"> Review measures and engage with relevant stakeholders. 	<ul style="list-style-type: none"> Fiscal Risks committee meetings held in May and August 2015. The Fiscal Risks report was published.
			<ul style="list-style-type: none"> N/A

PART B: PERFORMANCE INFORMATION – CONTINUED

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT - continued

Performance information Plan 2015/16 and prior year 2014/15 audited information		Performance analysis 2015/16	
Indicator	Actual achievement 2014/15	Target 2015/16	Actual
Strategic objective: Preparation of the national budget			
<p>Timely preparation and completion of a well-coordinated and communicated budget process, culminating in the making of well-considered and appropriate revenue and spending proposals to Cabinet.</p>	<ul style="list-style-type: none"> Completion dates are in accordance with the target period or ahead of the target date. MTEF guidelines issued on 19 June 2014. Committees' meeting process scheduled and workflow planned; the first MTEC meeting was on 1 August 2014. National expenditure allocations endorsed by Cabinet on 19 November 2014. 	<ul style="list-style-type: none"> MTEF guidelines issued in July. Scheduling of committees' meeting process in July. Cabinet endorsement of national government expenditure allocations in December. 	<ul style="list-style-type: none"> MTEF guidelines issued on 12 June 2015. Preliminary schedule of committees' meeting process complete on 23 June 2015. The first MTEC meeting took place on 23 July 2015. Cabinet endorsement of allocations in December 2015 and January 2016.
<p>Complete inputs on departmental budget submissions to MTEC and the MinComBud on a timely basis.</p>	<ul style="list-style-type: none"> 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. Final budget allocations to departments were determined in November. 	<ul style="list-style-type: none"> Meet 100% of targets as set by the Secretariat for the MTEC. 	<ul style="list-style-type: none"> The targets set by the MTEC Secretariat were met, with baseline allocation recommendations being amended throughout the various phases of the budget process and approved by MTEC, the Ministers' Committee on the Budget and ultimately Cabinet. Final budget allocations to departments were determined in December 2015 and January 2016.
			<ul style="list-style-type: none"> Cabinet approved the MTEF guidelines in June 2015. The guidelines were then issued and the schedule of committee meetings drafted and finalised. Cabinet endorsed the national government allocations in December 2015 and also requested that further work be undertaken by the National Treasury and the Department of Planning, Monitoring and Evaluation. In line with this, further proposals were then considered and endorsed by Cabinet in January 2016. N/A

PART B: PERFORMANCE INFORMATION – CONTINUED



Performance Information Plan 2015/16 and prior year 2014/15 audited information				Performance analysis 2015/16	
Indicator	Actual achievement 2014/15	Target 2015/16	Actual	Reason for deviation	
Strategic objective: Preparation of the national budget					
Compile ENE and AENE.	<ul style="list-style-type: none"> 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 to Parliament in October and February. 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. 	<ul style="list-style-type: none"> As per parliamentary programme. 	<ul style="list-style-type: none"> The ENE and AENE was compiled and tabled in line with the parliamentary programme 	<ul style="list-style-type: none"> N/A 	

PART B: PERFORMANCE INFORMATION – CONTINUED

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT - continued

Performance information Plan 2015/16 and prior year 2014/15 audited information		Performance analysis 2015/16	
Indicator	Actual achievement 2014/15	Target 2015/16	Actual
Strategic objective: Publication of the national budget			
Design, produce and publish guidelines and related budget documents.	<ul style="list-style-type: none"> Completion dates are in accordance with the target period or ahead of the target date. ENE tabled in Parliament on 25 February 2015. Budget Review tabled in Parliament on 25 February 2015. AENE tabled in Parliament on 22 October 2014. Adjustments Appropriation Bill tabled in Parliament on 22 October 2014. AENE chapter guidelines issued on 8 August 2014. ENE chapter guidelines issued on 7 October 2014 and national department ENE chapter inputs were submitted earlier than in the previous years. 	<ul style="list-style-type: none"> ENE published before the end of February. Budget Review published before the end of February. AENE published before the end of October Appropriation Bill tabled before the end of February. Adjustments Appropriation Bill tabled before the end of October. AENE chapter guidelines issued in August. ENE chapter guidelines issued in November. 	<ul style="list-style-type: none"> ENE tabled on 24 February 2016. Budget Review tabled on 24 February 2016. AENE tabled on 21 October 2015. Appropriation Bill tabled on 24 February 2016. Adjustments Appropriation Bill tabled on 21 October 2015. AENE guidelines issued on 31 July 2015. ENE guidelines issued on 6 October 2015.
Presenting public finance statistics according to function and economic classification for consolidated government.	<ul style="list-style-type: none"> Budget data compiled and classified according to function and economic classification. 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 Budget Review. Updated budget information in SQL server and moved reporting data (Y/M and entities quarterly reporting) data into SQL server, which is the formal database under construction. 	<ul style="list-style-type: none"> Extend coverage of consolidated accounts to include information on consolidated accounts and borrowing of all general government. Move the data used in the compilation of financial statistics for the budget to an appropriate storage platform. 	<ul style="list-style-type: none"> Consolidated budget accounts for Budget Review 2016 -- national, provincial and public entities. Data used in the compilation of financial statistics for the budget moved to an appropriate storage platform.
			<ul style="list-style-type: none"> If guidelines are completed a month or two earlier due to reaching targets sooner, it will be published since it will serve no purpose to hold it back.
			<ul style="list-style-type: none"> N/A

PART B: PERFORMANCE INFORMATION – CONTINUED



Performance Information Plan 2015/16 and prior year 2014/15 audited information		Performance analysis 2015/16		
Indicator	Actual achievement 2014/15	Target 2015/16	Actual	
Strategic objective: Publication of the national budget				
<p>Providing guidance to departments on the classification of expenditure.</p>	<ul style="list-style-type: none"> Issued classification circulars 8, 9 and 10 for changes in 2014/15 financial year. 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. 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. 	<ul style="list-style-type: none"> Extend coverage of consolidated accounts to include information on consolidated accounts and borrowing of all general government. 	<ul style="list-style-type: none"> Issued classification circulars and guidelines. Provided advice on the interpretation of the SCOA and the reference guide on economic classification. 	<p>Reason for deviation</p> <ul style="list-style-type: none"> N/A

PART B: PERFORMANCE INFORMATION – CONTINUED

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT - continued

Performance information Plan 2015/16 and prior year 2014/15 audited information				Performance analysis 2015/16	
Indicator	Actual achievement 2014/15	Target 2015/16	Actual	Reason for deviation	
Strategic objective: Monitoring and analysis of public expenditure and service delivery					
Provide timely sectoral analysis and advice for policy framework development.	<ul style="list-style-type: none"> Comments on Cabinet memoranda were provided timeously by all Chief Directorates. Departmental correspondence, submissions and reports have been dealt with timeously by all Chief Directorates. 	<ul style="list-style-type: none"> Comments on Cabinet memoranda to reach the Ministry one day before the relevant Cabinet meeting. Responses to departmental requests within four weeks of receipt of request for administrative submissions and within 12 weeks for ministerial concurrence/policy feedback. 	<ul style="list-style-type: none"> 99.7% (314 out of 315) of Cabinet memoranda reached Ministry at least one day in advance of the relevant Cabinet meeting. 98% (189 out of 193) of departmental requests and ministerial correspondence responded to within the set response timelines. 	<ul style="list-style-type: none"> Cabinet memorandum was distributed late by the client department. Responses not achieved due to consultations with relevant units within the National Treasury as well as request for additional information from the requesting departments. 	
Providing monthly expenditure feedback to departments.	<ul style="list-style-type: none"> Most directorates compiled monthly expenditure feedback reports for January and February 2015 within 30 days. 	<ul style="list-style-type: none"> 12, each within 30 days after month-end. 	<ul style="list-style-type: none"> 235 monthly expenditure feedbacks provided to departments. 	<ul style="list-style-type: none"> 235 monthly expenditure feedback reports were sent to departments, exceeding an annual target of 12 monthly expenditure feedbacks to departments. The low target of 12 monthly feedbacks has since been corrected and revised; the target in the 2016/17 Annual Performance Plan to be 480 monthly expenditure feedbacks to departments to reflect the total number of votes. 	
Compile and submit quarterly expenditure reports to the Standing Committee on Appropriations.	<ul style="list-style-type: none"> 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 six week period. 	<ul style="list-style-type: none"> Four, each within six weeks after the end of the quarter. 	<ul style="list-style-type: none"> Four quarterly expenditure reports (consisting of 40 departments' reports) to the Standing Committee on Appropriations submitted on time. 	<ul style="list-style-type: none"> N/A 	

PART B: PERFORMANCE INFORMATION – CONTINUED



Performance Information Plan 2015/16 and prior year 2014/15 audited information		Performance analysis 2015/16
Indicator	Actual achievement 2014/15	Target 2015/16
Strategic objective: Monitoring and analysis of public expenditure and service delivery		
Undertake selected expenditure and performance reviews.	<ul style="list-style-type: none"> Performance and expenditure reviews initiated in the third quarter and still underway: National student financial aid scheme Technical vocational education and training School infrastructure delivery Provincial roads Review of the funding model for social housing Water services Nutrition and food security for children under 5 years old Border management administration Government accommodation – leases. 	<ul style="list-style-type: none"> Six per year.
	<ul style="list-style-type: none"> Expenditure reviews completed during 2014/15: Public transport infrastructure and systems Micro agricultural financial institutions of South Africa Pan South African Language Board, and the cultural, religious and linguistic services of Department of Arts and Culture Land restitution Artisan development programme Small Enterprise Development Agency Effective partnering of Science Councils with the private sector National Skills Funds Critical scarce skills immigration policy Assessment of biofuels. 	<ul style="list-style-type: none"> 50% (3 out of 6) expenditure and performance review reports completed on (a) government lease accommodation' (b) TVET and (c) NSFAS
		<ul style="list-style-type: none"> 3 expenditure and performance reviews still in progress. Service providers are not getting the requisite data required for the reviews and constructing the data from scratch is time consuming.



PART B: PERFORMANCE INFORMATION – CONTINUED

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT - continued

Performance information Plan 2015/16 and prior year 2014/15 audited information		Performance analysis 2015/16	Reason for deviation	
Indicator	Actual achievement 2014/15	Target 2015/16	Actual	
Strategic objective: Monitoring and analysis of public expenditure and service delivery				
<p>Development of a COLA costing model to improve the National Treasury's understanding of the implications of the remuneration policy and wage settlements on the public sector wage bill.</p>	<ul style="list-style-type: none"> The existing costing model has been analysed and continuous review of the model is undertaken by a joint team composed of representatives of the 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. 	<ul style="list-style-type: none"> Review, improve and continue to implement the COLA costing model. 	<ul style="list-style-type: none"> The model has been used to estimate costs for implementing the 2016 wage adjustments as per PSCBC Resolution 8 of 2015 and to formulate compensation budget ceilings for the 2016 MTEF. Improvements to COLA model are in progress with analysis of remuneration policies and preliminary model design completed. 	<ul style="list-style-type: none"> N/A

PART B: PERFORMANCE INFORMATION – CONTINUED



Performance Information Plan 2015/16 and prior year 2014/15 audited information		Performance analysis 2015/16
Indicator	Actual achievement 2014/15	Actual
Strategic objective: Monitoring and analysis of public expenditure and service delivery		
<p>Implement a governance and financial management monitoring and compliance system in public entities.</p>	<ul style="list-style-type: none"> 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. Reviewed the classification/institutional framework of public entities. Finalised NT regulation inputs related to public entities. Submission of recommendations on Cabinet memoranda. Provided assistance and support to various public entities regarding governance and compliance related matters. 	<ul style="list-style-type: none"> N/A
	<ul style="list-style-type: none"> Continue institutional budgeting reforms and support to national and provincial public entities. Assist entities with implementation of change management and improved business processes. Review financial, HR and administrative frameworks in public entities, including NT regulations. Submit recommendations to Cabinet on frameworks and memoranda applicable to public entities. Assist public entities to improve compliance and governance. 	<ul style="list-style-type: none"> Provided Institutional support to National and Provincial public entities related to financial reporting governance and compliance. Finalised NT regulation inputs related to public entities. Revised the framework on Board and CEO executive remuneration which 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 which is aligned with the Public Service's equate/evaluate job evaluation system. Submission of recommendations on Cabinet memoranda. Provided assistance and support to various public entities on governance, financial management and compliance related matters. Reviewed the classification/institutional framework of public entities.

PART B: PERFORMANCE INFORMATION – CONTINUED

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT - continued

Performance information Plan 2015/16 and prior year 2014/15 audited information		Performance analysis 2015/16	Reason for deviation
Indicator	Actual achievement 2014/15	Target 2015/16	Actual
Strategic objective: Coordinating international development cooperation			
Ensure the alignment of development cooperation to government policy and priorities.	<ul style="list-style-type: none"> ODA information incorporated into the MTEC guidelines. ODA internal report produced and submitted to Budget Committee. 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. During Q4 of 2014/15, a total of R689 million was received from the EU: 3rd variable tranche and 2nd fixed tranche. New programmes designed and programmed during FY 2014/15: DHET-EU: Teaching and learning development programme, €26m DOJ-EU IDC-Flanders: Social enterprise fund Tirelo Boshu - Belgium capacity building programme. IPSA programme operationalised. Development cooperation management Information System officially launched. 	<ul style="list-style-type: none"> Manage GBS allocation process on behalf of government. Monitor GBS programme delivery. Administer all ODA programmes that fall outside the GBS process. Monitor and evaluate ODA programmes. 	<ul style="list-style-type: none"> No new allocation for the FY. R485 million disbursed to GBS projects, R1.8 billion disbursed to other projects from the RDP Fund. Assisted the dti with the finalisation of required documentation to enable the disbursement of funds to the department from the RDP Fund. Assisted kZN provincial treasury with the preparation and finalisation of amended work plans and required documentation to enable the disbursement of funds from the RDP Fund (GBS project). N/A

PART B: PERFORMANCE INFORMATION – CONTINUED



Performance Information Plan 2015/16 and prior year 2014/15 audited information		Performance analysis 2015/16	Reason for deviation
Indicator	Actual achievement 2014/15	Target 2015/16	Actual
Strategic objective: Coordinating international development cooperation			
	<ul style="list-style-type: none"> • Programme evaluations undertaken during the FY 2014/15: <ul style="list-style-type: none"> - TDCA dialogue facility mid-term review (MTR) - DST MTR - DOJ final evaluation - DRDLR-Belgium-PSPD mid-term evaluation report - SURUDEEC LED programme final evaluation. • Other reviews and studies undertaken during FY 2014/15: <ul style="list-style-type: none"> - Public expenditure and financial accountability (PEFA) country assessment 2014 - Review of technical assistance models in SA - Review of philanthropy in SA - Review of trilateral development programmes in SA. • 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. 		



PART B: PERFORMANCE INFORMATION – CONTINUED

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT - continued

Performance information Plan 2015/16 and prior year 2014/15 audited information		Performance analysis 2015/16	Reason for deviation
Indicator	Actual achievement 2014/15	Target 2015/16	Actual
Strategic objective: Coordinating international development cooperation			
<p>Manage and coordinate development cooperation in South Africa.</p> <ul style="list-style-type: none"> Development partners consultation forums and high level meetings held: <ul style="list-style-type: none"> SA-US AID bilateral forum, June 2014 SA-Flanders annual consultation held in SA, 3 March SA-Swiss high level meeting in SA, 3 February SA-China joint working group meeting in China, Beijing, 3-4 September SA-EU JCC in Belgium, Brussels, November SA-Canada AC SA-Belgium, Pretoria Flanders delegation visit, 5 March AFD headquarters visit, 18 February and 25 March. EU headquarters visit, 2-6 February re: employment programming SA-Germany DevCop - green economy focal area, 10 February. Programme bilateral agreement facilitated and signed during the FY 2014/15: <ul style="list-style-type: none"> SA-German technical and financial cooperation agreement SA-EU multiannual indicative programme valued EUR242m for the period 2014-2020 VPUU German Agreement 	<ul style="list-style-type: none"> Manage the development partner ODA engagements for South Africa. Finalise ODA programming with development partners. Provide support to ODA programmes with implementation challenges. 	<ul style="list-style-type: none"> Bi-national consultations between SA and Canada held in Ottawa (December 2015). Annual Consultations held with Germany. EU / SA agreements concerning TCF, Dialogue facility processed and awaiting signature; German Financial and Technical Cooperation agreements signed. Supported the Department of Tourism in revising the project plan of the Golden Gate Highlands park interpretation centre to ensure efficient implementation. 	<ul style="list-style-type: none"> N/A

PART B: PERFORMANCE INFORMATION – CONTINUED



Performance Information Plan 2015/16 and prior year 2014/15 audited information		Performance analysis 2015/16
Indicator	Actual achievement 2014/15	Actual
Reason for deviation		
Strategic objective: Coordinating international development cooperation		
	<ul style="list-style-type: none"> - SA-Swiss – KZN eLembe LED Programme agreement signed on 21 January - SA-Australia – DAFF-ACIAR memorandum of subsidiary agreement signed re grass-fed markets and value chains programme - Endorsement of SA-China training of the dti officials under protocol on economic and technical cooperation. • Participation at other partners' international forums: <ul style="list-style-type: none"> - International CSO task team meeting in Ireland 24-25 Sept - International aid transparency initiative, Ghana 18-19 March - Financing for development (FFD3 prep), Ghana 16-17 March. 	



PART B: PERFORMANCE INFORMATION – CONTINUED

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT - continued

Performance information Plan 2015/16 and prior year 2014/15 audited information		Performance analysis 2015/16	Reason for deviation
Indicator	Actual achievement 2014/15	Target 2015/16	Actual
Strategic objective: Coordinating intergovernmental relations			
<p>Publish Division of Revenue Bill and Division of Revenue Amendment Bill annually.</p>	<ul style="list-style-type: none"> 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. 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. The above was followed by the successful tabling of the Division of Revenue Amendment Bill in October 2014. 	<ul style="list-style-type: none"> Accurate Division of Revenue Bill tabled on Budget Day and tabled with MTSE. 	<ul style="list-style-type: none"> Division of Revenue Bill was tabled on 2016 Budget Day (24 February 2016) and Division of Revenue Amendment Bill was tabled with the 2015 MTBPS on 21 October 2015. N/A
<p>Introduce reforms to enhance provincial and local government fiscal frameworks.</p>	<ul style="list-style-type: none"> 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. The second phase of the review was also announced and a work plan for 2015 has been developed. In 2014/15 overall, 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. The draft report on international comparisons was updated in line with the inputs received from various units within Treasury. 	<ul style="list-style-type: none"> Introduce initial reforms as part of phasing in of new local government infrastructure conditional grant system. Submission of draft amendment to the Municipal Fiscal Powers and Functions Act to Cabinet. 	<ul style="list-style-type: none"> MTBPS announced several changes to local government infrastructure grants. These changes were made in the 2016 Division of Revenue Bill tabled on 24 February 2016. Changes included a new formula for determining allocations through the public <i>transport network grant</i>, merging several water and sanitation grants, and introducing conditions to allow grant funds to be used for infrastructure refurbishment. Draft Amendment Bill has been developed but not submitted to Cabinet.
			<ul style="list-style-type: none"> The new requirement by Cabinet to undertake a socio-economic impact assessment (SEIAS) on new policy initiatives and amendments to existing legislation has delayed the process. The draft SEIAS report was submitted to the Department of Monitoring and Evaluation for assessment and a final report is being compiled.

PART B: PERFORMANCE INFORMATION – CONTINUED



Performance Information Plan 2015/16 and prior year 2014/15 audited information		Performance analysis 2015/16	Reason for deviation
Indicator	Actual achievement 2014/15	Target 2015/16	Actual
Strategic objective: Coordinating intergovernmental relations			
	<ul style="list-style-type: none"> The first draft report of the socio-economic profiling of metropolitan municipalities has been finalised and is being consulted with stakeholders. The appointment of the service provider for metro expenditure and revenue performance has been delayed due to procurement processes of the <i>Gesellschaft für Internationale Zusammenarbeit (GIZ)</i>, which is the sponsor for this project. 		
Promote ongoing improvement in infrastructure planning and built environment management in cities and provinces.	<ul style="list-style-type: none"> BEPP Reviews (aligned with the Midyear Budget Review) held with all eight metropolitan municipalities. Supplementary BEPP guidance note together with a template for catalytic projects reporting prepared to assist the cities in compiling the final BEPP. 	<ul style="list-style-type: none"> Review performance of the built environment performance plans using the built environment indicators, and incentivise planning and implementation through conditional grants. 	<ul style="list-style-type: none"> Reviews of the 2016/17 BEPPs held for the metropolitan municipalities as part of the midyear budget visits. Furthermore, ICDG framework (incentive grant) and allocations to the cities were published in the 2016/17 DoRA Bill. N/A
Promote ongoing performance improvements in the built environment.	<ul style="list-style-type: none"> All health and education infrastructure plans assessed and feedback provided. 	<ul style="list-style-type: none"> Assessment of all provincial health and education infrastructure plans and incentivising of improved planning through conditional grants. 	<ul style="list-style-type: none"> 2015/16 assessment process to inform 2016/17 incentive allocation was concluded during Q3. All infrastructure plans assessed (18) for education and health. N/A

PART B: PERFORMANCE INFORMATION – CONTINUED

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT - continued

Performance information Plan 2015/16 and prior year 2014/15 audited information		Performance analysis 2015/16	Reason for deviation
Indicator	Actual achievement 2014/15	Target 2015/16	Actual
Strategic objective: Coordinating intergovernmental relations			
Facilitate training of officials on budget formulation, conditional grants framework assessment, analysis and infrastructure delivery management.	<ul style="list-style-type: none"> Out of 500 participants targeted to be trained in budget formulation and analysis, 320 participants were trained. 54 of these were trained in the last quarter of the financial year owing to special training for officials in NW Provincial Legislature. 364 government officials training on the infrastructure delivery management system (IDMS). 	<ol style="list-style-type: none"> Number of workshops held to capacitate provincial treasuries in budget assessment and in-year monitoring - one workshop meeting held. 400 provincial staff members trained in budget formulation and analysis. 150 government officials trained on infrastructure delivery management course. Division of Revenue Act (DoRA) implementation workshops with national departments and the provincial treasuries. 	<ol style="list-style-type: none"> One workshop training session was held on the 10 July 2015. 2015/16 YM workshop training and 2016 MTEF database workshop training successfully completed with delegates from all 9 provinces attending. A total of 405 provincial staff members were trained in budget formulation (207 staff members) and budget analysis (198 staff members). A total of 184 officials were trained during the 2015/16 financial year. No workshops arranged.
			<ol style="list-style-type: none"> N/A The overachieving of 5 (400-405) staff members is due to additional training sessions provided for budget formulation training in the Eastern Cape and Kwazulu-Natal provinces. The baseline was 150 officials, but due to high demand from provinces, an extra 34 officials were trained. The DoRA workshops only started in April 2016, due to the unavailability of national departments and venues.

PART B: PERFORMANCE INFORMATION – CONTINUED



Performance Information Plan 2015/16 and prior year 2014/15 audited information		Performance analysis 2015/16	Reason for deviation
Indicator	Actual achievement 2014/15	Target 2015/16	Actual
Strategic objective: Coordinating intergovernmental relations			
<p>Benchmarking and conducting midyear engagements with all municipalities and timely publication of reports.</p>	<ul style="list-style-type: none"> Conducted the budget benchmarking assessment for all municipalities between April and May. Conducted the midyear assessment for the non-delegated municipalities from 26 January to 27 February 2015. Published the Local Government Section 71 quarterly. State of local government finances and financial management report approved by the Minister on 18 November 2014. 	<ul style="list-style-type: none"> Benchmark and report on assessments for all municipalities between April and May of each year for non-delegated municipalities to determine adequacy of funding, credibility and sustainability. Conclude and report on midyear assessment for non-delegated municipalities by March each year. Publication of expenditure reviews and section 71 MFMA reports and section 44 (3) of the DoRA. 	<ul style="list-style-type: none"> All the 17 tabled budgets of the 17 non-delegated municipalities assessed to determine adequacy of funding, credibility and sustainability and the consolidated report done as well. Compiled one consolidated report and 17 municipal specific reports on the midyear budget and performance assessment of the 17 non-delegated municipalities. In line with the Section 71 of the MFMA and Section 31 (3) of the 2015 DoRA, the fourth quarter (2014/15), first and second quarter (2015/16) in-year publications were published on 30 June 2015, 30 September 2015 and 4 March 2016 respectively, covering revenue and expenditure of 278 municipalities and conditional grant spending of 277 municipalities. (The third quarter report is only due 31 May 2016)



PART B: PERFORMANCE INFORMATION – CONTINUED

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT - continued

Performance information Plan 2015/16 and prior year 2014/15 audited information		Performance analysis 2015/16	Reason for deviation
Indicator	Actual achievement 2014/15	Target 2015/16	Actual
Strategic objective: Coordinating intergovernmental relations			
Benchmarking and conducting midyear engagements with all provinces and timely publication of reports.	<ul style="list-style-type: none"> Published all section 32 reports on time (every quarter). 3rd quarter report published on time and press release published in February 2015. Published provincial budgets and expenditure review. Completed two sets of budget benchmarking sessions per province. Parliamentary briefings were scheduled by NCOP but all were cancelled/postponed or not scheduled. 	<ul style="list-style-type: none"> Publication of quarterly reports in terms of section 32 of the PFMA. Conduct budget benchmarking sessions for each of the nine provinces before mid-February. Provide comprehensive parliamentary briefings in respect of at least three provincial governments, and three programmes funded through conditional grants. 	<ul style="list-style-type: none"> 4 quarterly reports published in terms of section 32 of the PFMA. Benchmark sessions for each of the nine provinces were conducted in December 2015 and January 2016 and reports compiled Provided one briefing to parliament on the <i>education infrastructure grant</i> 2 June 2015. A total of 4 provincial government briefings were done on the following dates: 5 June 2015, 17 June 2015, 19 June and 12 August 2015.
Implementation of SCOA for local government	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> Implementation of the SCOA at the pilot municipalities. 	<ul style="list-style-type: none"> Implemented the final mSCOA version 5.4 on the LG database. Importing the version into mSCOA mapping. Manually extract additional columns from spread-sheets and build FOCUS database (work in progress).
			<ul style="list-style-type: none"> N/A

PART B: PERFORMANCE INFORMATION – CONTINUED



Linking performance with budgets

Programme 3	2015/16 Financial Year			2014/15 Financial Year		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Programme management for public finance and budget management	18 061	17 885	176	23 087	20 615	2 472
Public finance	59 573	59 167	406	54 770	52 330	2 440
Budget Office and coordination	56 051	55 366	685	58 132	53 225	4 907
Intergovernmental relations	94 048	89 005	5 043	78 601	73 812	4 789
Financial and Fiscal Commission	41 156	41 156	-	45 288	45 288	-
Total	268 889	262 579	6 310	259 878	245 270	14 608

PART B: PERFORMANCE INFORMATION – CONTINUED

4.4 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 state-owned enterprises and to enable them 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 and Agricultural Development Bank of South Africa (Land Bank).

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 2015/16, 32 corporate plans and 30 annual reports of public entities and development funding institutions (DFIs), and nine corporate plans and nine annual reports of water boards were reviewed. SAA, Broadband Infracore, the South African Post Office (SAPO) and the Nuclear Energy Corporation of South Africa (NECSA) had not submitted their annual financial statements at the time of the review. The unit analysed the remuneration trends in Schedule 2 public entities against the state-owned entities remuneration guide (SOERG).

PART B: PERFORMANCE INFORMATION – CONTINUED



Foreign borrowing limits for Transnet, Eskom, the Land Bank, as well as the Central Energy Fund (CEF) were granted. Approval of domestic borrowing limits for the Trans-Caledon Tunnel Authority (TCTA), Umgeni Water and the South African National Roads Agency Limited (SANRAL), were also granted. The Minister of Telecommunications and Postal Services was requested to investigate the breach by SAPO in incurring an overdraft without approval.

During the year, the guarantee facility for SAPO was increased to R4.4 billion. Additional guarantees were also issued to support the renewable energy independent power producers (REIPP) programme. Eskom, SANRAL, SAA, the Land Bank and SAPO all increased their borrowing against the guarantee facilities issued. The guarantees to Eskom, Denel, SAA, South African Express (SAX), SAPO, the Land Bank, TCTA and Autopax Passenger Services (Autopax) were monitored regularly and quarterly reports were provided to the Fiscal Liability Committee (FLC).

In July 2015, the Eskom Subordinated Loan Special Appropriation Amendment Act (2008/09-2010/11 Financial Years) (Act No. 6 of 2015) was enacted, enabling the conversion to equity of Eskom's R60 billion subordinated loan. The Eskom Special Appropriation Act (Act No. 7 of 2015), which was signed into law in July 2015, provided for the appropriation of R23 billion as equity to Eskom. The appropriation was funded through the sale of government's shareholding in Vodacom, which was concluded in June 2015. The funds were transferred to Eskom as follows: R10 billion was transferred in July 2015; R5 billion in December 2015; R3 billion in February 2016 and the remaining R5 billion in March 2016. The transfer of the R10 billion scheduled to have been transferred in December 2015 was delayed until Eskom demonstrated compliance with the equity conditions

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. For the 2015/16 year, SOCs capital expenditure was R99.4 billion, 90.7% of the budgeted amount. The under spending was widespread amongst the top five SOCs, with Eskom being the exception. Total borrowings for the 2015/16 financial year amounted to R162.36 billion against planned borrowings for the year of R165.96 billion. The marginal variance of the total planned borrowings was as a result of DBSA, IDC and the Land Bank borrowing less than initially planned.

As required in terms of the Municipal Finance Management Act (MFMA), the National Treasury provided written comments to each of the water boards regarding proposed tariff adjustments. Similarly, Eskom's draft selective tariff reopener was analysed and written comments were provided to the utility. In March 2014, the 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. The National Treasury met with the 59 affected municipalities, and 49 of 51 municipalities concluded repayment agreements with Eskom and 12 out of 14 finalised agreements with water boards. In addition, the National Treasury has been working towards resolving the issues tabled by municipalities during the engagements.

Notifications in terms of Section 54(2) of the PFMA relating to major transactions being undertaken by public entities were analysed, including applications from Eskom, SAA, SAX, Denel and the Public Investment Corporation (PIC).

Exemptions relating to Section 52 and other provisions of the PFMA were granted to the IDC and its subsidiaries.

The unit also undertook the following activities during 2015/16:

- Reviewed the corporate plans of the PIC, SASRIA, SAA, the Land Bank and DBSA, which were tabled in Parliament by the Minister of Finance.
- Concluded shareholder compacts with the PIC, SASRIA, SAA, Land Bank and DBSA.



PART B: PERFORMANCE INFORMATION – CONTINUED

- Reviewed the annual reports and financial statements of the PIC, SASRIA, the Land Bank and DBSA, which were tabled in Parliament. The Minister of Finance requested an extension for the tabling of SAA's annual financial statements.
- The National Treasury worked with SAA to review and refine the LTTs developed in 2013.
- The Land Bank is currently finalising its organisational review which started in the 2014/15 financial year. The aim of the review is to enhance efficiencies within the Land Bank to ensure it plays a meaningful and catalytic role in the entire agricultural value chain in South Africa by aligning its mandate with government's objective for an inclusive and sustainable agricultural sector. The Land Bank is currently implementing recommendations made during the diagnostic stage of the review.
- Cabinet approved the review of the provincial development finance institutions (PDFIs). It is anticipated that the review, coupled with the previous review of the national development finance institution, will assist in developing a policy in order to coordinate activities of all developmental financial institutions in South Africa more effectively and to increase their developmental impact. The review of PDFIs commenced during the 2015/16 financial year. The outcome of the review will be communicated to Cabinet once completed.
- Supported the Minister as a member of the Inter-ministerial committee on state-owned company (SOCs) reforms. This included developing a draft framework to guide private sector participation alongside government in new infrastructure projects and piloting a framework for quantifying the costs of the developmental activities undertaken by SOCs.
- A number of policies or amendments to acts with implications for the public entities were considered and commented on, including the ICT policy review, raw water pricing strategy and norms and standards, the draft White Paper on the national civil aviation policy, and inputs were provided for the development for the integrated energy plan.
- Contributed to the work of the task team that has been established to work jointly with representatives from labour and the private sector to enable increased private investment in infrastructure.

The Government debt management unit successfully financed the gross borrowing requirement of R202.1 billion, originally budgeted at R204.5 billion. This was financed through issuance of domestic short-term loans (R13.1 billion) and domestic long-term loans (R174.3 billion) and the use of a surplus cash balance of R14.7 billion. A request for proposal (RFP) was issued and Banks mandated. No foreign loans were issued, however, due to unfavourable market conditions.

In keeping with efforts to conservatively manage the debt portfolio, the issuance of debt in the domestic market was executed in a manner that sought to protect the long-term sustainability of the debt portfolio. To this end, 6.9 per cent was issued in short-term debt, with the remaining 93.1 per cent issued in long-term debt. Of the long-term debt, 82.4 per cent was issued in fixed rate bonds, with 17.6 per cent issued in inflation linked debt. Three new bonds were introduced during the year in order to broaden the funding options, and an amount of R55.4 billion was switched from short-dated debt to long-dated debt.

Debt-service costs were R128.80 billion against an original budget of R126.4 billion. Domestic and foreign loans of R32.0 billion were repaid during 2015/16.

The *Financial Operations* unit managed cash flows amounting to R4.8 trillion in 2015/16, ensuring that government had sufficient funds available to meet its daily cash requirements. Short-term loans of R374.3 billion, consisting of Treasury bills with maturities ranging from 91 days to 365 days were issued and R367.1 billion matured, while borrowing from the Corporation for Public Deposits on average amounted to R36.7 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.

PART B: PERFORMANCE INFORMATION – CONTINUED



Strategic risk benchmarks define the boundaries of government's risk tolerance towards foreign currency, inflation and interest rate exposures as well as maturity distribution between short- and long-term debt in the medium-term based on cost and risk trade-offs. The outcome of the 2015/16 funding plans based on the risk allocation strategy that was informed by a hierarchy of funding objectives: liquidity, refinancing risk and funding costs, including the implementation of the switch strategy, resulted in all benchmarks being within their respective thresholds and ranges.

As at 31 March 2016 the share of short-term debt (Treasury bills only) maturing within a year assessed against a limit of 15 per cent decreased from 12.62 per cent (31 March 2015) to 11.78 per cent due to demand related factors. The share of long-term debt (fixed rate and inflation linked bonds) maturing within five years assessed against a limit of 25 per cent decreased from 20.94 per cent (31 March 2015) to 18.60 per cent due to successful switch auctions and more issuance in the long end. Meanwhile the inflation risk exposure slightly increased from 22.41 per cent (31 March 2015) to 22.96 per cent against a range of 20-25 per cent due to revaluations.

This is despite the fixed rate bond and inflation linked bond auction split changing from 78/22 (2014/15) to 80/20 (2015/16). Due to the Rand weakening against major currencies, the share of foreign debt increased from 9.44 per cent (31 March 2015) to 10.06 per cent against a threshold of 15 per cent. The weighted average term as an illustration of how long government debt remains outstanding increased from 11.6 years (31 March 2015) to 12.6 years for fixed rate bonds and Treasury bills, while that of inflation linked debt slightly decreased to 14.89 years from 14.98 years (31 March 2015) as assessed against a range of 10-14 years and 14-17 years, respectively.

Government's guarantee exposure to public entities increased to R258 billion in 2015/16, from R225.8 billion in 2014/15. Eskom makes up 65 per cent of the total exposure from the government guarantee portfolio. The inclusion of the exposure to renewable energy independent power producers in the definition of government's contingent liabilities has resulted in an increase of an additional R200 billion to the total exposure. The power purchasing agreements (PPAs) that Eskom and the independent power producers (IPPs) enter into create a contractual obligation for Eskom to purchase power from these IPPs over a 20 year period. This should be done at a price agreed to by the National Energy Regulator. Government provides support in the form of guarantees to Eskom in respect of its obligation under these contracts, indicating that in the event that Eskom is unable to purchase some or all of the power as stipulated in the PPAs, government will have to step in and purchase the power on Eskom's behalf.

Contingent liability exposure to PPPs is only recognised in respect of a possible termination of the contract where government will be required to reimburse the private partner. The obligation will only materialise upon the termination of the contract. In 2015/16, the inclusion of PPPs added an additional R9 billion to government's contingent liabilities of which national PPPs account for 37 per cent and provincial PPPs account for 63 per cent. Government's other contingent liabilities include the actuarial deficits of social security funds, which is the difference between the claims owed by these entities and their total assets. Government commitments to the Export Credit Insurance Corporation of South Africa, representing the net underwriting exposure of the company and its total assets, also fall into this category, as do claims against government departments, and post-retirement medical benefits to government employees. Other contingent liabilities were expected to amount to R286.1 billion as at 31 March 2016, R33.5 billion higher than the previous period due to an increase in claims by exporters and increased exposure of the Road Accident Fund.

In 2015/16, the country maintained the investment grade credit ratings assigned by all four of the solicited ratings agencies. In June 2015, both Fitch and S&P reaffirmed South Africa's credit ratings at 'BBB' (negative outlook) and 'BBB-' (stable outlook) respectively. In September 2015, Moody's affirmed the country's credit rating at 'Baa2' (stable outlook). In December 2015, the country was downgraded by Fitch to 'BBB-' (stable outlook) and simultaneously reaffirmed by S&P at



PART B: PERFORMANCE INFORMATION – CONTINUED

'BBB-' (outlook revised from stable to negative). Moody's reaffirmed South Africa's credit rating at 'Baa2' (outlook revised from stable to negative).

In January 2016, R&I reaffirmed South Africa's credit rating of 'BBB+' (outlook revised from stable to negative). In March 2016, Moody's placed the country's 'Baa2' (negative outlook) credit rating under review for possible downgrade. Moody's had stated that the review would conclude within three months, and in May 2016 it reaffirmed the country's 'Baa2' (negative outlook) credit rating. In their midyear reviews in June 2016, both S&P and Fitch affirmed South Africa's credit ratings at 'BBB-' (negative outlook) and 'BBB-' (stable outlook) respectively.

PART B: PERFORMANCE INFORMATION – CONTINUED



Programme 4: Asset and liability management

Performance Information Plan 2015/16 and prior year 2014/15 audited information			
Indicator	Actual achievement 2014/15	Target 2015/16	Actual
Strategic objective: Exercise oversight of state-owned enterprises			
<p>Analysis of corporate plans, shareholder compacts and annual reports of SOCs, DFIs and water boards.</p> <ul style="list-style-type: none"> • 33 SOCs annual reports for the 2013/14 period analysed. • 32 SOCs' corporate plans for 2015 -2017 period analysed. • 10 water boards annual reports for the 2013/14 period analysed. • Nine water boards corporate plans for 2015-2017 period analysed. • Reviewed and submitted to Parliament the corporate plans of the PIC, SASRIA and DBSA reporting to the Minister of Finance. • Amended the 2014/15 shareholder compact for SAA. • Motivated to Parliament for extension for the submission of the corporate plans of SAA and the Land Bank. • Collated infrastructure spending and borrowings by SOCs and water boards for the 2014/15 period and shared their spending trends internally. • 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. • Reviewed schedule 2 and 3B SOCs remuneration in comparison with the SOC remuneration guideline and Department of Water and Sanitation framework. 	<p>Analyse and submit reports annually on all corporate plans, shareholder compacts and annual reports of SOCs and DFIs.</p> <p>ii. Exercise oversight over SOCs/ DFIs reporting to the Minister of Finance.</p> <p>iii. Compile information and report on SOCs/DFIs borrowing and infrastructure expenditure.</p> <p>iv. Review and report on SOC/DFI remuneration.</p>	<p>Analyse and reviewed the 2014/15 AFS and 2015/16 corporate plans of SOCs and DFIs.</p> <p>ii. The corporate plans for PIC, Sasria, DBSA, SAA and Land Bank were tabled in Parliament. Concluded shareholder compacts with SAA, PIC, Sasria, DBSA and Land Bank.</p> <p>iii. Q1, Q2 & Q3 reports on capital expenditure and borrowings by SOCs have been compiled. Also complied with the borrowing requirement and outcomes for the Budget Review and Q3 reporting.</p> <p>iv. Reviewed SOC/DFI executive remuneration and compiled a memo for Minister. Reviewed the performance bonuses and incentives for SOCs reporting to the Minister of Finance.</p>	<p>Annual report of SAA has not yet been finalised and hence could not be tabled.</p> <ul style="list-style-type: none"> • SAA, SAPO, BBI & NECSA annual financial statements not received and could not be analysed.

PART B: PERFORMANCE INFORMATION – CONTINUED

PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT - continued

Performance information Plan 2015/16 and prior year 2014/15 audited information		Performance analysis 2015/16	Reason for deviation	
Indicator	Actual achievement 2014/15	Target 2015/16	Actual	
Strategic objective: Exercise oversight of state-owned enterprises				
Review of PFMA submissions and applications for guarantees, funding, borrowing limits and MFMA tariff increases.	<ul style="list-style-type: none"> Finalised SAA Section 54 on Mumbai route closure and accompanying letters to the dti, DIRCO and Department of Tourism. Finalised lease extension of three SAA A340-600 wide body aircraft for six years. Compiled memorandum on pebble bed modular reactors (PBMRs) training and research educational assets as well as the transaction with Rosatom State Atomic Energy Corporation (Rosatom). Finalised the memorandum on Denel's Section 54 application for Land Systems South Africa (LSSA) transaction. Completed a briefing memorandum to the Director-General on the conversion of the R60 billion subordinated loan that government provided to Eskom. Made submissions to the Fiscal Liability Committee (FLC) and the Minister of Finance for guarantees for the Land Bank and TCTA. 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. 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. Amended the R1.7 billion five year ABSA SAA guarantee agreement to reflect the Minister of Finance as the shareholder representative. 	<ul style="list-style-type: none"> Submission on PFMA section 54(2) applications within 30 days of receipt of comprehensive information from SOCs and DFIs to relevant committees. Submission on guarantee, funding and borrowing limit applications from SOCs as per stipulated timeframes. Monitoring of approved guarantees, funding and borrowing limits to SOCs. Submission on MFMA section 42 applications for amendments to water and electricity tariffs within 40 working days of receipt of application from SOCs and DFIs. 	<ul style="list-style-type: none"> Reviewed and compiled submissions on section 54 applications relating to SAA, SAX, Eskom, Denel and the PLC. Reviewed and compiled submissions on guarantee applications from Eskom, Broadband Infraco, SAPO, SAA, SANRAL and the borrowing limit application from Umgeni Water. Monitored guarantees to Eskom, Denel, SANRAL, SAA, SAX, SAPO, TCTA, Autopax and compiled quarterly reports for the FLC. Assessed compliance of Eskom to conditions of funding allocation. Reviewed and compiled a submission on Eskom's selective re-opener application and water board tariff amendments. 	<ul style="list-style-type: none"> N/A

PART B: PERFORMANCE INFORMATION – CONTINUED



Performance Information Plan 2015/16 and prior year 2014/15 audited information		Performance analysis 2015/16	Reason for deviation
Indicator	Actual achievement 2014/15	Target 2015/16	Actual
Strategic objective: Exercise oversight of state-owned enterprises			
	<ul style="list-style-type: none"> Finalised submission on SAX R1.106bn guarantee request. Reviewed and prepared memorandum with recommendations regarding guarantee request for Olifants water resources development project. Compiled memorandum to withdraw guarantee to PetroSA due to transaction being cancelled. Finalised a memorandum requesting Department of Telecommunications and Postal Services (DTPS) to investigate overdraft limit breach by SAPO. Finalised memorandum on Postbank rollover of funds. Monitored the approved borrowing limits of SOCs and ensured that borrowing limits were not breached during the 2014/15 financial year. Monitored guarantees to Eskom, Denel, SAA, SAX, SAPO, TCTA, and Autopax and compiled quarterly reports for the FLC. 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 NT's comments to the water boards. Prepared a memorandum and letter to the Minister of Public Enterprises approving the extension for tabling the amended electricity tariffs for the municipalities. Commenced analysis on the selective re-opener application for the short-term power purchase programme (STPPP) and open cycle gas turbines (OCGTs) 		



PART B: PERFORMANCE INFORMATION – CONTINUED

PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT - continued

Performance information Plan 2015/16 and prior year 2014/15 audited information		Performance analysis 2015/16	Reason for deviation	
Indicator	Actual achievement 2014/15	Target 2015/16	Actual	
Strategic objective: Exercise oversight of state-owned enterprises				
Review of the regulatory environment for SOCs/DFIs.	<ul style="list-style-type: none"> Submitted amendments to Treasury Regulations on Shareholder Compact and Corporate Plan content: Financial plan addressing capital expenditure; borrowing programmes; remuneration disclosure and significant transactions. 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. Revised Ministerial memorandum on municipal debt to Eskom and water boards. Reviewed unfunded mandates to water boards and the development of framework to differentiate water boards' commercial and non-commercial activities. Developed a note on constitutional background to the local government equitable share (LGES) (to be used in engaging with water boards). Participated in Export Credit Insurance Corporation of South Africa SOC Ltd's (EIC) interest make-up export incentive scheme (IMU) shortfall workshop, including workshop on its asset liability modeling and evaluation project. Participated in the war room finance workstream on Eskom's financial position. 	<ul style="list-style-type: none"> Review NT regulations and NT best practice guidelines. Publish instruction notes relating to the amendments to NT regulations. Analyse and compile responses to legislation, policies, sector responses and strategies being introduced or amended in terms of their impact on SOCs/DFIs. 	<ul style="list-style-type: none"> Last review of NT regulation and NT best practice guidelines was done in 2013. This happens only as and when there is a need. Instruction notes will be published after the finalisation of the amendments to NT regulations. Provided required inputs on proposed SOC reforms, ICT policy review, raw water pricing strategy and norms and standards, and DOT's White Paper on national civil aviation policy. 	<ul style="list-style-type: none"> N/A

PART B: PERFORMANCE INFORMATION – CONTINUED



Performance Information Plan 2015/16 and prior year 2014/15 audited information		Performance analysis 2015/16	Reason for deviation
Indicator	Actual achievement 2014/15	Target 2015/16	Actual
Strategic objective: Exercise oversight of state-owned enterprises			
	<ul style="list-style-type: none"> 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 DOE. Deloitte appointed as expert advisors to NT on aviation. Participated in SAA, SAX and Mango meeting to align network and fleet plans and held two meetings on SAA's network plan. Met 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 them. Participated in workshop on SAA cost compression initiatives. Provided questions of clarification to SAA on the revised LTTS model. Finalised letters to SAA on its weak liquidity management and requested a borrowing plan with contingencies. Met on 12 February with SAA treasury team to discuss financial risk. Met with SAA's lenders on 17 February for SAA/NT to report progress on 90 day action plan. Participated in various meetings with the Minister and the DPE on SAA. Held a meeting of the Government Shareholder Management Forum to share decisions from the Cabinet lekgotla regarding the management of SOCs. 		



PART B: PERFORMANCE INFORMATION – CONTINUED

PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT - continued

Performance information Plan 2015/16 and prior year 2014/15 audited information		Performance analysis 2015/16	
Indicator	Actual achievement 2014/15	Target 2015/16	Actual
Strategic objective: Manage funding of government borrowing requirements and debt servicing costs optimally			
Meet government's total annual borrowing needs.	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Financing of gross borrowing of R204.5 billion using various debt instruments. 	<ul style="list-style-type: none"> Achieved R202.1 billion. <ul style="list-style-type: none"> Government successfully financed its revised gross borrowing requirement of R202.1 billion. The gross borrowing requirement was lower than budgeted due to a downward revision of the budget balance.
Ensure timely and accurate payment of interest and redemptions.	<ul style="list-style-type: none"> Paid R163.6 billion interest of R114.8 billion and loan redemptions of R48.8 billion. 	<ul style="list-style-type: none"> Pay R157.9 billion including Treasury Bills. 	<ul style="list-style-type: none"> Achieved R160.8 billion. <ul style="list-style-type: none"> The variance is as a result of higher exchange rates and increase in short-term interest rates.
Retain current and attract new investors.	<ul style="list-style-type: none"> Conducted two foreign roadshows: <ul style="list-style-type: none"> September 2014 (United Kingdom, United Arab Emirates, Saudi Arabia, Singapore and Malaysia) December 2014 (United States, Europe and UK). Conducted two domestic roadshows: <ul style="list-style-type: none"> October 2014 and February/March 2015 (Gauteng and Cape Town). Conducted retail bond promotions in all nine provinces: <ul style="list-style-type: none"> Eastern Cape, Northern Cape, Western Cape, Limpopo, Free State, North West, Mpumalanga, Kwa-Zulu Natal and Gauteng. 	<ul style="list-style-type: none"> Conduct two domestic and two foreign roadshows. 	<ul style="list-style-type: none"> The foreign roadshow that is usually held in April/May was brought forward to March as requested by the Minister to address emerging urgent investor concerns at the time. This resulted in three foreign roadshows in 2015/16 as opposed to two.

PART B: PERFORMANCE INFORMATION – CONTINUED



Performance Information Plan 2015/16 and prior year 2014/15 audited information		Performance analysis 2015/16	
Indicator	Actual achievement 2014/15	Target 2015/16	Actual
Strategic objective: Ensure government's liquidity requirements are consistently met within credit risk guidelines			
Ensure government's liquidity requirements met at all times.	<ul style="list-style-type: none"> Total cash flows forecast and managed in 2014/15 were R5 trillion. 	<ul style="list-style-type: none"> Forecasting and managing daily and medium-term cash flows totalling R4.6 trillion. 	<ul style="list-style-type: none"> Achieved, R4.8 trillion.
Forecasting debt and debt-service costs, and reporting of national government debt operations.	<ul style="list-style-type: none"> Forecasts of debt and debt-service costs for inclusion in the 2014 MTBPS and the 2015 Budget Review. 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. Reporting requirements for the special data dissemination standards of the IMF were met. Market information was disseminated on a timely basis. 	<ul style="list-style-type: none"> Forecast debt and debt-service costs. Adherence to the PFMA reporting requirements and disseminating information to the public, financial markets and international institutions. Maintenance of the public debt analytical tool (Horizon). 	<ul style="list-style-type: none"> Achieved - Debt and debt-service cost were forecast for the 2015 MTBPS and 2016 Budget Review. Achieved - In line with PFMA reporting requirements, financial information was provided for the National Treasury's financial statements, consolidated financial statements of the national departments, National Revenue Fund and state debt and investment accounts. Reporting requirements for the special data dissemination standards of the IMF were met. Market information was disseminated on a timely basis. Partially achieved - In the process of operationalising the system
			<ul style="list-style-type: none"> The deviation is mainly due to higher monthly cash balances. Experienced some technical problems which have been resolved.



PART B: PERFORMANCE INFORMATION – CONTINUED

PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT - continued

Performance information Plan 2015/16 and prior year 2014/15 audited information		Performance analysis 2015/16
Indicator	Actual achievement 2014/15	Actual
Strategic objective: To minimise and mitigate risks emanating from government's fiscal obligations		
<p>Performance assessment against market and refinancing risks benchmarks.</p>	<ul style="list-style-type: none"> Overall the share of debt maturing within one year remained below 15 per cent. There were no deviations throughout the year. The switch programme implemented during financial year 2014/15 helped in reducing the ratio to just below 21 per cent. 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. 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. 	<ul style="list-style-type: none"> Implement, monitor and report on the performance of government's debt portfolio against the strategic risk benchmarks.
		<ul style="list-style-type: none"> Compiled monthly debt portfolio and market report. Compiled funding assessment and the actual funding split was 82/18 as at 31 March 2016. Monthly and quarterly debt portfolio analysis reports compiled between April 2015 and March 2016, all benchmark risk indicators were within their respective ranges and thresholds. The March 2016 quarterly risk monitoring report will be compiled following confirmation of the debt figures from Financial Operations. To estimate the impact of funding costs in the forthcoming quarter, the internal yield curve model was used and for assessment of the cash flow-at-risk from auctions, the yield simulation approach was used.
		<ul style="list-style-type: none"> N/A

PART B: PERFORMANCE INFORMATION – CONTINUED



Performance information Plan 2015/16 and prior year 2014/15 audited information		Performance analysis 2015/16	Reason for deviation	
Indicator	Actual achievement 2014/15	Target 2015/16	Actual	
Strategic objective: To minimise and mitigate risks emanating from government's fiscal obligations				
Prudent strategies to manage counterparty risk and ensure effective relations with the credit rating agencies.	<ul style="list-style-type: none"> Credit risk review of the SOCs in light of government total guarantee exposure. Credit risk review of the primary dealers for settlement and counterparty risk. Quarterly review of the government credit risk exposure on both the SOCs and the banks. Quarterly reporting of the investment of government surplus cash in accordance with the prescribed ratios. Annual review of the credit risk methodologies for the analysis of implicit and explicit government contingent liabilities. Annual review of the terms of reference for the FLC. Review of the counterparty selection criteria. 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. 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. 	<ul style="list-style-type: none"> Quarterly reports on adherence to investment ratios and limits. Invest surplus cash according to pre-determined ratios. Manage sovereign rating review process. 	<ul style="list-style-type: none"> Compiled quarterly reports on the adherence to investment ratios and limits, which was adhered to during all quarters. Conducted two assessments on the annual/interim results of counterparty banks to determine government's exposure to counterparty risk for the investment of surplus. As part of the rating enhancement strategy, prepared a briefing note for Minister's meeting with the President and CEO of S&P at the World Economic Forum in Davos (19–23 January 2016); organised the conference calls between NT and Moody's, S&P and Fitch to discuss the outcome of the 2016 Budget. Prepared a strategy document for Minister's meetings with key officials of Moody's, S&P and Fitch in New York and London in March 2016. Participated in the conference calls with the rating agencies to discuss SOC developments (SANRAL, ESKOM and Land Bank) and support from the sovereign. Effectively organised the rating review meetings of Moody's, S&P, Fitch, and R&I. Weekly sovereign risk developments' reports, special risk reports. 	<ul style="list-style-type: none"> N/A



PART B: PERFORMANCE INFORMATION – CONTINUED

PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT - continued

Performance Information Plan 2015/16 and prior year 2014/15 audited information	Target 2015/16	Performance analysis 2015/16	Reason for deviation
Indicator	Actual achievement 2014/15	Actual	Reason for deviation
Strategic objective: To minimise and mitigate risks emanating from government's fiscal obligations			
	<ul style="list-style-type: none"> Compiled and published weekly reports on sovereign risk developments and lessons for South Africa, and <i>Monthly Sovereign Risk Highlights Report</i> for April 2014 to March 2015. Compiled various briefing notes to the Minister regarding credit rating developments in the country in preparation for NT's engagements with the various rating agencies. Communicated the misunderstanding regarding the 2015 Budget figures as well as other discrepancies relating to the rating, to the rating agencies (e.g. special emphasis on the revenue collection estimates tabled in the 2015 Budget). Planned and coordinated the sovereign credit rating visits by Fitch, S&P, R&I and Moody's. Finalised the review of the country risk policy document for the 2014/15 financial year. This includes the inclusion of the new country risk: sovereign rating process document. Compiled and submitted the review of the forward looking sovereign risk report for the 2014/15 financial year. 		

PART B: PERFORMANCE INFORMATION – CONTINUED



Performance Information Plan 2015/16 and prior year 2014/15 audited information		Performance analysis 2015/16	
Indicator	Actual achievement 2014/15	Target 2015/16	Actual
Strategic objective: To minimise and mitigate risks emanating from government's fiscal obligations			
Management of government contingent liabilities.	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> Quarterly report outlining the performance of SOCs. 	<ul style="list-style-type: none"> Compiled quarterly reports on government's contingent liability exposure, which were presented to the fiscal liabilities committee. Compiled inputs for Chapter 7 of the Budget Review on government obligations. Compiled annual credit risk assessment reports on government's contingent liability exposure from state-owned companies, development finance institutions and social.
			<ul style="list-style-type: none"> N/A

PART B: PERFORMANCE INFORMATION – CONTINUED

Linking performance with budgets

Programme 4	2015/16 Financial Year			2014/15 Financial Year		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Programme management for asset and liability management	9 681	9 188	493	12 086	11 951	135
State-owned entity financial management and governance	30 903	30 817	86	29 476	29 171	305
Government debt management	19 562	19 446	116	19 425	19 287	138
Financial operations	21 162	21 035	127	20 472	20 031	441
Strategy and risk management	9 850	9 796	54	9 913	8 964	949
Financial investments	3 174 013	3 174 013	-	3 252 000	3 000 000	252 000
Total	3 265 171	3 264 295	876	3 343 372	3 089 404	253 968

PART B: PERFORMANCE INFORMATION – CONTINUED



4.5 Programme 5: Financial accounting and supply chain management systems

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 (Act No. 12 of 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).

PART B: PERFORMANCE INFORMATION – CONTINUED

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

Modernising of supply chain

In the 2015/16 financial year, the OCPO took bold steps towards modernising the supply chain by introducing a central supplier database for government on 1 September 2015. Registration of suppliers at a single point of access with significantly reduced red tape yielded approximately 100 000 suppliers registered on the CSD by 1 April 2016. Local government will be going live on 1 July 2016. This system is imperative for those who wish to conduct business with the State as they will need to register on the database.

The benefits of the database are:

- A once-off supplier registration
- Reduction of administrative cost/compliance burden
- Standardised and electronic verification of supplier information.

The CPO also introduced an eTender portal on 1 April 2015 resulting in a total of 3 052 tenders published at the end of the 2015/16 financial year and representing a startling R50 billion of business opportunities with the State. This portal is a web based platform for organs of State to advertise bids, publish bid notices, amendments or erratums, cancellations and awards. The benefits of the portal includes:

- Free access to tender documents
- Transparency
- Cost saving.

The development of eProcurement specifications has also been completed. The eCommerce centre has also been implemented and has been functional since 31 March 2016. Sign-off of this system was done with Department of Correctional Service (DCS).

Developments were also made with respect to the assessment of local government systems. Circular 80 for implementation of local government was published, assessment of local government ICT was conducted and all provincial treasuries were visited to create awareness.

The enabling of eperformance management for national and provincial government was not developed.

PART B: PERFORMANCE INFORMATION – CONTINUED



SCM governance, monitoring and compliance

In terms of SCM governance, monitoring and compliance, the following reviews were carried out in the year under the review:

- A total of 200 bid specifications reviews were projected and 218 were reviewed against the SMC policy and applicable procurement instructions.
- The procurement plans reviews projected were 80 and 102 were reviewed for alignment with core functions of the organisation.
- A total of 200 bid evaluation and adjudication minutes reviews were projected and 219 were reviewed to ensure compliance with evaluation criteria/scoring.
- A total of 100 projects to be visited were projected and 127 were visited, and 200 contract reviews projected and a total of 192 were reviewed in terms of physical verification of infrastructure projects, all against the contract specifications and conditions of tender.

Transversal contracting

A total of 14 transversal contracts were projected for renewal and all were renewed. The OCPO intends to intensify industry research for open competition.

Development and implementation of strategic procurement

A strategic procurement framework was drafted and is supported by a strategic sourcing methodology. Thirty good practice guides, which will give guidance to practitioners on practical implementation of strategic procurement, were also drafted.

The following developments were also made in terms of sourcing strategies for identified commodities/procurement categories:

- Medical equipment: the sourcing strategy was developed and project implementation to commence after bid award.
- Mobile and fixed line communications project: sourcing strategy was developed and the RFP process for mobile communication has been concluded. The RFP process for the fixed line communications has been initiated.
- Travel and accommodation project: - the project was implemented on 1 April 2016 for airlines and hotels. Non-exclusive corporate agreements were negotiated and concluded with two airlines and memorandums of understanding with four major hotels. These agreements are, however, non-exclusive agreements as fair competition and cost effectiveness still remains the key principle. The agreements were implemented on 1 April 2016.
- A national travel policy framework was issued in May 2016 which must be implemented by 1 July 2016. This framework provides for a minimum standard for all public officials travelling on official business.
- Car hire and shuttle services: a sourcing strategy has been developed.
- Travel buy site: proof of concept is complete.

Implementation of a price referencing system was piloted with seven departments but could not be rolled out on a national accessible platform as it did not achieve the intended objectives. The project has been discontinued.



PART B: PERFORMANCE INFORMATION – CONTINUED

Infrastructure

The OCPO developed and issued a standard for infrastructure procurement and delivery management as well as an instruction on cost control measures for the construction of new primary and secondary schools, and the provision for additional buildings at existing schools.

SCM legal and policy

The delayed promulgation of the revised PPPFA regulations affected the plan of the roll out Regulations. Finalisation of the standard operating procedures (SOPs) was hampered by capacity constraints while the re-drafting of the Procurement Bill hampered the rationalisation of procedures.

Stakeholder and client management

Stakeholder and client management is the name of a new chief directorate established by the OCPO. This directorate will assist in ensuring that government stakeholders are informed of public sector SCM, and SCM practitioners for government are informed in both formal and informal forums. In the year under review, the directorate launched CSD and other systems, and engagements on other forthcoming reforms were shared. A three month radio campaign (nine African language & two commercial radio stations), newspaper and billboard promotions, were conducted for both CSD registration and access to eTender. Workshops with SCM practitioners were held in March/April 2016. Engagements and training with civil society organisations on how they can improve and/or assist government on oversight are to follow.

Office of the Account-General

During this reporting period the Office of the Accountant-General achieved the following objectives per sub-programme:

MFMA Implementation: the unit coordinates the implementation of the MFMA with national departments, provincial treasuries and cooperative government as well as in 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. It is notable that the unit had rolled out the financial management capability maturity model as well the 32 financial management indicators where all municipalities and entities were assessed. A first for the country's local government. Assessment reports highlighting outcomes and actions required were circulated to provincial treasuries, department of performance monitoring and evaluation, municipalities and entities during 2015. These assessments provide a basis for measuring progress made in implementing financial reforms in municipalities and entities over the past 12 years 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 where support plans for municipalities form the basis of allocations which are targeted towards addressing weaknesses. This is reported on in more detail in Programme 8. The Municipal Finance Recovery Service continued 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 payments; introducing measures to assist municipalities

PART B: PERFORMANCE INFORMATION – CONTINUED



to address payment challenges; and train municipal officials in completing 32 financial ratios to assist in reprioritising resource allocations and for future sustainability measures.

The unit supported municipalities' implementation of the MFMA through, among other means, engaging on topical matters with officials of national and provincial departments, SALGA and the Office of the Auditor-General. The purpose of these meetings is to improve the coordination of financial management reforms in municipalities and to reprioritise initiatives towards addressing the specific weaknesses. 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 issued with explanatory content towards implementation. The unit has also undertaken extensive countrywide awareness-raising workshops to assist municipalities with the implementation of the regulations. Most of the weaknesses identified through the FMCMM and audit outcomes reports form part of the strategic focus for support within various divisions in National and Provincial Treasuries. These have been included in the revised MTSF Outcome 9 deliverables where closer monitoring is expected from the executive.

Technical Support Services: the unit made further refinements to the Modified Cash Standard and related accounting manuals. A new reporting template was introduced to assist departments in the preparation of the interim and annual financial statements. The template introduced new automations and tests to ensure the accuracy and timely completion of the information. A new initiative of the unit was the conceptualisation of an e-learning platform for the Standards of GRAP together with the School of Government will allow preparers to work through the requirements of the Standards in a simple and automated environment. The portal will be rolled out in the 2016/2017 financial year.

Capacity Building: during the period under review, the unit further researched, developed and implemented structural and policy reforms to make Internal Audit and risk management functions more responsive to government challenges.. Assistance to municipalities with the preparation of financial recovery plans was further advanced with three new recovery plans drafted and five existing recovery plans reviewed. Support and training was provided to representatives from all spheres of government, further building financial management competencies across the public sector. The unit continued progress in the implementation of the Public Finance Management Capacity Development Strategy (CDS) having developed standardised job descriptions for the PFM disciplines as well as, in collaboration with the DPSA, evaluated job profiles. A number of learnerships have been implemented and the academic support programme for prospective chartered accountants continues to grow.

Risk Management Support: The Risk Management Support unit provided technical risk management support services to national and provincial departments, municipalities and public entities. Four risk management fora were held during the year to facilitate knowledge sharing amongst risk specialists. The Risk Management Support unit supported the MFMA unit to perform a comprehensive survey of the state of risk management in all municipalities. Pursuant to the updates to the Treasury Regulations three new guidelines on specific areas of risk management were developed and will be released concurrently with the Regulations.

Accounting Support and Reporting: During the 2015/16 financial year, the unit prepared and tabled the consolidated annual financial statements for national departments, including the National Revenue Fund, and public entities within the prescribed timeframes. It also prepared and tabled the annual financial statements of the Reconstruction and Development Programme Fund in line with the requirements of the PFMA. The unit 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



PART B: PERFORMANCE INFORMATION – CONTINUED

support interventions were conducted including technical advice to assist all spheres of government to improve financial management. The unit made significant progress on the development of five sets of Standard Operating Procedures for Local Government focusing on the most significant accounting and internal control processes.

Financial Systems: The Financial Systems continued to operate optimally, in part assisted by the SITA upgrading their backup power generators at Centurion. It is noted that due to the National Treasury's internal LAN experiencing slow response and down-time towards the year-end period, the adequate and timely assistance provided to user departments by the Financial Systems was impacted at a critical time of year-end processing. Despite this the system availability achieved greater than 98% during the reporting period and user departments were fortunately not adversely affected as they accessed the systems through a WAN linked directly to the mainframe. Significant progress was made in the delivery and roll out of an IFMS to national and provincial departments.

Governance Monitoring and Compliance

Creating governance synergies with leadership

The Office of the Accountant-General has completed a series of guidelines developed to assist and strengthen accounting officers, accounting authorities and executive authorities with a pocket guide to the Public Finance Management Act, Act No 1 of 1999, (PFMA) to strengthen financial management responsibilities entrusted to accounting officers and accounting authorities and to strengthen oversight responsibilities of executive authorities in institutions that must comply with the PFMA. Workshops and information sessions will be conducted on these guidelines with the aim of empowering accounting officers, accounting authorities and executive authorities to effectively fulfil their responsibilities.

Revised Treasury Regulations

The Office of the Accountant-General undertook a comprehensive review of the Treasury Regulations published in 2005, including those that were amended in 2007 and 2013. The purpose of that review was to ensure alignment of the Treasury Regulations with local and international financial management best practices and to incorporate financial management reforms that were introduced since its last publication and integrate the regulatory provisions contained in all Practice and Treasury Instructions. The revised Treasury Regulations have been submitted to the Minister of Finance for his consideration and approval.

Cost Containment Measures

South Africa experienced the global economic scarcity in the last decade. This has affected economic growth in South Africa over the last eight years prompting a deceleration in economic growth. Due to the economic problem of scarcity, the National Treasury has further issued cost cutting measures to curb unnecessary expenditure. The additional cost cutting measures include expenses relating to the purchasing of inventory, communication and advertising, debts owed to the State, hiring of venues and facilities and hosting and attending of conferences.

PART B: PERFORMANCE INFORMATION – CONTINUED



Compliance Management Framework

The National Treasury, as part of its mandate to enforce compliance with the provisions of the Public Finance Management Act, Act 1 of 1999 (PFMA), developed a compliance management framework together with the related guidelines to assist the accounting officers and accounting authorities to improve the levels of compliance in their respective institutions with all relevant financial management obligations.

Non-payments of suppliers within the prescribed period

The Office of the Accountant-General continued to monitor compliance of departments with the requirement to pay their suppliers within a period of 30 days and reported bi-monthly to the Forum of South African Directors-General (FOSAD) and Standing Committee on Public Accounts (SCOPA) on the level of compliance. Furthermore, the Office of Accountant-General responded to queries received from suppliers whose payments have been outstanding for a period longer than 30 days and assisted such suppliers to receive such outstanding payments from the relevant departments.



PART B: PERFORMANCE INFORMATION – CONTINUED

Programme 5: Financial accounting and supply chain management systems

Performance Information Plan 2015/16 and prior year 2014/15 audited information		Performance analysis 2015/16	
Indicator	Actual achievement 2014/15	Target 2015/16	Actual
Strategic objectives: Improve financial management, governance and compliance across all spheres and entities in government			
Monitor financial management improvement in national and provincial institutions.	<ul style="list-style-type: none"> The Cabinet memo on audit outcomes was submitted to the Minister on 24 October 2014. The bi-monthly FOSAD report was submitted to the Department of Performance Monitoring and Evaluation in October 2014 for tabling at FOSAD. Progress report on improvement of financial management was submitted for approval of the Accountant-General on 6 January 2015. 	<ul style="list-style-type: none"> Submit reports to Parliament by 30 November of each year. 	<ul style="list-style-type: none"> The annual progress report on improvement of financial management has been developed and will be finalised by the end of April 2016.
			<ul style="list-style-type: none"> The delay was caused by late submission of information requested from relevant stakeholders which affected a part of the reports which addresses those initiatives that the OAG plans on developing to further improve financial management in PFMA compliant institutions.

PART B: PERFORMANCE INFORMATION – CONTINUED



Performance Information Plan 2015/16 and prior year 2014/15 audited information		Performance analysis 2015/16	
Indicator	Actual achievement 2014/15	Target 2015/16	Actual
Strategic objectives: Improve financial management governance and compliance across all spheres and entities in government			
Develop and implement guidelines on new or revised accounting policies and regulations.	<ul style="list-style-type: none"> Participated in LG SCOA workshops, review of policy documents in support of roll out. Responded to SCOA queries. 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. Further enhancements made to the reporting template for departments. Responded to technical queries on GRAP for departments and public entities, municipalities etc. Developed interim annual financial statements (for Q3) for publication and use by departments. 	<ul style="list-style-type: none"> Develop new policies, frameworks, guidelines, regulations and practices by 31 March. Maintain and enhance existing new policies, frameworks, guidelines, regulations and practices. 	<ul style="list-style-type: none"> The following guidelines/policies/circulars were developed: <ul style="list-style-type: none"> Six circulars were developed and posted on the MFMA website and communicated to municipalities. Guideline on the audit of performance information. Role of internal audit in financial statements guideline. Information technology audit guideline. Guideline on performance audit. Three new guidelines on risk management have been drafted and piloted with various stakeholders groups. Additional editing is required as per the stakeholder consultation and thus 31 March 2016 commitment date had to be adjusted. The compliance framework has been developed to improve the level of compliance in PFMA compliant institutions. The framework will be implemented in a phased approach over a period of two years starting from 2016/2017 to 2017/2018 financial year.
			<ul style="list-style-type: none"> The AO/AA and EA guidelines to the PFMA are developed in consultation with other branches within the National Treasury. The delays with the publication of the guidelines was due to comments that were not received on time from internal stakeholders and another delay was due to the revised NT regulations going through legal review, meaning that the content included in the final guidelines had to align with the final provisions (specifically referencing) as appearing in the revised NT regulations.



PART B: PERFORMANCE INFORMATION – CONTINUED

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

Performance information Plan 2015/16 and prior year 2014/15 audited information			
Indicator	Actual achievement 2014/15	Target 2015/16	Actual
Strategic objectives: Improve financial management governance and compliance across all spheres and entities in government			
			<ul style="list-style-type: none"> - Accounting officers/accounting authority and executive guidelines to the PFMA will be published after the publication of the revised NT regulations which will be in the first quarter of the 2016/2017 financial year. A final workshop will be held on 22 April 2016 with the aim of obtaining approval on other provisions included in the guidelines that relate to the work of other branches within the National Treasury. - Additional information added to MCS and related accounting manuals as agreed internally (based on further comment from key stakeholders). ii. Enhanced practices through the MFMA circulars issued. - Finalised specimen annual financial statements and related reporting template. - Finalised a further 11 standard operating procedures.

PART B: PERFORMANCE INFORMATION – CONTINUED



Performance Information Plan 2015/16 and prior year 2014/15 audited information		Performance analysis 2015/16		
Indicator	Actual achievement 2014/15	Target 2015/16	Actual	
Strategic objectives: Improve financial management, governance and compliance across all spheres and entities in government				
Maintain and enhance NT regulations and instructions.	<ul style="list-style-type: none"> The draft NT regulations are in the process of being finalised. The draft was forwarded to Senior Counsel, 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 Counsel to conduct the legal review. It is anticipated that the final regulations in respect of all chapters will be published in the <i>Government Gazette</i> in the first quarter of 2015/2016. It was agreed with the Accountant-General that the NT regulations will take full effect from April 2016. Issued NT instruction 1 of 2014/2015 on prohibition of internet payments via the internet. 	<ul style="list-style-type: none"> Conduct ongoing maintenance and enhancement of NT regulations and instructions. 	<ul style="list-style-type: none"> The revision of NT regulations has been completed and publication of the regulations will be included in the <i>Government Gazette</i> after approval of the Minister. 	<ul style="list-style-type: none"> N/A

PART B: PERFORMANCE INFORMATION – CONTINUED

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

Performance information Plan 2015/16 and prior year 2014/15 audited information			
Indicator	Actual achievement 2014/15	Target 2015/16	Reason for deviation
Strategic objectives: Improve financial management governance and compliance across all spheres and entities in government			
Improve FMCMM in departments.	<ul style="list-style-type: none"> A meeting is scheduled to take place with DPME during May 2015 with a view to hosting the FMCMM on the MPAT platform. The 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. The new FMCMM platform, together with its associated questions, will be finalised and piloted during 2015/2016. 	<ul style="list-style-type: none"> Maintain, enhance and roll out FMCMM for all departments. 	<ul style="list-style-type: none"> The process of developing a web based platform will continue after the National Treasury ICT has completed the migration to the new server. However, considerations have been made to build on the system that has already been developed by the Western Cape Treasury which will save costs. NT will tailor make the source codes to be received from the Western Cape Treasury system according to its needs and specifications. It is anticipated that the FMCMM web platform will be developed in the second quarter of the 2016/2017 financial year.
Performance analysis 2015/16			
Actual			
<ul style="list-style-type: none"> The FMCMM questions have been revised and circulated to internal stakeholders for inputs and comments after which their recommendations will be incorporated with a view of ensuring that the final questions are relevant and complete. Furthermore, an existing web based platform has been identified at the Western Cape Treasury, and a meeting is anticipated to take place in April 2016 with a view to obtain the source codes to utilise for the development of the FMCMM web based platform. 			

PART B: PERFORMANCE INFORMATION – CONTINUED



Performance Information Plan 2015/16 and prior year 2014/15 audited information		Performance analysis 2015/16	
Indicator	Actual achievement 2014/15	Target 2015/16	Actual
Strategic objectives: Improve financial management governance and compliance across all spheres and entities in government			
Improve FMCMM in municipalities.	<ul style="list-style-type: none"> FMCMM for municipalities updated and enhanced. Project currently being rolled out to all municipalities. 	<ul style="list-style-type: none"> Maintain, enhance and roll out FMCMM for all municipalities. 	<ul style="list-style-type: none"> FMCMM assessments completed. Reports communicated to all municipalities that participated in the assessments during 2015/16 financial year.
Conduct and support forensic investigations to eradicate fraud and corruption.	<ul style="list-style-type: none"> Completed 27 projects for investigation/performance audits in the following spheres of government: <ul style="list-style-type: none"> 8 national departments' projects 14 provincial departments' projects 3 local government projects 2 public entities' projects. Referred and supported the following 48 criminal cases to ACTT: <ul style="list-style-type: none"> 10 national departments' projects 22 provincial departments' projects 12 local government projects 4 public entities. 	<ul style="list-style-type: none"> Undertake investigations in 20 targeted departments/projects. Refer 25 cases for criminal proceedings and civil recovery. 	<ul style="list-style-type: none"> The division has undertaken investigation in 28 targeted departments/projects. The division has referred 44 cases for criminal proceedings and civil recovery.
Review the FMG support plans and establish alignment with framework.	<ul style="list-style-type: none"> 278 <i>financial management grant</i> support plans have been reviewed and feedback provided to municipalities. 	<ul style="list-style-type: none"> Conduct reviews in all 278 municipalities. 	<ul style="list-style-type: none"> Reviewed support plans for all municipalities that received the <i>financial management grant</i> (FMG). Provided feedback to municipalities, where required.
			<ul style="list-style-type: none"> The target was exceeded due to lots of effort put in by the team. The team worked overtime to accomplish these results.
			<ul style="list-style-type: none"> N/A
			<ul style="list-style-type: none"> N/A

PART B: PERFORMANCE INFORMATION – CONTINUED

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

Performance information Plan 2015/16 and prior year 2014/15 audited information		Performance analysis 2015/16		
Indicator	Actual achievement 2014/15	Target 2015/16	Actual	
Strategic objectives: Support and facilitate capacity development across all spheres of government in order to improve financial management execution				
Research, develop and implement structural and policy reforms to make IA and risk management functions more responsive to government challenges.	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> Conduct research and analysis of challenges and optimal solutions. 	<ul style="list-style-type: none"> No internal audit research done this current year. Additional comments have been submitted in the last quarter of 2016 with regard to NT regulations. These proposed adjustments had an effect on some key concepts with regard to the drafted risk management framework and thus the commitment date of 31 March 2016 had to be adjusted. 	<ul style="list-style-type: none"> The recent internal audit research was completed in February 2015.
Management of MFMA helpdesk.	<ul style="list-style-type: none"> Completed 95 % of responses within 28 days. 	<ol style="list-style-type: none"> Maintain and manage the MFMA helpdesk. Conclude 75% of responses within 28 days. 	<ol style="list-style-type: none"> MFMA helpdesk maintained on a regular basis, queries tracked and regular follow ups made. Concluded 87% of enquiries within 28 days. 	<ul style="list-style-type: none"> Constant follow ups with the relevant stakeholders assisted in targets being exceeded.
Assist municipalities with the preparation of financial recovery plans.	<ul style="list-style-type: none"> 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. 	<ol style="list-style-type: none"> Prepare recovery plans within 90 days. Review existing recovery plans and provide guidance within 60 days. 	<ol style="list-style-type: none"> Three financial recovery plans prepared within 90 days, namely, Ba-Phalaborwa (Limpopo), Ngaka Modiri Molema and Tswaing (NW). Existing recovery plans for Mbombela and Bushbuckridge (Mpumalanga), Mahikeng and City of Matlosana (North West), Naledi (Free State), and Msunduzi (KZN) were reviewed. 	<ul style="list-style-type: none"> More resources required to assist with development of municipal financial recovery plans during 2017/18 financial year.

PART B: PERFORMANCE INFORMATION – CONTINUED



Performance Information Plan 2015/16 and prior year 2014/15 audited information		Performance analysis 2015/16		
Indicator	Actual achievement 2014/15	Target 2015/16	Actual	
<p>Strategic objectives: Support and facilitate capacity development across all spheres of government in order to improve financial management execution</p> <p>Support and train representatives across all spheres of government in building financial management competencies.</p>	<ul style="list-style-type: none"> 173 officials were trained. During Q4, 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 safety web banking system. The target for 2014/15 was successfully met and exceeded. 	<ul style="list-style-type: none"> 250 	<ul style="list-style-type: none"> Training was implemented in the Gauteng Provincial Treasury, KZN Treasury, NW Provincial Treasury and the Western Cape Provincial Treasury. A total of 625 of PFM practitioners were capacitated in various PFM programmes. During Q4, rollop sheets training for 18 provincial attendees were conducted. 102 trainees from national and provincial departments were trained on modified cash standard. 102 trainees from public entities were trained on consolidation and the municipal non-delegated forum was attended by 69 attendees. The overall target for the full year was met. 	<p>Reason for deviation</p> <ul style="list-style-type: none"> Additional funding was sourced given the need or number of requests from the provinces.



PART B: PERFORMANCE INFORMATION – CONTINUED

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

Performance information Plan 2015/16 and prior year 2014/15 audited information		Performance analysis 2015/16	
Indicator	Actual achievement 2014/15	Target 2015/16	Reason for deviation
Strategic objectives: Support and facilitate capacity development across all spheres of government in order to improve financial management execution			
Facilitate financial management competencies training opportunities for municipal officials.	<ul style="list-style-type: none"> 1034 learners enrolled into the programme; the estimates are still valid and consistent with the ENE. MFMA Induction Programme completed and rolled out in KZN, GP and EC; roll out for the other provinces scheduled in the calendar year 2015. 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 NT office project reallocated to Ace Consortium to secure the funding until successful service provider is secured for the assignment. LGSETA finalising the approval for possible funding of municipal learners. Up to 1 000 learner nominees may benefit from this funding and training roll out. 	<ul style="list-style-type: none"> 1 000 municipal officials trained. 	<ul style="list-style-type: none"> Increased numbers were achieved due to the compliance deadline of 30 September 2015 on the minimum competency regulations. Participation in the programme therefore increased substantially in the municipalities.
		<ul style="list-style-type: none"> 1380 municipal officials in training. 	

PART B: PERFORMANCE INFORMATION – CONTINUED



Performance Information Plan 2015/16 and prior year 2014/15 audited information		Performance analysis 2015/16	
Indicator	Actual achievement 2014/15	Target 2015/16	Actual
Strategic objectives: Support and facilitate capacity development across all spheres of government in order to improve financial management execution			
Implement financial management capacity development strategy.	<ul style="list-style-type: none"> Various initiatives were undertaken to support the development and delivery of PFM related qualifications and short learning programmes. 	<p>i. Support the development of occupational profiles, job descriptions and performance agreements for nine PFM disciplines by 31 March 2015.</p> <p>ii. Establish learnerships for accounting, internal audit and SCM.</p>	<p>i. Standardised job descriptions for the PFM disciplines have been developed, consulted for public comments and job profiles evaluated in collaboration with the DPSA. The DPSA will issue a formal directive for implementation of these job profiles in the national and provincial departments.</p> <p>ii. The accounting learnership has been implemented in the Northern Cape Province for 50 unemployed learners and 140 employed learners in the Western Cape and North West provinces. The SCM learnership was implemented for 40 learners in provincial departments in the KZN and Western Cape provinces.</p>
Management and implementation of academic support programme for prospective chartered accountants.	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Secure 15 participants. 	<ul style="list-style-type: none"> Six of the 10 recruited candidates (2016 cohort) were from an allocation from Thuthuka bursary fund. As a donor, NT has to pay for the study programme of the extra person. It was anticipated that only 5 candidates would be recruited from Thuthuka bursary fund pool.
			<ul style="list-style-type: none"> The PMDS is decentralised. As such the preparation of performance agreements is the responsibility of each organisation (in line with the DPSA framework). The internal audit learnership was not implemented due to lack of funding. However, the programme is available for implementation by the departments through own budgets/funding.



PART B: PERFORMANCE INFORMATION – CONTINUED

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

Performance information Plan 2015/16 and prior year 2014/15 audited information		Performance analysis 2015/16	
Indicator	Actual achievement 2014/15	Target 2015/16	Actual
Strategic objectives: Support and facilitate capacity development across all spheres of government in order to improve financial management execution			
Quarterly interim financial statement reviews in selected priority departments.	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> Perform 15 reviews and provide relevant department with feedback. 	<ul style="list-style-type: none"> 65 reviews conducted for the 2015/16 financial year. No new reviews conducted in Q4 due to new template being developed and tested.
Timely and accurate publication of monthly statements of actual revenue and expenditure for the NRF.	<ul style="list-style-type: none"> All Section 32 reports for Q4 were published on time. 	<ul style="list-style-type: none"> Reports published by the last working day of every month. 	<ul style="list-style-type: none"> All Section 32 reports were timeously published during 2015/16 financial year. N/A
Provide banking services for national government.	<ul style="list-style-type: none"> All bank reconciliations performed. 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. All electronic supplier banking details verified within prescribed time limits. 	<ol style="list-style-type: none"> Daily bank reconciliations of the NRF. Electronic verification of supplier banking details within four working days. 	<ul style="list-style-type: none"> i) & ii) Daily reconciliations and supplier verifications performed in line with target. N/A
<ul style="list-style-type: none"> The Chief Directorate is required to review Q2 templates in September. The number of reviews thus increased due to Q3 template reviews based on issues identified during the Q2 template reviews. 			

PART B: PERFORMANCE INFORMATION – CONTINUED



Performance Information Plan 2015/16 and prior year 2014/15 audited information		Performance analysis 2015/16	
Indicator	Actual achievement 2014/15	Target 2015/16	Actual
Strategic objectives: Support and facilitate capacity development across all spheres of government in order to improve financial management execution			
<p>Tabling of consolidated annual financial statements for national departments and public entities.</p> <p>Tabling of annual financial statements for the RDP Fund and the NRF.</p>	<ul style="list-style-type: none"> Successfully tabled the RDP, Consolidated AFS for departments and public entities and the NRF for the first time within the 31 October deadline. 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 received disclaimers. During the Q4, planning commenced for the 2014/15 financial year-end, with year-end instructions issued to all departments, public entities and provinces. 	<ul style="list-style-type: none"> Consolidated AFS for national departments and public entities, as well as the annual report for the RDP and NRF tabled by 31 October 2016. 	<ul style="list-style-type: none"> Tabling for 2014/15 in line with timelines. For Q4 planning meetings with the consolidation team as well as the Auditor-General has occurred for 2015/16 consolidation. N/A



PART B: PERFORMANCE INFORMATION – CONTINUED

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

Performance information Plan 2015/16 and prior year 2014/15 audited information		Performance analysis 2015/16	
Indicator	Actual achievement 2014/15	Target 2015/16	Actual
Strategic objective: Manage existing financial systems and renew these as required to exercise comprehensive financial management			
Manage current transversal systems.	<ul style="list-style-type: none"> The power problems at SITA have been resolved with the purchase of a new generator. During February and March, the networks experienced abnormally slow response times. 	<ul style="list-style-type: none"> Provide a minimum of 98% availability. 	<ul style="list-style-type: none"> System availability was greater than 98% during the reporting period.
Reason for deviation	<ul style="list-style-type: none"> The following must be taken into account although target was achieved: <ul style="list-style-type: none"> Network stability at NT SITA was not stable during the reporting period. This has resulted in financial systems being unable to provide quality support to users during a very critical period of year-end. Fortunately, user access to the systems was not affected by this. 		
Delivery and roll out of an IFMS to national and provincial departments.	<ul style="list-style-type: none"> Published RFP for the procurement of software licenses, established and implemented process for responding to queries from potential bidders. Appointed service provider to the PMO for communications and change management matters relating to the IFMS. Activities in this regard have commenced. Appointed service provider to the PMO for strategic systems; planning and activities in this regard have commenced. Identified service provider for the provision of probity services in relation to further IFMS procurement. 	<ul style="list-style-type: none"> Complete generic template solution configuration and enhancement (customisation) by September 2015/2016. Publish comprehensive implementation strategy. 	<ul style="list-style-type: none"> All 236 business process documents (Level 1-4) for FIN, HRM, SCM domains signed off. OSM engagement strategy signed off. IFMS governance strategies signed off. Developed program fileplan and electronic document management system (EDMS). IFMS steer-com approval to finalise the award of RFP1282/2014.
Reason for deviation	<ul style="list-style-type: none"> Extensive value assurance phase of the OSM engagement strategy resulted in delay in the finalisation of the award of RFP 1282/2014. As a consequence the completion of the generic template and the implementation strategy had to be moved out to a subsequent period. 		

PART B: PERFORMANCE INFORMATION – CONTINUED



Performance Information Plan 2015/16 and prior year 2014/15 audited information		Performance analysis 2015/16	
Indicator	Actual achievement 2014/15	Target 2015/16	Actual
Strategic objective: Modernise SCM policies and procedures			
Review PPPFA.	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Policy impact analysis on multiple government socioeconomic objectives. Develop guidelines for exemptions from the existing PPPFA. 	<ul style="list-style-type: none"> The PPPFA Regulations have been revised and in the absence of a promulgated set of regulations, it was not practical to pursue the projects. Once the PPPFA regulations are published, guidelines and analysis work will commence.
Review government SCM legislative framework and update SCM policy.	<ul style="list-style-type: none"> Standard operating procedures (SOPs) for quotations, which are part of acquisition, have not been completed yet. 	<ul style="list-style-type: none"> Conclude the draft SOPs for consultation on informal and formal quotations and for emergency procurement. Draft the SCM Bill. 	<ul style="list-style-type: none"> Not completed. Draft Bill version 4 available for procurement. Due to insufficient capacity, the SOPs could not be finalised.
Simplify and rationalise SCM procedures in line with updated policy.	<ul style="list-style-type: none"> The revised bidding documents were not implemented pending the promulgation of revised NT regulations. 	<ul style="list-style-type: none"> Standardised and simplified bidding documents: RFPs, contracts, procurement plans, SBD forms. 	<ul style="list-style-type: none"> Not done. Due to the redrafting of the Procurement Bill, the rationalisation of procedures could not be initiated.

PART B: PERFORMANCE INFORMATION – CONTINUED

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

Performance Information Plan 2015/16 and prior year 2014/15 audited information			
Indicator	Actual achievement 2014/15	Target 2015/16	Reason for deviation
Strategic objective: Develop SCM capacity			
SCM Advisory Support Services.	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> SCM Helpdesk to go live. SCM Learning Network to go live. 	<ul style="list-style-type: none"> Not achieved. Not achieved.
SCM Operational Support Services.	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> Develop and workshop SCM resource toolkits on demand management, procurement planning, acquisition management, and bid committees. Perform SCM improvement planning and provide operational support to 4 institutions. 	<ul style="list-style-type: none"> Not achieved. Not achieved.
			<ul style="list-style-type: none"> The SCM help desk was discontinued. The responsibility for managing SCM queries was transferred to SCM GMC. The SCM learning network is subject to the availability of the PFM knowledge portal and the appointment of the Deputy Director: SCM Advisory Support. The PFM knowledge portal is still under development and the post of the DD no longer exists. This is now the responsibility of the OCPO. The Chief Directorate: SCM Client Support was dissolved with select functions transferred to the OAG (capacity building, professionalisation and ETD).
			<ul style="list-style-type: none"> The development of the SCM resource toolkits is dependent on the finalisation of the relevant SOPs and guidelines to be issued by SCM Policy. The SOPs and guidelines are still under development. The responsibility for operations support was transferred to SCM GMC. This is now the responsibility of the OCPO. The Chief Directorate: SCM Client Support was dissolved with select functions transferred to the OAG (capacity building, professionalisation and ETD).

PART B: PERFORMANCE INFORMATION – CONTINUED



Performance Information Plan 2015/16 and prior year 2014/15 audited information		Performance analysis 2015/16	
Indicator	Actual achievement 2014/15	Target 2015/16	Reason for deviation
Strategic objective: Develop SCM capacity			
SCM baseline study.	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> Develop baseline study survey, collate data and draft report. 	<ul style="list-style-type: none"> Phase 1 & 2, provincial treasuries and national departmental data has been validated and reported. Substantial provincial departmental data has been collected and partially validated (Phase 1). Only limited municipal data has been collected and validated.
			<ul style="list-style-type: none"> Buy-in and support from the stakeholders pose a significant challenge. There have also been significant challenges with the information technology solution and accessibility. Some of the provincial departments Phase 1 data was not inclusive of their districts/regional offices and many municipalities are non-responsive. Roadshows are still being conducted throughout the provinces to validate Phase 1 data and to encourage officials to complete Phase 2 individual surveys. Engagements with forums continue to be conducted. The project team aims to complete both phases with provincial departments by 30 June 2016. The municipal data completed will be reported in Sept 2016.
i-Develop (individual development assessment toolkit).	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> Pilot the i-Develop toolkit in 12 institutions. i-Develop software solution developed. 	<ul style="list-style-type: none"> The i-Develop toolkit was revised to meet client requirements. The i-Develop software solution has been developed and tested.
			<ul style="list-style-type: none"> Delays in securing approved funds from the European Union resulted in the project initiation being delayed. The project only commenced in December 2015. Good progress has been made. The i-Develop toolkit will be implemented in April and May 2016.



PART B: PERFORMANCE INFORMATION – CONTINUED

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

Performance information Plan 2015/16 and prior year 2014/15 audited information				
Indicator	Actual achievement 2014/15	Target 2015/16	Actual	
Performance analysis 2015/16				
Strategic objective: Develop SCM capacity				
SCM education, training and development solutions.	<ul style="list-style-type: none"> The SCM integrated learning matrix (ILM) has been revised. An ILM policy has been drafted. The SCM master learning curriculum has been finalised. The SCM individual development toolkit (i-Develop) is complete and ready to be piloted in 12 government institutions. The following training programmes are in various stages of development and delivery: <ul style="list-style-type: none"> Preferential procurement: revised and delivered to 151 officials in three provinces Assessment for strategic sourcing: revised and delivered to 48 officials (SAQA US ID: 260077) Develop sourcing strategy: revised and delivered to 24 officials (SAQA US ID: 260097) Disposal management: developed and delivered to 60 officials. SCM certificate learnership: work by a service provider for pilot delivery with 40 officials has commenced. 	<ul style="list-style-type: none"> Pilot the development and delivery of the executive SCM development programme. Skills development programmes developed, delivered and approved. Demand management, bid committees and contract management. Project initiation, programme customisation and delivery of the SCM certificate learnership. 	<ul style="list-style-type: none"> Project delivery successfully concluded. The service provider was contracted in March 2016. The content development is in progress (bid committees). Not achieved. SCM certificate learnership delivery on track and the project will be completed on time and within budget. 	<ul style="list-style-type: none"> Delays in the procurement process resulted in the project only being initiated in March 2016. Delivery of the training will commence in May and be completed in June 2016. No funding was provided for demand management and contract management.

PART B: PERFORMANCE INFORMATION – CONTINUED



Performance analysis 2015/16			
Indicator	Actual achievement 2014/15	Target 2015/16	Reason for deviation
Strategic objective: Develop SCM capacity			
SCM ETD Delivery framework.	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> Draft, consult and adopt SCM ETD framework. Develop the ILM policy, process and prospectus. SCM curriculum content for the public sector developed. 	<ul style="list-style-type: none"> The SCM ETD director post is vacant and unfunded resulting in a lack of capacity. The ILM policy finalisation is subject to the adoption of the PFM ETD delivery framework. Delays in procurement resulted in the project inception being delayed.
SCM organisational and individual capacity development.	<ul style="list-style-type: none"> SCM organisational structures were obtained from eight metropolitan municipalities and reviewed. A draft functional structure for SCM within metropolitan municipalities has been developed. 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 public sector HRD strategy. 	<ul style="list-style-type: none"> SCM human capital development framework finalised. Review, consult, amend and finalise the generic functional structure for metropolitan municipalities. 	<ul style="list-style-type: none"> The capacity development strategy (CDS) for PFM is being utilised as the basis for SCM capacity building including SCM HCD. A draft generic functional structure for metropolitan municipalities has been developed. The finalisation of the generic functional structure is subject to the ICR project which will be completed during 2016.
		<ul style="list-style-type: none"> The broader PFM HRD implementation plan will be developed during 2016/17 (after the finalisation of the public sector human resource development strategic framework). The generic functional structure will only be developed in 2016/17 as part of the ICR project implementation (it is envisaged to be completed by Sept 2016). 	



PART B: PERFORMANCE INFORMATION – CONTINUED

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

Performance information Plan 2015/16 and prior year 2014/15 audited information		Performance analysis 2015/16	
Indicator	Actual achievement 2014/15	Target 2015/16	Actual
Strategic objective: Monitor and evaluate SCM performance			
Review bid specifications against SCM policy and applicable procurement instructions.	<ul style="list-style-type: none"> 103 bid specifications reviewed. 	<ul style="list-style-type: none"> 200 	<ul style="list-style-type: none"> 218
Review alignment of procurement plans with the core functions of the organisation.	<ul style="list-style-type: none"> 44 procurement plans reviewed. 	80	102
			<ul style="list-style-type: none"> When targets were set, the emphasis was on national departments only, but in Q2 the number of queries relating to provinces; municipalities and SOCs increased. The fact that the public now seems to understand the role of OCPO, could also be the reason for an increase in number of queries received from the public (bidders) across all spheres of government. Furthermore, the increase might be as result of the merging of GMC and norms and standards, because certain reviews are triggered by the request for condonations of irregular procurement transactions and state institutions reporting deviations. When targets were set, 42 national departments and 37 public entities were known, but when the procurement plans were received, the number of public entities that submitted procurement plans increased from 37 to 59. The increase could be attributed to the establishment of CSD and the requirement for institutions to advertise their requirements on the eTender portal.

PART B: PERFORMANCE INFORMATION – CONTINUED



Performance Information Plan 2015/16 and prior year 2014/15 audited information		Performance analysis 2015/16	
Indicator	Actual achievement 2014/15	Target 2015/16	Actual
Strategic objective: Monitor and evaluate SCM performance			
Review bid evaluation and adjudication minutes to ensure compliance with evaluation criteria/scoring	<ul style="list-style-type: none"> 89 sets of BEC/BAC minutes reviewed. 	<ul style="list-style-type: none"> 200 	<ul style="list-style-type: none"> 219
Evaluate implementation of projects against contract specifications and conditions of tender.	<ul style="list-style-type: none"> 46 Projects visited. 	<ul style="list-style-type: none"> 100 projects visited. 200 contracts reviewed. 	<ul style="list-style-type: none"> 127 192
			<ul style="list-style-type: none"> When targets were set, the emphasis was on national departments only, but in Q2 the number of queries which relates to provinces, municipalities and SOCs have increased. The fact that the public now seems to understand the role of OCPO, could also be the reason for an increase in the number of queries received from the public (bidders) across all spheres of government. Furthermore, the increase might be as result of the merging of GMC and norms and standards, because certain reviews are triggered by the request for condonations of irregular procurement transactions and state institutions reporting deviations. The physical verification of infrastructure projects was extended to school desks delivered to schools in Limpopo. The verification project was also conducted in respect of condom warehouses. In some of the bids reviewed, it was discovered that contracts were not yet signed and is why the target could not be reached.



PART B: PERFORMANCE INFORMATION – CONTINUED

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

Performance Information Plan 2015/16 and prior year 2014/15 audited information			Performance analysis 2015/16
Indicator	Actual achievement 2014/15	Target 2015/16	Actual
Strategic objective: Develop and implement strategic procurement			
Develop a strategic procurement framework (SPF), tailored for different forms of procurement.	<ul style="list-style-type: none"> Key stakeholders have been consulted. These include all national departments, departments in seven provinces and four metropolitan municipalities. The SPF was approved by CPO Exco on 20 March 2015. This will be issued as a guide framework until the revised NT regulations are promulgated and become effective. The methodology, good practice guides and toolkit are completed up to Stage 4 (of 7). 	<ul style="list-style-type: none"> Maintenance and refinement of SPF guidelines and tools. 	<ul style="list-style-type: none"> The SPF has been documented up to stage 6 (of 7). 30 good practice guides were drafted to support the strategic sourcing methodology (additional 3 since last quarter).
Develop sourcing strategies for identified commodities/procurement categories.	<ul style="list-style-type: none"> Sourcing strategies have been developed for mobile communications, fixed line communications, travel and accommodation and medical equipment. 	<ul style="list-style-type: none"> Implement sourcing strategies for: <ul style="list-style-type: none"> medical equipment travel and accommodation; and mobile communication. Develop sourcing strategy proposals for health, education and ICT sectors in government. 	<ul style="list-style-type: none"> Resource constraints are hampering the finalisation of the last chapter of the SPF methodology. Chapter 7, together with the supporting good practice guides, to be finalised by end of April 2016 and circulated for comment.
Develop sourcing strategies for identified commodities/procurement categories.	<ul style="list-style-type: none"> Sourcing strategies have been developed for mobile communications, fixed line communications, travel and accommodation and medical equipment. 	<ul style="list-style-type: none"> Implement sourcing strategies for: <ul style="list-style-type: none"> medical equipment travel and accommodation; and mobile communication. Develop sourcing strategy proposals for health, education and ICT sectors in government. 	<ul style="list-style-type: none"> Mobile communications project: On track. However, the following project delays should be noted: <ul style="list-style-type: none"> The closed bidding process through RFI/EOI for mobile and fixed line processes had to be aborted due to legislative issues. These now needed to follow open transversal bidding processes. This has delayed the processes by approximately 8 weeks. Travel and accommodation project: On track for 1 April 2016. However, the following possible delays should be noted: <ul style="list-style-type: none"> Car hire and shuttle service contracts are delayed due to the shift in focus to negotiations with airlines and hotel groups.

PART B: PERFORMANCE INFORMATION – CONTINUED



Performance analysis 2015/16			
Indicator	Actual achievement 2014/15	Target 2015/16	Reason for deviation
Strategic objective: Develop and implement strategic procurement			
	<p>Travel and accommodation project:</p> <ul style="list-style-type: none"> - Project to be implemented on 1 May 2016 (airlines and hotel groups). - Travel policy was circulated for comment and has been finalised. Will be issued as an instruction in April. - Corporate agreements were negotiated and concluded with two airlines and four major hotel groups. These agreements were implemented on 1 April. - Negotiations with four major travel agents are ongoing (not yet concluded). <p>Car hire and shuttle services:</p> <ul style="list-style-type: none"> - Sourcing strategy developed. - Currently preparing for market engagement: RT 27 and 28. - Car hire services and shuttle services to serve BSPC committee in April for approval to advertise the bids. 	<ul style="list-style-type: none"> - Travel buy site user requirements are being drafted. - Accommodation will be implemented in multiple phases. Phase 1 included the negotiated agreements with major hotel chains. Phase 2 involved guest houses and B&Bs. iii. Medical equipment project: On track. Contract to be concluded and implemented on 1 June 2016. iv. Fixed line communications project: Delayed due to the focus on the mobile communication tender. Initial negotiations with Telkom were not successful. v. Other sourcing initiatives: ICT, LTSM and health projects are moving slowly due to resource constraints. vi. Action: Additional resources (2) were appointed for LTSM. Started 1 Dec 2015. Additional resources (7) to be appointed for medical projects (bid to be issued in April 2016). 	



PART B: PERFORMANCE INFORMATION – CONTINUED

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

Performance information Plan 2015/16 and prior year 2014/15 audited information		Performance analysis 2015/16	Reason for deviation
Indicator	Actual achievement 2014/15	Target 2015/16	Actual
Strategic objective: Develop and implement strategic procurement			
Develop sourcing strategies for identified commodities/procurement categories.			<ul style="list-style-type: none"> - Travel buy site: - Proof of concept completed. - Currently being designed. - Mobile communications project. - Sourcing strategy developed for mobile communication. <p>The RFP was advertised on 4 March 2016 and closed on 1 April 2016. Bid evaluation and adjudication meetings are planned for April/May 2016 for the new contract to start on 1 June 2016. Implementation and monitoring to commence 1 June 2016.</p> <ul style="list-style-type: none"> ii. Initial high-level spend analysis, market analysis, project scoping and stakeholder identification completed for: <ul style="list-style-type: none"> - ICT hardware (Standardisation of equipment) - Medical equipment (Phase 2) - Medical waste management - Hospital laundry and linen - Hospital catering and cleaning - LTSM (learner and teacher support material).

PART B: PERFORMANCE INFORMATION – CONTINUED



Performance Information Plan 2015/16 and prior year 2014/15 audited information		Performance analysis 2015/16		
Indicator	Actual achievement 2014/15	Target 2015/16	Reason for deviation	
Strategic objective: Develop and implement strategic procurement				
Implement sustainable PRS.	<ul style="list-style-type: none"> The implementation strategy will only be 100% complete after the pilot phase. The implementation plan/strategy has been completed. The price referencing system has been fully developed and contains on average 650 items per province. End-users from the six pilot sites have been trained in using the system and now have access to it: <p>Pilot sites</p> <ul style="list-style-type: none"> 2 x provincial treasuries (NW, GP) 4 x national departments (Police, DCS, NT, DPME and Presidency) The implementation guide will be published after the pilot when the system is launched nationally in July 2015. 	<ul style="list-style-type: none"> Implement the PRS on a nationally accessible platform. 	<ul style="list-style-type: none"> The current data source utilised from Statistics South Africa is not a comprehensive source to fulfil the purposes of the PRS. 	
Maintain existing transversal term contracts and extend the scope of the national procurement system.	<ul style="list-style-type: none"> 16 transversal contracts renewed. 	<ul style="list-style-type: none"> 14 transversal term contracts renewed. 	<ul style="list-style-type: none"> 14 transversal contracts finalised. Unit to intensify industry research to open competition. 	<ul style="list-style-type: none"> N/A



PART B: PERFORMANCE INFORMATION – CONTINUED

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

Performance information Plan 2015/16 and prior year 2014/15 audited information		Performance analysis 2015/16	
Indicator	Actual achievement 2014/15	Target 2015/16	Actual
Strategic objective: Modernise and automate SCM processes			
Develop, implement and maintain central supplier database (CSD).	<ul style="list-style-type: none"> The target was not achieved because the Chief Directorate: ICT was activated after the strategic document was finalised. 	<ul style="list-style-type: none"> Whole of government on CSD on compulsory basis 1 April 2017. 	<ul style="list-style-type: none"> CSD has went live for National Departments, state-owned entities and provincial departments on 1 April 2016 and it will be going live for the local government from 1 July 2016.
Establish and maintain an eTender portal.	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> All tenders published centrally by 30 June 2015. 	<ul style="list-style-type: none"> eTender portal was launched on 1 April 2015. On 31 March 2016, 3052 tenders had been published on the eTender portal.
Develop eProcurement specifications.	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> eProcurement specs available for development by IFMS by June 2015. 	<ul style="list-style-type: none"> Specifications completed.
Develop IFMS SCM specifications.	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> Specifications available for IFMS development July 2015. 	<ul style="list-style-type: none"> Implementation pending approval of Oracle contract and appointing implementing agents.
Develop eCommerce Centre.	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> Functional eCommerce Centre by 31 March 2016. 	<ul style="list-style-type: none"> eCommerce centre (gcommerce.gov.za) functional and signed off at DCS before 31 March 2016. DCS full implementation for BAS transaction was signed off on 18 March 2016.

PART B: PERFORMANCE INFORMATION – CONTINUED



Performance Information Plan 2015/16 and prior year 2014/15 audited information		Performance analysis 2015/16	
Indicator	Actual achievement 2014/15	Target 2015/16	Actual
Strategic objective: Modernise and automate SCM processes			
Develop an e-SCM performance management module.	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> ePerformance management enabled for national and provincial government by 31 March 2016. 	<ul style="list-style-type: none"> Not achieved.
Assessment of local government systems.	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> Assessment concluded by 30 June 2015. 	<ul style="list-style-type: none"> The performance management framework for SCM was not developed by the policy unit and it was impossible to develop a technology to automate SCM performance management module. N/A
			<ul style="list-style-type: none"> Circular 80 for implementation of local government was published to ensure use of CSD from 1 July 2016. Assessment of local government ICT was conducted. All provincial treasuries visited to create awareness on CSD, eTenders and gCommerce. Transversal tender published for the local government financial systems. Survey to determine what systems are used. 34 responses were received from 278 municipalities, one budget and treasury circular issued to make CSD compulsory.

PART B: PERFORMANCE INFORMATION – CONTINUED

Linking performance with budgets

Programme 5	2015/16 Financial Year			2014/15 Financial Year		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Programme management for financial accounting and supply chain management	26 680	24 729	1 951	17 424	15 157	2 267
Office of the Chief Procurement Officer	57 071	55 279	1 792	42 328	38 635	3 693
Financial systems	443 062	441 042	2 020	413 843	412 147	1 696
Financial reporting for national accounts	83 382	82 986	396	88 096	86 385	1 711
Financial management policy and compliance improvement	131 459	128 482	2 977	146 789	117 812	28 977
Audit statutory bodies	41 856	41 856	-	61 258	61 257	1
Service charges: Commercial banks	243	121	122	297	102	195
Total	783 753	774 495	9 258	770 035	731 495	38 540

PART B: PERFORMANCE INFORMATION – CONTINUED



4.6 Programme 6: International financial relations

Purpose

Manage South Africa's interests in shaping regional and global policies which advance the economic, financial and development objectives of the country, and of Africa.

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

Implementing the goal of increasing South Africa's voice and representation in multilateral development banks (MDBs) through:

- **African Development Bank (AfDB)**
 - South Africa was allocated 633 new shares for selective capital increase in the financial year which will help increase the country's shareholding. A payment for these shares is allocated for the 2016/17 financial year. South Africa's shareholding at the bank is now 5.0 per cent.
- **International Bank for Reconstruction and Development (IBRD)**
 - South Africa asked for an extension to complete its general capital increase (GCI) subscriptions until 2018. This was due to a 40 per cent decline of the Rand to US dollar resulting in under budget. South Africa has already paid 90 per cent of US\$27 million since 2010 to recapitalise the World Bank to respond to the global economic crisis.
- **Replenishment of IDA and ADF**
 - South Africa is a member of the International Development Association (IDA), a concessional funding window in the World Bank, and the African Development Fund (ADF), a concessional funding window in AfDB. These two funds provide support to poor countries which are mostly in Africa. Negotiations are under way to replenish these two funds.
- **Global development policy**
 - The international and regional economic policy (IREP) division played an important role in partnership with other government departments in the international negotiations for global agreements on development that were concluded in 2015. IREP supported the Minister of Finance in concluding the agreement on financing for development (FfD) during the third conference on FfD that took place in Addis Ababa, Ethiopia from 13 to 16 July 2015. IREP also played a critical role in the finance track negotiations of the Paris Agreement during the 21st conference of the parties (COP21) that took place in Paris from 30 November to 12 December 2015.
- **Africa Continental**
 - The division compiles analyses and briefs for all regional and international meetings where it leads or supports participation at the African Union. Briefing notes were prepared for the joint annual meetings of the UNECA and the AU Summit. In addition, the division
 - Assessed progress on membership to the Africa Export - Import Bank. The outcome of the Export Credit Insurance Corporation (ECIC) diligence report is still pending.

PART B: PERFORMANCE INFORMATION – CONTINUED

- Conducted cost and benefit analysis to determine SA's participation in the African Risk Capacity (ARC). A memorandum has since been submitted to the Minister for his consideration and approval.
- Conducted an assessment of the financial sustainability to the AU. A Joint Cabinet memorandum was prepared with DIRCO and the National Treasury. Cabinet approved the memorandum, and the National Treasury is awaiting a formal notification from DIRCO.
- Processed payments/transfers to international and regional institutions i.e. Infrastructure Consortium for Africa (ICA), Africa Technical Regional Centre South (AFRITACS), and the African Institute for Economic Development and Planning (IDEP). This was in terms of South Africa's initiatives/agreements with various international institutions.
- **SACU**
 - Management of South Africa's membership of the Southern African Customs Union (SACU), in collaboration with the dti and SARS.
- **SADC**
 - Compiling analyses and briefs for regional and international meetings where the division leads or supports participation, including the Southern African Development Community.
 - Coordinating the implementation and compliance of various national stakeholders to the SADC finance and investment protocol.
 - Engaging at the subcommittee level to discuss measures relating to improving the use of resources allocated to SADC Secretariat.
- **BRICS**
 - Ratification of the BRICS Contingent Reserve Agreement's Articles of Association, as well as the Articles of Agreement establishing the New Development Bank (NDB). The official launch of the NDB headquarters took place in Shanghai in February 2016. The first Board of Governors meeting took place on the margins of the seventh BRICS summit in Moscow in July 2016, where the President of the NDB, as well as Vice Presidents, were officially appointed. The National Treasury, on behalf of the South African Government, is working towards the setting up of the NDB Africa Regional Centre in Johannesburg.
- **AIIB**
 - To support South Africa's membership of the Asian Infrastructure Investment Bank (AIIB), the Minister of Finance signed the Articles of Agreement establishing the AIIB on 3 December 2015. The National Treasury will take the agreement through the Parliamentary process for ratification.
- Working towards the goal of African economic development through:

Organisation for Economic Cooperation and Development (OECD)

- Increasing presence in the OECD through improved intergovernmental and intra-departmental coordination and improved engagement with the OECD to assist in strengthening national policy development. This was done through the hosting of meetings of the OECD interdepartmental working group (IWG). In the week leading up to the launch of the OECD Economic Survey, we piloted the concept of OECD Week, during which a series of knowledge exchange workshops were arranged on eGovernance, competition policy, labour market policy, modelling structural

PART B: PERFORMANCE INFORMATION – CONTINUED



transformation, new approaches to economic challenges, agriculture and anticorruption and governance. The OECD week attracted more than 400 senior public officials and can be utilised as an efficient approach to facilitate knowledge exchange between officials and the OECD.

World Economic Forum

- Ensuring South Africa's positive representation at the World Economic Forum annual meeting in Davos and at the World Economic Forum on Africa which was hosted in Cape Town in 2015. IREP was responsible for coordinating government's participation at both of these events and ensuring that principals and South African WEF members were poised to showcase South Africa as a trade partner and investment destination of choice.

African Continental

- Consultations were conducted with relevant government departments on the development of the Africa strategy. Terms of reference have been prepared and further consultations are to be undertaken with a view to appointing a consultant.
- There was an assessment of constraints on the programme for infrastructure development in Africa (PIDA) through NT's participation during the PIDA Week. This is a forum where PIDA priority action plan (PAP) projects are discussed, together with the implementation and financing of projects.

SACU

- Conducting bilateral consultations with the SACU member states, as in the National Treasury's capacity as chair of the SACU Council of Ministers, to ensure that the focus of the Union is on supporting the development of member states.

SADC

- Negotiations on the operationalisation of the SADC regional development fund.

G20

- 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 at the AfDB annual meetings. South Africa's strategy to the G20 was presented to Cabinet and endorsed.

International Monetary Fund (IMF)

- Ensuring sustained high quality dialogue between South Africa and the IMF. During the period under review, this included facilitating IMF's staff visit as well as the visit of IMF Vice President, David Lipton, in May 2015, and his meetings with key stakeholders.

PART B: PERFORMANCE INFORMATION – CONTINUED

Programme 6: International financial relations

Performance Information Plan 2015/16 and prior year 2014/15 audited information		Performance analysis 2015/16	Reason for deviation
Indicator	Actual achievement 2014/15	Target 2015/16	Actual
<p>Compile analyses and briefs on current issues and recommendations.</p>	<ul style="list-style-type: none"> 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 in June 2015. Planning for these meetings was carried out by the interdepartmental 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. Continued negotiations on implementation of the NDB. 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 operationalising the NDB. A local committee has been established in South Africa to oversee operationalising the ARC. A number of meetings have been held and reports on progress submitted to the BRICS IMC. 	<p>i. Compile analysis and briefs for all regional and international meetings where the division leads or supports participation, including WEF, G20, BRICS, Southern African Development Community (SADC), Southern African Customs Union (SACU), the World Bank, International Monetary Fund (IMF), African Union (AU), United Nations Economic Commission for Africa (UNECA), Group of 24 (G24) and Commonwealth meetings.</p> <p>ii. Publish internally, 24 issue briefs/snapshots per year containing country or thematic analysis.</p> <p>iii. Support WEF participation.</p> <p>iv. Support G20 participation.</p> <p>v. Monitor and support implementation of the World Bank country partnership strategy.</p>	<p>i. The National Treasury attended the ninth joint annual meetings of the African Union specialised technical committee on finance, monetary affairs, economic planning and integration in Addis Ababa, from 31 March to 5 April 2016. Briefing notes were prepared for the annual meetings. Briefing, speaking and additional notes were prepared for the G20, IMFC and G24 meetings. During March, South Africa participated in SADC Council meetings. Briefings were prepared for the Deputy Minister, who represented the Minister of Finance. The briefings were in relation mainly to the RDF, PPDF, Disaster Fund, and the involvement of CCBG in regional economic integration.</p> <p>ii. Target suspended as of August 2015 due to re-organisation of resources within the IREP division (thus no documents generated for this reporting period).</p>
<p>Compile analyses and briefs on current issues and recommendations.</p>	<ul style="list-style-type: none"> 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 in June 2015. Planning for these meetings was carried out by the interdepartmental 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. Continued negotiations on implementation of the NDB. 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 operationalising the NDB. A local committee has been established in South Africa to oversee operationalising the ARC. A number of meetings have been held and reports on progress submitted to the BRICS IMC. 	<p>i. The National Treasury attended the ninth joint annual meetings of the African Union specialised technical committee on finance, monetary affairs, economic planning and integration in Addis Ababa, from 31 March to 5 April 2016. Briefing notes were prepared for the annual meetings. Briefing, speaking and additional notes were prepared for the G20, IMFC and G24 meetings. During March, South Africa participated in SADC Council meetings. Briefings were prepared for the Deputy Minister, who represented the Minister of Finance. The briefings were in relation mainly to the RDF, PPDF, Disaster Fund, and the involvement of CCBG in regional economic integration.</p> <p>ii. Target suspended as of August 2015 due to re-organisation of resources within the IREP division (thus no documents generated for this reporting period).</p>	<p>ii. Due to the reorganisation of the IREP division, the Chief Directorate: Country and Thematic Analysis (CATA) that was responsible for this target is no longer funded or staffed. The three staff members that were previously in CD: CATA have been reassigned to other functions. It is expected that budget constraints in the department will persist and so the CD: CATA will remain unfunded and without a dedicated staff complement. The target will remain suspended for the foreseeable future.</p>

PART B: PERFORMANCE INFORMATION – CONTINUED



Performance Information Plan 2015/16 and prior year 2014/15 audited information		Performance analysis 2015/16	Reason for deviation
Indicator	Actual achievement 2014/15	Target 2015/16	Actual
Strategic objective: Advance South Africa's interests specifically, and those of Africa more generally, through regular strategic analysis, engagements and negotiations at regional and global financial and economic forums			
	<ul style="list-style-type: none"> 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 (SCP/R); and operational procedures for the liquidity and precautionary instruments (provisionally named Standing Committee Operational Procedures for Instruments (SCOPI)). The Brisbane summit was a success and South Africa adequately spelt out its interests. Turkey has taken over the presidency and a number of meetings have already taken place. Their priorities at the presidency have been endorsed by G20 members. The National Treasury has been embarking on a number of outreach programmes, including SAIIA conference, study groups and round table discussions during the United Nations Economic Commission for Africa (UNECA) annual meetings. 		<ul style="list-style-type: none"> iii. No target was set for Q4, but in terms of the annual target, the following should be noted. WEF annual meetings in Davos in January 2016 were held successfully and the Minister of Finance and President were supported by IREP personnel. The feedback from both these principals was very positive iv. The NT and DIRCO did a joint cabinet memorandum, with DIRCO leading the process. NT has submitted the inputs. Cabinet memoranda are top secret and therefore cannot be shared here. v. Held consultation meetings with the AfDB and World Bank.



PART B: PERFORMANCE INFORMATION – CONTINUED

PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS - continued

Performance information Plan 2015/16 and prior year 2014/15 audited information		Performance analysis 2015/16	Reason for deviation
Indicator	Actual achievement 2014/15	Target 2015/16	Actual
Strategic objective: Advance South Africa's interests specifically, and those of Africa more generally, through regular strategic analysis, engagements and negotiations at regional and global financial and economic forums			
Compile analyses and briefs on current issues and recommendations.	<ul style="list-style-type: none"> • Held several meetings to monitor and support the implementation of the AfDB's country strategy paper for SA. This included obtaining NT (Minister and DGs') approval to support applications for the <i>middle income country grant</i> of the AfDB which are aimed at achieving government's strategic objectives. • 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. • Toward the end of 2015, the World Bank will prepare a mid-term review on the implementation of the CPS for South Africa. In the CPS document (CPS 2014 - 17) it was indicated that following steps will be taken to monitor the implementation of the CPS. The external coordination will be strengthened by (i) building stronger government ownership than in the past, through involving the government's economic and social clusters in strategy formulation earlier in the process; and (ii) using annual consultations to revise programmes and activity planning. 		

PART B: PERFORMANCE INFORMATION – CONTINUED



Performance Information Plan 2015/16 and prior year 2014/15 audited information		Performance analysis 2015/16	
Indicator	Actual achievement 2014/15	Target 2015/16	Actual
Strategic objective: Advance South Africa's interests specifically, and those of Africa more generally, through regular strategic analysis, engagements and negotiations at regional and global financial and economic forums			
	<p>The World Bank has further indicated that a formal mechanism of annual discussions with interested line departments and the National Treasury will guide programme development and implementation (the scope of engagement needed here between the government and World Bank). The monitoring of task- and project-level results will be conducted via regular project and programme supervision as well as joint annual reviews of the lending and knowledge portfolio with the National Treasury and line departments.</p> <ul style="list-style-type: none"> While some SACU meetings were held during the period under review these were focused on operational matters. Engagement on the work plan of SACU, and particularly the reform agenda, is awaiting high-level political direction. Nonetheless, the desk has continued to develop technical solutions that can be used once the political process has unfolded. 		



PART B: PERFORMANCE INFORMATION – CONTINUED

PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS - continued

Performance information Plan 2015/16 and prior year 2014/15 audited information		Performance analysis 2015/16		
Indicator	Actual achievement 2014/15	Target 2015/16	Actual	
Support and monitor implementation of international agreements.	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> i. Review of WB and AfDB bi-lateral programme implementation. ii. Assess progress on SADC FIP implementation. iii. Conclude negotiations around SACU reform, including new revenue sharing agreement. iv. Assess progress on membership - African Export-Import Bank. v. Assess structure and value of participation - African Risks Capacity. vi. BRICS new Development Bank. vii. BRICS Contingency Reserve Agreement: formalise structure in agreement with SARB. 	<ul style="list-style-type: none"> i. Engagement with the World Bank local office was done in January and February to kickstart the mid-term review of country partnership strategy for South Africa. A survey to the stakeholders was sent in March by the World Bank country office and outcomes of the survey will be used to draft a concept note. The AFDB review was completed in August 2015. ii. South Africa submitted its compliance to the SADC Secretariat in 2015. In addition, the directorate is embarking on an overview analysis regarding the FIP implementation. The draft has been reviewed and changes effected. 	<ul style="list-style-type: none"> i. Vacant position for the country economist to kickstart the review. The WB local office appointed a country economist in February to accelerate the process. iii. Negotiations on the SACU revenue sharing arrangement have stalled since the SACU deadlock and formal work on reviewing the revenue sharing arrangement will commence in FY2016/17. As such, during the upcoming Ministerial Retreat, the SACU Council of Ministers will discuss a way forward and propose it to SACU Heads of State and government as a way to resolve the current deadlock.

PART B: PERFORMANCE INFORMATION – CONTINUED



Performance Information Plan 2015/16 and prior year 2014/15 audited information		Performance analysis 2015/16	
Indicator	Actual achievement 2014/15	Target 2015/16	Actual
Strategic objective: Advance South Africa's interests specifically, and those of Africa more generally, through regular strategic analysis, engagements and negotiations at regional and global financial and economic forums			
			<p>iii. The National Treasury conducted bilateral visits to the SACU Member States in January and February 2016 to initiate discussions on the way forward on the negotiations of the SACU reform and the revenue sharing formula. During March 2016, Cabinet endorsed a South African position on SACU issues which will be discussed in the Ministerial Retreat. However, prior to the Ministerial Retreat, Cabinet resolved that the President should conduct bilateral visits to other SACU Heads of State and government to lay the ground for constructive negotiations during the Ministerial Retreat. The Presidential visits are currently planned for 18 to 21 April 2016.</p>
			<p>The SACU Ministerial Retreat is currently proposed for 6 to 9 May 2016. After the retreat, there will be a clear way forward which will guide future negotiations on the SACU revenue sharing arrangement.</p>



PART B: PERFORMANCE INFORMATION – CONTINUED

PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS - continued

Performance information Plan 2015/16 and prior year 2014/15 audited information		Performance analysis 2015/16	Reason for deviation
Indicator	Actual achievement 2014/15	Target 2015/16	Actual
<p>Support and monitor implementation of international agreements.</p> <p>Strategic objective: Advance South Africa's interests specifically, and those of Africa more generally, through regular strategic analysis, engagements and negotiations at regional and global financial and economic forums</p>			<p>iv. The National Treasury has fully investigated the proposal that South Africa becomes a shareholder at the Afrexim bank through consultations with the relevant stakeholders. A consensus was reached that the Afrexim bank provides an opportunity to promote trade in the region. However, the South African government is not in a position as yet to confirm its membership of the Afrexim bank due to the current fiscal constraints. In view of the above, NT made a recommendation that a South African entity, the Export Credit Insurance Corporation (ECIC), could consider joining the Afrexim bank as a Class "B" shareholder. A recommendation was made to the Department of Trade and Industry. The Department of Trade and Industry has since requested the ECIC Board to consider such a proposal, and the ECIC Board has requested that the ECIC conduct the requisite due diligence in this regard. The outcome of the ECIC due diligence process is still awaited.</p>

PART B: PERFORMANCE INFORMATION – CONTINUED



Performance Information Plan 2015/16 and prior year 2014/15 audited information		Performance analysis 2015/16	
Indicator	Actual achievement 2014/15	Target 2015/16	Actual
Strategic objective: Advance South Africa's interests specifically, and those of Africa more generally, through regular strategic analysis, engagements and negotiations at regional and global financial and economic forums			
			<p>v. IREP held consultations with the National Disaster Management Centre (NDMC) and the Department of Environmental Affairs to understand the feasibility of South Africa becoming a member of ARC Ltd or the ARC Agency. The consultations revealed that South Africa has early warning systems in place which are activated through the South African Weather Service, as well as adequate resources ring-fenced, to respond to natural disaster emergencies. An interdepartmental meeting was also held and it was decided at the meeting that South Africa should not sign the Treaty establishing the ARC and should not take the insurance in the ARC Company. A memorandum has been sent to the Minister in this regard. The ARC memorandum is currently with the Minister for processing.</p>



PART B: PERFORMANCE INFORMATION – CONTINUED

PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS - continued

Performance information Plan 2015/16 and prior year 2014/15 audited information		Performance analysis 2015/16	Reason for deviation
Indicator	Actual achievement 2014/15	Target 2015/16	Actual
<p>Strategic objective: Advance South Africa's interests specifically, and those of Africa more generally, through regular strategic analysis, engagements and negotiations at regional and global financial and economic forums</p> <p>Support and monitor implementation of international agreements.</p>			<p>vi. NT provides support to the NDB Director. NT has facilitated visits by the NDB President, Vice President and chief operating officer in order to facilitate the establishment of a working relationship with the bank. Moreover NT assisted in the establishment of the Africa Regional Centre as well as the loan to South Africa.</p> <p>vii. MOU between SARB and NT signed. Meeting of International Relations sub-committee held and report on CRA provided to NT.</p>

PART B: PERFORMANCE INFORMATION – CONTINUED



Performance Information Plan 2015/16 and prior year 2014/15 audited		Performance analysis 2015/16	
Indicator	Actual achievement 2014/15	Target 2015/16	Actual
Strategic objective: Increase influence within key regional, pan African and global governance institutions			
Pursuit of institutional reform.	<ul style="list-style-type: none"> No progress has been made with implementing the 2010 IMF Reforms, due to non-ratification by the US Congress. The IMF is exploring options for moving forward pending ratification. These will be presented at the 2015 IMF/World Bank Spring meetings. 	<ul style="list-style-type: none"> Improved use of SADC resources and improved capacity at the Secretariat. Assessment of financial sustainability of the AU. Increasing voice of LICs (IDA) - participate in the Working Group Structure. Increasing voice of LICs (IDA) - co-chair Working Group Structure. Lobby the G20 for implementation of IMF reforms. Assessment of prospects for reform in 2016 (WB). 	<ul style="list-style-type: none"> South Africa chaired three meetings of the finance subcommittee. SADC budget was finalised in February 2016, and during Council meetings, SA presented the budget of the Secretariat to the finance committee. The intention was that FinMin hold bilateral discussions with the Tier 1 countries during the AU/ECA annual meetings on the scales of assessment. South Africa co-chaired the ADF working group on innovative approaches for ADF-14. This working group was looking at innovative ways of potentially funding the ADF-14. The group completed its work and submitted a report to ADF deputies during their ADF-13 mid-term review (MTR) meeting that was held in Cote d'Ivoire from 11 to 13 November 2015. See iii above. IMF 2010 reforms came into effect on 26 January, 2016 An internal assessment report was prepared on the 2016 shareholding review, and consultation with the team in Washington DC was done on the implications of the reform to Angola, Nigeria and South Africa.
			<ul style="list-style-type: none"> The FinMin was unable to attend the AU/ECA Annual Meetings hence the planned discussion with the Tier 1 countries did not take place. The proposal is that the FinMin will hold discussions with the Tier 1 countries at the end of May 2016 during the AfDB Annual Meetings. Briefing and speaking notes recommended that principals raise the issue of a third chair for Sub-Saharan Africa (SSA) on the IMF Executive Board at G20. South Africa is advocating for more voice for SSA as well as protecting underrepresented regions. South Africa was unsuccessful in obtaining support to influence the G20 communiqués. The only success has been continued reference to a third chair in the G24 communiqués. South Africa's Africa Group 1 (AfG1) Constituency's April 2015 Spring Meeting Member Statement also continues to refer to the third chair, but the AfG1 October 2015 annual meetings member statement has no such reference.



PART B: PERFORMANCE INFORMATION – CONTINUED

PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS - continued

Performance analysis 2015/16			
Performance information	Target 2015/16	Actual	Reason for deviation
Strategic objective: Increase influence within key regional, pan African and global governance institutions			
<p>Increased presence within institutions of particular strategic value.</p>	<p>i. Purchase AfDB shares when made available.</p> <p>ii. Review strategies of constituency offices (WB).</p> <p>iii. Build African MIC and support (IMF reform).</p> <p>iv. Consolidate support for OECD staffer.</p>	<p>i. South Africa was allocated 10 548 new shares at the AfDB in Q1 of 2015. This meant that SA's shareholding increased to 4.965%, bringing SA closer to the 6% approved by Cabinet in 1998. No further shares were made available to regional member countries after Q1 2015.</p> <p>ii. Held meetings with the country office on the implementation of the World Bank country partnership strategy for South Africa.</p> <p>iii. Briefing and speaking notes recommended that principals raise the issue of a third chair for Sub-Saharan Africa (SSA) on the IMF Executive Board at G20, G24, BRICS and IMFC meetings and that South Africa needs to lobby the other BRICS members and the US for support of a third SSA chair. (Delegates at these meetings need to advise on whether the third chair issue was raised, and whether they lobbied for support from the BRICS and US.)</p> <p>iv. An IWG meeting was held on 30 September 2015 for Q2, and the IWG for Q4 has been scheduled for early in the next FY on 21 April 2016</p>	<p>iii. South Africa was unsuccessful in obtaining support from the BRICS or the US, and in securing support on a third chair in the G20, BRICS and IMFC communiqués. The only success has been continued reference to a third chair in the G24 communiqués. SA's Africa group 1 (AFG1) constituency's April 2015 Spring meeting member statement also continues to refer to the third chair, but the AFG1 October 2015 annual meeting member statement has no such reference. Earlier in 2016 a briefing note included a recommendation that South Africa's third chair strategy needs to be reconsidered, given the continued failure to advance this within the G20 and IMFC, and the lack of support from G20 and other BRICS members. Minister needs to advise on whether such reconsideration is indeed needed, and the elements of a new third chair strategy.</p> <p>iv. NT co-chairs with DIRCO so it is necessary to find a date that suits both parties. This was a challenge in Q3 and Q4. The next IWG has been scheduled for early in Q1 of the 2016/17 financial year.</p>

PART B: PERFORMANCE INFORMATION – CONTINUED



Performance information Plan 2015/16 and prior year 2014/15 audited information		Performance analysis 2015/16		
Indicator	Actual achievement 2014/15	Target 2015/16	Actual	
Strategic objective: Support an enabling environment for increased economic activity				
Assessment of initial conditions and projects and plans to accelerate regional integration.	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> Review current content of economic relations (SACU). Review current content of economic relations (SADC). Assess constraint on PIDA (AU). 	<ul style="list-style-type: none"> The National Treasury has prepared assessments on the current economic climate and future financial sustainability of Lesotho and Swaziland. The National Treasury has also prepared a proposal on the establishment of a SACU development fund that would assist with the financial stability within SACU countries. The desk also prepared an outline of the current climate within SACU for the Minister in preparation for a round-trip of meetings to Botswana, Lesotho, Namibia and Swaziland (BLNS). The collection of trade data was compiled and finalised. The National Treasury attended the first PIDA Week that was held from 13 to 15 November 2015 in Abidjan. The PIDA Week provided all the relevant stakeholders in the African infrastructure space the opportunity to receive an update on the implementation of PIDA PAP projects, and discuss the key challenges with implementing PIDA, including financing challenges. The National Treasury also participated in the NEPAD infrastructure project preparation fund steering committee meeting, and a report of the implementation of projects of the previous year and the following year was presented. 	<ul style="list-style-type: none"> N/A
Expansion of relations with key strategic partners.	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> Identify specific areas of cooperation/ bottlenecks and their resolution (south-south). Identify specific areas of cooperation/ bottlenecks and their resolution (bilateral). 	<ul style="list-style-type: none"> Convened bilateral meeting with China's Minister of Finance, Lou Jiwei, on 5 September 2015. Briefing notes addressed issues of SSA IMF third chair and IFA issues. Bilateral consultations were conducted with Botswana, Lesotho, Namibia and Swaziland. The objective of the visits was to develop an understanding from a country perspective of the bottlenecks and stumbling blocks in resolving the current SACU impasse. The outcomes of the meetings would assist in preparing the Minister, as chair of the SACU Council of Ministers, to chair the SACU ministerial retreat. Convened bilateral with US Treasury Secretary, Jack Lew, on 8 October 2015. Briefing note addressed trade issues such as AGOA, IMF Reform and SSA third chair in the IMF. 	<ul style="list-style-type: none"> N/A



PART B: PERFORMANCE INFORMATION – CONTINUED

Strategy to overcome areas of under performance

Organisation for Economic Cooperation and Development (OECD)

Fewer meetings of the OECD interdepartmental working group were held during the year than were anticipated. This was due to shortages in personnel during the period of IREP's restructuring as well as coordinating difficulties with the co-hosts of the meeting at the DIRCO. This is unlikely to be a problem in the next financial year as the unit working on OECD will be fully staffed and thus also in a better position to find suitable dates to co-host the IWG meetings with DIRCO, and to improve intergovernmental coordination and engagement with the OECD.

Africa Continental

Conducted cost and benefit analysis to determine SA's participation in ARC. Submission was prepared for the Minister to consider and approve whether South Africa should participate in ARC. Pending his approval, membership cannot proceed.

The outcome of the Export Credit Insurance Corporation (ECIC) diligence report is still pending. The National Treasury will await the outcome of the report to ascertain if South Africa, through the ECIC, will take up membership of the Afrexim Bank.

SACU

The SACU ministerial retreat will be held from 19 to 20 June 2016, and will focus on galvanising a common SACU position on the most suitable way to ensure that SACU is transformed into a developmental institution.

SADC

Bilateral engagement has taken place with Finance Ministers of key countries to ensure that there is common understanding on the operationalisation of the SADC RDF, and in particular, what form it should take.

PART B: PERFORMANCE INFORMATION – CONTINUED

Linking performance with budgets

Programme 6	2015/16 Financial Year			2014/15 Financial Year		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Programme management for international financial relations	15 927	14 527	1 400	8 731	8 318	413
International economic cooperation	30 517	30 387	130	27 803	27 264	539
African integration and support	717 534	717 531	3	588 393	588 292	101
International development funding institutions	2 762 652	2 762 656	(4)	557 595	557 582	13
International projects	21 032	21 031	1	17 195	17 195	-
Total	3 547 662	3 546 132	1 530	1 199 717	1 198 651	1 066

PART B: PERFORMANCE INFORMATION – CONTINUED

4.7 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 Injuries and Diseases Act (Act No. 130 of 1993) (COIDA).

These funds are administered on behalf of the National Treasury, with which GPAA has an 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 - RECENT OUTPUTS

Strategic objectives for the financial year 2015/16

- To pay the right amount as per legal entitlement as prescribed by legislation and rules.
- To pay benefits on time as per legislation.
- To pay the right person who is a lawful beneficiary.

PART B: PERFORMANCE INFORMATION – CONTINUED



Achievements

The sub-programme achieved 91 per cent of client satisfaction levels against a target of 80 per cent, as well as 100 per cent of benefits paid accurately against a target of 80 per cent, by paying the right amount accurately as per the legal entitlement as prescribed by the legislation and rules of the funds under administration. This was achieved due to a collective team effort and sound leadership and strategic direction.

In terms of compliance to the customer SLA, the programme achieved 97 per cent against a target of 90 per cent. This can be attributed to team's efforts and continuous monitoring of the sub-programme's production, improvement in internal controls and a focus on leadership within the units.

The sub-programme paid 92.5 per cent of benefits within 45 days against a target of 100 per cent.

The programme paid out pensions and benefits of R3.9 billion in 2015/16 compared to R3.7 billion in 2014/15, an increase of 5.4 per cent. This can be attributed to the 28.5 per cent increase in post-retirement medical subsidies.

The overall number of pensioners and beneficiaries increased by 3.4 per cent in 2015/16, from 114 960 in 2014/15 to 118 900 in 2015/16. The increase in applications received can be attributed to post-retirement medical subsidy.

Stakeholder relations

The programme places a premium on building and maintaining stakeholder relations. This process entails planning, targeting, monitoring and reporting of all stakeholder activities that took place during the year.

During 2015/16 the programme met with stakeholders in Cape Town, Durban and Kimberley to strengthen relations. The programme also met with key stakeholders for all categories of benefits for post-retirement medical subsidies. These stakeholders are the Medical Aid Schemes for the implementation of increases, GEMS, the South African Military Veterans Association (SAMVA), the Department of Military Veterans regarding the implementation of their pension, and Cape Corps to discuss applications received. It also attended the Board of Health Funders conference.

Military pensions awareness campaign

The unit embarked on an awareness drive in 2015/16 to inform prospective applicants in Durban, Kimberley and Kuruman, and the Western Cape, about the provisions and criteria for accessing military pensions. Other provinces are earmarked to be contacted in 2016/17.

Challenges

- A manual separation of main members from beneficiaries is currently being implemented as part of the application control review audit findings.
- The programme needs to intensify its communication to members and employer departments, increase awareness and reduce application errors when accessing benefits for post-retirement medical subsidies, military pensions and medical accounts and injury on duty award processes.



PART B: PERFORMANCE INFORMATION – CONTINUED

Programme 7: Civil and military pensions, contributions to funds and other benefits

Performance information Plan 2015/16 and prior year 2014/15 audited information		Performance analysis 2015/16	
Indicator	Actual achievement 2014/15	Target 2015/16	Reason for deviation
Strategic objectives: Ensure good governance and a robust control environment for fund administration			
Pay 100% of all benefits within liability date.	<ul style="list-style-type: none"> 100% of post-retirement medical benefits paid with 30 days. 77% of Injury on duty benefits paid within 30 days. 100% of special pension cases paid with 60 days. Injury on duty (IOD): Operational Support Services (OSS) did not forward documents on time to IOD. Military medical accounts section: Not all accounts received were approved on time by the chief medical officer. 	<ul style="list-style-type: none"> Pay 100% of all benefits within liability date: Injury on duty paid within 45 days Post-retirement medical benefits paid within 30 days Military pensions paid within 45 days Special pension paid within 60 days. 	<ul style="list-style-type: none"> IOD: Delays caused by errors from Compensation Fund.
Ensure 100% compliance with NT SLA.	<ul style="list-style-type: none"> 96% overall annual compliance. 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. 	<ul style="list-style-type: none"> 95% compliance with NT SLA. 	<ul style="list-style-type: none"> 92.5% of benefits paid within liability date. 91% (Q1) + 94% (Q2) + 98% (Q3) + 87% (Q4) Average = 92.5%.
To consistently improve client data integrity.	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> 55% client data integrity. 	<ul style="list-style-type: none"> The target was exceeded due to effective management and monitoring of programme performance. The target was exceeded due to continuous monitoring and addressing all exceptions on the system. Management runs application review reports on a monthly basis.

PART B: PERFORMANCE INFORMATION – CONTINUED



Performance Information Plan 2015/16 and prior year 2014/15 audited information		Performance analysis 2015/16	
Indicator	Actual achievement 2014/15	Target 2015/16	Actual
Strategic objective: Provide an improved and integrated customer service experience			
100% customer service complaints are resolved within seven days.	<ul style="list-style-type: none"> 100% of complaints received resolved within 7 days. 	<ul style="list-style-type: none"> 100% complaints received are resolved within 7 days. 	<ul style="list-style-type: none"> 100% of the complaints were resolved within 7 days. 100% (Q1) + 100% (Q2) + 100% (Q3) + 100% (Q4); average performance = 100%.
			Reason for deviation The target was reached due to ability of the team to respond to clients' enquiries and requests, ease of accessibility, excellent timeliness to responses.

PART B: PERFORMANCE INFORMATION – CONTINUED

Strategy to overcome areas of under performance

- The manual project implemented to separate main members from beneficiaries for Military pensions will improve the control environment in the programme.
- To reduce errors and delays in payments, employer departments will be trained and the process will be monitored by customer liaison officers.

Linking performance with budgets

Programme 7	2015/16 Financial Year			2014/15 Financial Year		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Government Pensions Administration Agency	56 587	56 586	1	54 433	54 395	38
Civil pensions and contributions to fund	3 156 562	3 156 521	41	2 613 927	2 613 931	(4)
Military pensions and other benefits	754 592	754 591	1	1 062 611	1 062 609	2
Total	3 967 741	3 967 698	43	3 730 971	3 730 935	36

PART B: PERFORMANCE INFORMATION – CONTINUED



4.8 Programme 8: Technical and management 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, implementation and skills development in provinces and 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 189 projects during 2015/16, including assessing infrastructure and processes at the country's ports of entry, reviewing public entities in the Eastern Cape, supporting the mining and basic



PART B: PERFORMANCE INFORMATION – CONTINUED

education Phakisa processes, and assessing the feasibility of various national capital projects, such as solar and gas technologies for energy generation and national rail projects.

Transaction support work over the past year has included ongoing assistance to the 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.

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. In partnership with the Southern African Labour and Development Research Unit, GTAC supports a research programme on employment, income distribution and inclusive growth, 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 review programme was initiated as a joint project of the Department of Planning, Monitoring and Evaluation and the National Treasury, and is managed by GTAC. Nine performance and expenditure reviews were completed during the year, including studies on leased government accommodation and the funding of border management. The reviews aim to identify options that offer greater value for money in public expenditure and improve alignment in the use of development and service delivery indicators for government-wide performance monitoring, budget planning and reporting.

On behalf of the National Treasury, GTAC administers the employment creation facilitation programme and the MFIP, 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 and medium-term strategic framework, 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.

More information on GTAC performance is available in the 2015/16 GTAC annual report.

Local Government Financial Management Support includes transfers to municipalities to support implementation of the Municipal Finance Management Act (Act No. 56 of 2003) (MFMA) and technical assistance to provincial treasuries and municipalities through the MFIP. The *financial management grant* (FMG) is a conditional grant governed by schedule 5(b) of DoRA. It promotes and supports reforms in financial management and capacity building in municipalities to enable them to implement the MFMA.

In 2015/16, R452.4 million in grant funding was disbursed in terms of the Division of Revenue Act (Act No. 1 of 2015), in two payments. The first was in July 2015, when R383.1 million was transferred to 237 municipalities. Payment to 41 municipalities was delayed, as they either did not comply with the requirements of the Act or did not provide their updated cash flows and reasons for previous slow spending of funds. After correspondence with these municipalities, the

PART B: PERFORMANCE INFORMATION – CONTINUED



outstanding documents were submitted to NT and the remaining R69.2 million was transferred to the 41 municipalities in August 2015.

Every month, municipalities have to submit reports to the National Treasury on spending the grant, aligned with their support plans. Given staffing constraints, it is impossible for the National Treasury to undertake site visits or perform physical verifications at municipalities. The actual performance of the grant is best measured at municipal level and can be audited as part of the regularity audit performed by the Auditor-General.

At the end of March 2016, total spending levels averaged 68 per cent of the grant. The municipal financial year differs from the provincial financial year, and ends in June. In the past, spending has been close to 100 per cent at the municipal year-end.

The financial management grant contributed to the following outputs:

- All 278 municipalities submitted their 2015/16 financial management grant support plans.
- At the end of the financial year, 130 municipal managers and 140 chief financial officers had completed the training provided by the municipal finance management programme; 12 079 municipal officials received certificates for completing unit standards.
- As at 31 March 2016, 1 284 interns had been appointed in municipalities throughout all nine provinces.
- All 278 municipalities reported the establishment of internal audit units and audit committees.
- A total of 251 municipalities developed audit action plans to address 2014/15 audit findings.
- Audit outcomes improved significantly over the last three years.

Since 2010/11, the number of municipalities that submit their annual financial statements to the Auditor-General on time has increased. Auditor-General reports also indicate a steady improvement in positive audit outcomes. By 31 August 2015, 266 municipalities had submitted their 2014/15 annual financial statements to the Auditor-General. Since then, all 278 municipalities have submitted their statements for audit.

The MFIP phase II is a hands-on capacity building programme to improve the management of local government's financial affairs. It places technical advisors in municipalities' budget and treasury offices, and in provincial treasuries' municipal finance management units, to help them implement the National Treasury's local government budget and financial management reform agenda.

The programme supports municipalities and provincial treasuries in two ways.

Institutionally, it strengthens the ability of municipalities to capacitate their budget and treasury offices by appointing officials who can ensure compliance with the Municipal Finance Management Act (Act No. 56 of 2003). It also builds the capacity of staff through training and development.

Technically, it helps these officials ensure compliance with the municipal accountability cycle, including strategic planning, budgeting, in-year implementation and compilation, annual financial statements, annual reporting, internal auditing, oversight and supply chain management.

The programme further assists targeted municipalities with the implementation of the m-SCOA, which was promulgated in 2014 with a legislated compliance date of 1 July 2017. It also supports targeted municipalities in addressing specific

PART B: PERFORMANCE INFORMATION – CONTINUED

priority outcomes from the FMCMM assessments in municipalities undertaken in 2015 and issues raised by the Auditor-General in its consolidated MFMA outcome reports, such as risk management, asset management, billing and revenue management, and audit outcomes, in the medium-term.

As at 31 March 2016, the programme was providing support in the following areas:

- General financial management: 37 municipalities, with an eventual target of supporting 44 municipalities.
- Improving the capacity of provincial treasuries to monitor, oversee and support local government: four provincial treasuries, with the aim of supporting all nine in future.
- Integrated infrastructure and asset management system, including accounting and audit support: 20 municipalities.
- Implementation of the m-SCOA regulations in municipalities: Six provincial treasuries, with the aim of supporting all nine.
- Five specialists who support local government in improving financial management, with a focus on revenue, budgeting, assets, audit and the financial management capability maturity model.

Currently, the programme has contracted 63 advisors.

In line with the capacity building focus of the MFIP II, advisors held 3 441 formal and informal training engagements and exposed 1 050 municipal officials to various financial management disciplines. As part of the nationwide m-SCOA training, 44 training sessions were conducted and 1 527 officials received non-accredited training on the m-SCOA regulations.

By the financial year-end, the MFIP II was supporting 37 municipalities on general financial management (up from 11 a year ago), and another 20 on asset management.

Of the ten municipalities that the MFIP II started to support in January and February 2015, four obtained an improved audit opinion and none showed any regression. Disclaimers declined from four municipalities to only one, and most of the municipalities that had previously received disclaimers received qualified audits.

The MFIP II programme steering committee approved the launch of an integrated infrastructure and asset management project in nine pilot municipalities identified by the respective provincial treasuries. The overall results were positive, with five progressing from a 'disclaimed' or 'qualified' audit opinion to 'no findings' on property, plant and equipment.

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.

Established in 2006, the Neighbourhood Development Programme unit is responsible for managing the *neighbourhood development partnership grant*. This grant aims to fund, support and facilitate the planning and implementation of neighbourhood development programmes and projects that provide catalytic infrastructure to attract third-party public and private sector investment. The objective is to realise the social and economic potential of targeted underserved neighbourhoods, improve residents' quality of life and contribute to South Africa's economic performance.

The National Development Plan's human settlement chapter highlights the importance of transforming towns and cities spatially to improve access to economic opportunities as well as the quality of life of citizens, especially people in townships or living on the periphery. The unit's strategic planning and investment framework, the urban network strategy, supports this transformation, as well as broader economic developmental outcomes.

PART B: PERFORMANCE INFORMATION – CONTINUED



Using the urban network strategy as a guide to changing the spatial form of larger urban centres, the programme aims to:

- Support municipalities in city wide strategic planning to ensure more integrated, equitable, efficient and effective cities that can improve the lives of the urban poor.
- Optimise public infrastructure investment, regulatory mechanisms and development incentives, as well as the coordinated management of targeted strategic nodes and urban hubs in townships.
- Attract, coordinate and leverage private sector investment into the targeted transit-oriented, mixed-use precincts.
- Provide the spatial-targeting component of the cities support programme, as reflected in the built environment performance plans for metros.

The programme is governed by conditions set out in the Division of Revenue Act.

The *neighbourhood development partnership grant* comprises a technical assistance component and a capital grant component. The technical assistance component is intended for network, integration zone, precinct and project packaging and planning, as well as the coordination of urban management. The 2015/16 technical assistance budget was R25.9 million and R17.3 million was spent by municipalities.

The capital grant component provides catalytic investment into targeted township precincts. In 2015/16, R583.6 million was transferred to municipalities for capital projects. Since its inception in 2006/07, the grant has registered 355 projects across more than 65 municipalities. In total, 258 township projects have been completed to the value of over R3.4 billion; 61 projects in urban areas and 6 in rural areas are still under construction. *Neighbourhood development partnership grant* projects in rural municipalities are supported in collaboration with the Department of Rural Development and Land Reform to explore the feasibility of a small town regeneration grant for rural areas.

The programme's interventions are ultimately aimed at leveraging third-party investment into targeted urban spaces, primarily urban hubs in townships. Third-party public and private investment since the inception of the programme amounts to R4.2 billion. In order to increase the level and diversity of such investment, precinct management technical assistance has been provided since 2015/16. Two pilots are under way: the Jabulani Urban Hub in Soweto, Johannesburg and the Mdantsane Urban Hub in Buffalo City. The latter is a joint venture with the German development agency GLZ.

The city support programme, together with the neighbourhood development partnership programme, plays a significant role in promoting cities as the key drivers for transforming the spatial landscape and accelerating economic growth. Since its inception in 2012, with a team of three, the programme has become an important element of government's response to the challenges of urban growth. It is premised on the need for large urban municipalities to make a more focused contribution to national economic development and the reduction in poverty and inequality. The programme supports metropolitan municipalities in developing more inclusive, productive and sustainable cities.

The programme promotes an enabling policy and regulatory environment for city development, through improvements in the local government fiscal framework, support for best practices in urban development and direct technical assistance to metros. Projects and associated activities have been identified in consultation with cities, through their city support implementation plans. These plans are implemented at national level through five component plans (core city governance, human settlements, public transport, climate resilience and sustainability, and economic development). The programme contributes to the generation and sharing of innovative practices and processes, as requested by cities, as well as recommended changes to the enabling policy, regulatory and fiscal environment within which cities operate.

PART B: PERFORMANCE INFORMATION – CONTINUED

The city support programme has formed strategic partnerships with a number of institutions with a similar focus, including the Cities Network, GTAC, the World Bank, the Centre for Affordable Housing Finance in Africa, the DBSA, and the South African Local Government Association. These collaborative agreements have assisted in driving the importance of South African cities as engines of growth. Formal engagements continue to provide insights into managing the complex challenges facing cities, which often result from policies such as segregated development. This year, the programme's engagements included discussions with the Swedish development agency, SECO, and the World Bank on the implementation of reimbursable advisory services; dialogue with the Centre for Development and Enterprise on their forthcoming publications on cities and growth; participation in a conference on cities and growth, hosted by the International Growth Centre (London School of Economics and Oxford University); and discussions with the Department of Cooperative Governance and Traditional Affairs on the development of a secondary cities programme.

In 2015/16, the city support programme concluded its planning phase, and moved into a delivery-focused period. During this period the programme undertook the following initiatives:

- A reporting reforms project has undertaken work to improve the quality of data collected from municipalities and simultaneously reduce the reporting burden. This initiative also included an overview of the data requirements from the sector departments and provinces.
- Planning support to cities through the annual BEPP process continued with a key focus on increasingly strong alignment across spheres of government, and with budgets.
- Support for the preparation of catalytic land development projects identified in BEPP, including panel reviews facilitated by the Urban Land Institute.
- Following the success of the delivery of the first Urban Investment Partnership conference (UIPC) in August 2015, technical support has been initiated to develop long-term financing strategies for cities, review the municipal borrowing policy framework, and improve quarterly monitoring of municipal borrowings.
- A toolkit for the cities infrastructure delivery management system has been finalised at a technical level.
- An informal settlements support programme has been designed and agreed with the Department of Human Settlements, for implementation in 2016/17. This is complemented by research and recommendations on improvements to public housing finance arrangements.
- Considerable detailed technical support has been provided to cities in the design and management of bus rapid transit systems, complemented by changes to the funding framework introduced in the 2016 budget.
- An executive city leadership course on urban economic development was hosted in Q3, to complement the sub-national cost of doing business study, with follow up system reforms and peer learning events being scheduled in cities.

The Employment Creation Facilitation sub-programme was introduced in 2011 to contribute to employment and inclusive growth by supporting innovative approaches to job creation and enterprise development. The Jobs Fund is the main component of the programme, comprising a multi-year R9 billion investment which leverages complementary funding from public and private sector project partners. The fund was initially established in partnership with the DBSA. It operates as a "challenge fund" and allocates matching grants following a competitive, open and transparent application process. Project allocations are made by an independent investment committee.

To date, six CFPs (calls for proposals) have been issued. The objective is to support initiatives that innovatively catalyse new employment creation models that can be replicated and scaled. The fund offers once-off grants in the areas of enterprise development, infrastructure, support for job seekers and institutional capacity building. More recently, it has also targeted the agricultural sector.

PART B: PERFORMANCE INFORMATION – CONTINUED

Since inception, 118 projects have been approved against a target of 125, 13 withdrew prior to contracting (leaving 105 on the approved portfolio) and 95 are currently in implementation. The agriculture funding round (fifth CFPs) did not yield the anticipated number of new projects but the target is likely to be reached upon finalisation of the sixth CFPs in 2016. The fund has made steady progress against its targets, and exceeded several of these, including the matched funding leveraged indicator (by 15 per cent) and the short-term jobs created indicator (by 14 per cent). It also achieved 94 per cent of the new permanent jobs indicator.

In 2015/16 the fifth CFPs, focused on agriculture, was concluded. Many of these projects are in full implementation. The fund received 262 concept note applications for this round, with a total of 17 projects finally being approved. A total of R807 million has been allocated towards these projects and they will create 11 634 new permanent non seasonal jobs and 10 497 permanent seasonal jobs over the project implementation period.

The fund has supported several projects aimed at unlocking available funds for financing SMME development. In one case, a project partner aimed to raise R300 million from pension funds against a guarantee of R75 million from the fund, and to date has raised R450 million against the guarantee (an over-achievement of 150 per cent).

In support of enterprise development, the fund has to date funded 12 097 businesses of which 11 930 are black owned (98.6 per cent) with a total value of the R973 million.

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

INDICATORS	Target	Actual	% Target reached
Projects reporting as at the end of March 2016	95	95	100.0%
Jobs Fund grant disbursed	R4.268 billion	R3.22 billion	75.4%
Grantee contributions (matched funding)	R3.984 billion	R4.565 billion	114.6%
Total project cost (matched funding + JF grant)	R8.252 billion	R7.785 billion	94.3%
New permanent jobs created	78 172	73 698	94.3%
Placements in vacant permanent positions	52 415	40 641	77.5%
Short-term jobs created	15 484	1 ,642	113.9%
Beneficiaries completing internships	19 148	14 786	77.2%
Beneficiaries completing training	134 635	148 782	110.5%

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 National Treasury established the *infrastructure skills development grant (ISDG)* in terms of the Division of Revenue Act, to develop capacity within municipalities by creating a long-term and sustainable pool of young professionals within the built environment in specific technical fields (i.e. engineering, town planning, architecture, quantity surveying, geographic information systems, and project management), thereby improving infrastructure delivery and management.

PART B: PERFORMANCE INFORMATION – CONTINUED

The purpose of the grant is to recruit unemployed graduates into municipalities to be trained as required by the relevant statutory councils in the built environment. Capable municipalities recruit graduates in the built environment for training and register them with statutory bodies. During the training, municipalities benefit from the additional capacity, while the graduates gain relevant work experience, which is essential for professional registration. The importance of these skills is clear in that several municipalities have retained the graduates. The programme helps to address racial imbalances in the built environment profession, while also reducing graduate unemployment in the country.

In the three years since the start of the programme, 435 graduates have been enrolled in the programme in 16 participating municipalities. All graduates are assigned professionally registered mentors and work under municipal supervisors in their respective fields. Graduates are assigned to various projects in their fields, including the development, maintenance and operation of infrastructure.

Of the 435 graduates, 124 have already completed their training and have been registered as professionals by the relevant statutory councils. Most are employed within the public sector, while some have moved to other sectors.

The total 2015/16 allocation of R124.5 million was successfully transferred to participating municipalities.

Municipalities are complying with the reporting systems and training is being implemented according to the requirements of the statutory councils. Graduates are registered as candidates and have received candidacy numbers from the various statutory councils.

The company, SAICE-PDP, was appointed to evaluate the *status quo* of the programme, to advise municipalities, as well as to monitor the professional registration readiness of each candidate. Its findings indicate that graduates are receiving relevant training, and those who will be ready to submit applications for professional registration during 2016/17 have been identified.

Notable achievements include the following:

- A graduate from Govan Mbeki municipality (in partnership with Rand Water) has been awarded a scholarship from UNESCO-IHE to complete an MSc programme in Urban Water and Sanitation in the Netherlands. The graduate will continue with professional registration, as the research paper will add value towards registration.
- Two engineering graduates from eThekweni municipality have been selected to participate in the young water professionals programme, in partnership with the Water Institute of South Africa.

Municipalities have formed a task team to standardise the implementation of the *infrastructure skills development grant* in all participating municipalities.

Some of the small municipalities struggled to expose graduates to all the required competencies, owing to the limited built environment projects undertaken within those municipalities. To remedy this, graduates rotate between municipalities to ensure sufficient exposure to technical works.

The infrastructure delivery improvement programme was introduced in 2004 to facilitate infrastructure delivery by improving the effectiveness of systems and providing capacity development. It is being implemented in four phases. The National Treasury, the Departments of Basic Education and Health, and participating provincial departments collaborated in the programme to develop and implement the Infrastructure Delivery Management System (IDMS). It was approved by the

PART B: PERFORMANCE INFORMATION – CONTINUED



provincial governments as their infrastructure management system of choice. Some provinces are extending the system to all government sectors and to local government. The National Treasury provides conditional grant funding to capacitate infrastructure units in the provincial health and education departments and so ensure the sustainability of the system.

With the adoption of the infrastructure delivery management system as government policy, the role of the Infrastructure Delivery Improvement Programme has shifted from developing and implementing the IDMS to supporting provincial treasuries with the implementation of provincial systems and leveraging the knowledge gained on infrastructure delivery systems more effectively.

The Infrastructure Delivery Improvement Programme has also developed a model for the structure and capacitation of infrastructure units, which among other benefits decreases the need for consultants and increases the in-house capacity of infrastructure units to sustain infrastructure delivery.

Intergovernmental provincial protocols were developed in all nine provinces, in terms of which specific and shared roles and responsibilities are assigned to departments. This ensures accountable and cooperative governance of infrastructure delivery.

Funding has been secured through the Division of Revenue Act for provincial departments of health and education to appoint suitably qualified experts in their infrastructure units. A significant number of professionals have already been appointed in these key posts.

New options for construction procurement have been developed, which contributed to the National Treasury Standard for Infrastructure Procurement and Delivery Management. The standard is largely based on the IDMS.

The National Treasury commissioned an independent strategic review of the Infrastructure Delivery Improvement Programme, which was conducted in 2013. It found that programme was making good progress and confirmed the constructive role of the IDMS in addressing shortcomings in infrastructure delivery management.

Recent government policies and regulations, as well as the adoption of the IDMS by all the provincial governments demonstrate increasing consensus in government around addressing the inefficiencies in infrastructure delivery through this system.



PART B: PERFORMANCE INFORMATION – CONTINUED

Programme 8: Technical support and development finance

Performance Information Plan 2015/16 and prior year 2014/15 audited information		Performance analysis 2015/16	Reason for deviation	
Indicator	Actual achievement 2014/15	Target 2015/16	Actual	
Strategic objectives: Establishment of the Government Technical Advisory Centre as a centre of excellence in public sector advisory services, transaction support, project management and public finance management				
Establishment of GTAC and Programme 8 management office.	<ul style="list-style-type: none"> Programme 8 and GTAC 01 Q4 report and strategic plan for 2015 MTEF compiled. Narrative report compiled will be available in Q1 of 2015/16. Annual output and variance: Programme 8 office coordination function continues to be performed by GTAC 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. A publishable 2014/15 annual report will be available by the end of Q2 of the 2015/16 financial year. Annual output and variance: Completion of GTAC financial management and HR transition deferred to 2015/16. Second phase of organisational HR transfer implemented wef 1 April 2015. Approval received to transfer employees after the secondment period to GTAC. 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. The deferral of HR and financial arrangements will be addressed for finalisation during the 2015/16 financial year, to be completed on 31 March 2016. 	<ul style="list-style-type: none"> Compliance with governance and reporting, monitoring and evaluation of implementation. 	<ul style="list-style-type: none"> The division has complied with the governance and reporting, monitoring and evaluation requirements during the 2015/16 financial year. Quarterly reports prepared and submitted to the Minister. 	
Number of technical assistance and transaction advisory projects supported.	<ul style="list-style-type: none"> 93 projects supported. This number is determined by demand, and approval was given for a number of larger projects. Though the number of projects supported is lower than anticipated this has much to do with the scalability of projects as this impacts on the number of projects supported. 	<ul style="list-style-type: none"> 100+ 	<ul style="list-style-type: none"> 135 	<ul style="list-style-type: none"> Number of supported projects exceeds target as number of projects depends on demand.

PART B: PERFORMANCE INFORMATION – CONTINUED



Performance Information Plan 2015/16 and prior year 2014/15 audited information		Performance analysis 2015/16	
Indicator	Actual achievement 2014/15	Target 2015/16	Reason for deviation
Strategic objectives: Establishment of the Government Technical Advisory Centre as a centre of excellence in public sector advisory services, transaction support, project management and public finance management			
Capital project advice and expenditure reviews on behalf of the National Treasury.	<ul style="list-style-type: none"> 13 project assessment reports. Research on transport appraisal methodologies. Report on development of investment framework. Performed four project appraisals. Strengthened major capital project appraisal capacity. Developed a framework for private finance in support of infrastructure investment. Completed nine performance and expenditure reviews. 	<ul style="list-style-type: none"> > 10 projects a year. 	<ul style="list-style-type: none"> NCP Unit: additional studies done on Moloto rail corridor as per client request. PER: More priorities were identified by senior treasury officials than planned.



PART B: PERFORMANCE INFORMATION – CONTINUED

PROGRAMME 8: TECHNICAL SUPPORT AND DEVELOPMENT FINANCE – continued

Performance information Plan 2015/16 and prior year 2014/15 audited information		Performance analysis 2015/16	
Indicator	Actual achievement 2014/15	Target 2015/16	Reason for deviation
Strategic objective: Local government financial management improvement			
Number of interns appointed to municipalities.	<ul style="list-style-type: none"> 1 286 interns appointed. 	<ul style="list-style-type: none"> 1 390 	<ul style="list-style-type: none"> Variance due to absorption of interns into permanent positions at municipalities and interns leaving for other opportunities.
Number of municipalities assisted through MFIP.	<ul style="list-style-type: none"> The FMCMM assessment was undertaken in 73% of 278 municipalities. Second round of municipalities identified for support. 33 potential service providers invited to submit proposals. Interviews conducted 23 to 27 February 2015 and a further seven advisors appointed commencing March 2015. In total 16 municipal advisors appointed and two SCOA advisors appointed. 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. 	<ul style="list-style-type: none"> 40 	<ul style="list-style-type: none"> The programme is currently supporting 10 municipalities more than the quarterly target of 40. The main reason for the variation is the challenges that municipalities are facing in the implementation of the financial management reforms leading to more municipalities requesting assistance from the programme. The MFIP II programme steering committee has approved support to a further 7 municipalities and the MFIP II programme management unit is in the process of procuring the services of long-term advisors to assist these municipalities.
Audit action plans developed and implemented.	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> All municipalities (278). 	<ul style="list-style-type: none"> 21 municipalities are in the process of developing audit action plans as audits were finalised late. 6 municipalities' audits are still outstanding.
			<ul style="list-style-type: none"> 1 284
			<ul style="list-style-type: none"> 50
			<ul style="list-style-type: none"> 251

PART B: PERFORMANCE INFORMATION – CONTINUED



Performance Information Plan 2015/16 and prior year 2014/15 audited information		Performance analysis 2015/16	
Indicator	Actual achievement 2014/15	Target 2015/16	Reason for deviation
Strategic objective: Local government financial management improvement			
Municipal compliance with budget and treasury Office, supply chain management, internal audit and audit committee requirements.	<ul style="list-style-type: none"> The FMCMM for municipalities was undertaken in 73% of municipalities at the end of March 2015, other assessments continuing in April 2015. Delay experienced in the completion of assessment and roll out by municipalities due to other commitments expressed by municipal officials. Outstanding assessments will be followed up during April and May 2015. Due to circumstances outside of the set target a variance occurred and should be noted. 	<ul style="list-style-type: none"> Progress in compliance with financial management requirements, against 2015 baseline. 	<ul style="list-style-type: none"> FMCMM assessments completed and reports on the outcome of the assessments were sent to all municipalities that participated in the assessment.
			<ul style="list-style-type: none"> N/A

PART B: PERFORMANCE INFORMATION – CONTINUED

PROGRAMME 8: TECHNICAL SUPPORT AND DEVELOPMENT FINANCE - continued

Performance information Plan 2015/16 and prior year 2014/15 audited information		Performance analysis 2015/16	
Indicator	Actual achievement 2014/15	Target 2015/16	Actual
Strategic objective: Promotion of urban integration and neighbourhood development			
Long-term urban regeneration programmes registered (cumulative).	<ul style="list-style-type: none"> The programme registered 13 long term urban regeneration programmes during 2014/15. 	<ul style="list-style-type: none"> 15 	<ul style="list-style-type: none"> 18
Total number of catalytic projects approved (cumulative).	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 340 	<ul style="list-style-type: none"> 352
Neighbourhood development partnership grant projects under construction (cumulative).	42 Development partnership grant projects under construction achieved.	<ul style="list-style-type: none"> 40 	<ul style="list-style-type: none"> 61
Estimated third-party investment leveraged (cumulative).	<ul style="list-style-type: none"> R 2 494 million third-party investment leveraged. 	<ul style="list-style-type: none"> R3 000 million. 	<ul style="list-style-type: none"> R4 180 million.
			<ul style="list-style-type: none"> This indicator is an outcome/impact level indicator and as such is not within the control of the neighbourhood development programme. The investment decisions of third parties, i.e. public and private sector investors, therefore takes place autonomously.

PART B: PERFORMANCE INFORMATION – CONTINUED



Performance information Plan 2015/16 and prior year 2014/15 audited information		Performance analysis 2015/16	
Indicator	Actual achievement 2014/15	Target 2015/16	Actual
Strategic objective: Promotion of urban integration and neighbourhood development			
Number of projects confirmed for planning within identified integration/spatial transformation zones (per year).	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> 10 	<ul style="list-style-type: none"> 30
Integrated city development projects under implementation.	<ul style="list-style-type: none"> 3 integrated catalytic projects are currently under implementation in the integration zones. 	<ul style="list-style-type: none"> 6 	<ul style="list-style-type: none"> 13
			<ul style="list-style-type: none"> Demand driven.
			<ul style="list-style-type: none"> Demand driven.

PART B: PERFORMANCE INFORMATION – CONTINUED

PROGRAMME 8: TECHNICAL SUPPORT AND DEVELOPMENT FINANCE - continued

Performance information Plan 2015/16 and prior year 2014/15 audited information		Performance analysis 2015/16	
Indicator	Actual achievement 2014/15	Target 2015/16	Actual
Strategic objective: Facilitation of employment creation and inclusive growth			
Number of Jobs Fund projects approved (cumulative).	<ul style="list-style-type: none"> 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. These yielded only 2 new projects. Cumulative (inception to date) number of projects approved is 89. 	<ul style="list-style-type: none"> 125 	<ul style="list-style-type: none"> 107
Grant funding approved (cumulative).	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> R7 950 m R8 500 m 	<ul style="list-style-type: none"> R5 499 million R6 442 m
Matched funding committed (cumulative).	<ul style="list-style-type: none"> 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 what was 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 823 bn. 		<ul style="list-style-type: none"> The programme has been extended to 2018/19 and the allocations will be spread over this period. For this financial year, given the lower than anticipated yield of projects delivered through the agriculture funding round, this will also impact on the projected cumulative amount of grant funding approved. For 6th call concept note applications approved by the TEC thus far, R1.2 billion in grant funding has been requested. These projects still need to get through the business case application stage and thus this is not a final indication of the grant amount to be allocated to the 6th call. The programme has been extended to 2018/19 and the matched funding will be spread over this period.

PART B: PERFORMANCE INFORMATION – CONTINUED



Performance Information Plan 2015/16 and prior year 2014/15 audited information		Performance analysis 2015/16	
Indicator	Actual achievement 2014/15	Target 2015/16	Actual
Strategic objective: Facilitation of employment creation and inclusive growth			
New jobs contracted (cumulative)	i. 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. Cumulatively, however, (inception to date) the fund has contracted for 132 725 new permanent jobs against a target of 150 000.	i. 140 000 ii. 70 000 iii. 160 000	i. 142 445 ii. 77 317 iii. 229 321
Placements contracted (cumulative)	ii. Number of new placements is 30 357 placement contracts. 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.		
Training contracted (cumulative)	iii. 42 957 new training placements. 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.		
Value of grant funding disbursed (cumulative)	• 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.	• R3 850 m	• R 2 890 m
			<ul style="list-style-type: none"> Disbursements are slower than estimated. Contributing factors include project withdrawals; terminations; non-compliance with JF reporting framework and overestimations provided by projects.



PART B: PERFORMANCE INFORMATION – CONTINUED

PROGRAMME 8: TECHNICAL SUPPORT AND DEVELOPMENT FINANCE - continued

Performance information Plan 2015/16 and prior year 2014/15 audited information		Performance analysis 2015/16	Reason for deviation
Indicator	Actual achievement 2014/15	Target 2015/16	Actual
Strategic objective: Facilitation of employment creation and inclusive growth			
Jobs Fund evaluation reports and dissemination of learning.	<ul style="list-style-type: none"> Second newsletter to be published during April 2015. Jobs Fund articles published in Programme 8 newsletter presented to Parliament in March 2015. 	<ul style="list-style-type: none"> 3-5 case studies. 1 learning event. Initiate mid-term evaluation. 	<ul style="list-style-type: none"> Three case studies. 1st draft project level evaluations have been completed. The 2015 learning forum took place between 13 to 15 September 2015 and good feedback received. Mid-term review financial and technical proposal has been reviewed by the JF team and the service provider, Oxford policy management, should begin work in late April and submit its inception report and work plan to the fund in May 2016.
			<ul style="list-style-type: none"> N/A

PART B: PERFORMANCE INFORMATION – CONTINUED



Performance Information Plan 2015/16 and prior year 2014/15 audited information		Performance analysis 2015/16	
Indicator	Actual achievement 2014/15	Target 2015/16	Actual
Strategic objective: Facilitation of employment creation and inclusive growth			
Employment, income distribution and inclusive growth research project.	<ul style="list-style-type: none"> Workshops were held on the informal sector and inclusive growth. 	<ul style="list-style-type: none"> 10 - 15 papers contracted a year. 3 - 5 conferences/ workshops. 	<ul style="list-style-type: none"> 15 econ 3x3 articles have been published Three workshops held: spatial inequality (17 to 18 August 2015); income distribution (30 September) and inclusive growth (6 November 2015).
			<ul style="list-style-type: none"> N/A

PART B: PERFORMANCE INFORMATION – CONTINUED

PROGRAMME 8: TECHNICAL SUPPORT AND DEVELOPMENT FINANCE - continued

Performance information Plan 2015/16 and prior year 2014/15 audited information		Performance analysis 2015/16	
Indicator	Actual achievement 2014/15	Target 2015/16	Reason for deviation
Strategic objective: Improved infrastructure planning, management and development			
Technical assistants (TAs) deployed in participating departments to support the development of capacity in infrastructure delivery.	<ul style="list-style-type: none"> Out of the annual target of 31 technical assistants deployed a total of 14 were procured. The remainder was not procured and deployed due to the finalisation of the planning and design for IDIP phase IV. 	<ul style="list-style-type: none"> 34 	<ul style="list-style-type: none"> A total of 32 technical assistants have been procured and deployed to date. Procurement processes to secure TAs could not always yield suitable candidates for all provincial and national departments. We are currently in the process of finalising ongoing procurement processes, which will be reported in the next quarter.
Officials trained on the IDM toolkit to support improved infrastructure delivery in provinces.	<ul style="list-style-type: none"> 340 officials trained. This training is demand driven and provincial demand exceeded the target with a positive variance of 190. 	<ul style="list-style-type: none"> 150 government officials trained on the IDM toolkit. 	<ul style="list-style-type: none"> This training is needs' basis driven. Provinces didn't indicate any training needs during Q2, Q3 and Q4. The target was exceeded during Q1 as reported. The reason is that the number of people interested in the training exceeded expectations.
Graduates trained for professional registration in engineering, town planning, geographic information systems and project management.	<ul style="list-style-type: none"> The annual target is 350. However, municipalities recruited a total of 424 graduates. The number of graduates decreased from 436 to 424 as some graduates were inappropriately placed on the programme and some resigned. Thus leading to a positive variance of 74. 	<ul style="list-style-type: none"> 400 graduates trained. 	<ul style="list-style-type: none"> 435 graduates in training, with a total of 124 having successfully completed training and 63 have been employed in the sector. Target for the year was 400. Due to the demand, however, 435 graduates were registered leaving the number in surplus of 35.

PART B: PERFORMANCE INFORMATION – CONTINUED

Strategy to overcome areas of under performance

Managers of the Technical and Management Support and Development Finance programme have been proactive in addressing identified areas of under-performance.

- While some variance in the number of interns appointed to municipalities is unavoidable due to absorption into permanent positions or interns leaving for other opportunities, ongoing monitoring and engagement with municipalities confirms that the intern programme is effectively supporting skills development.
- Recognising that the number of Jobs Fund projects approved in the agriculture funding round (5th CFP) was less than targeted, allowance has been made for agriculture projects in the subsequent Innovation round (6th CFP).
- The capacity of the Jobs Fund project management unit has been enhanced and systems improved to address the lag in grant funding approved and matched commitments. The programme has been extended to 2018/19.
- Efforts are under way to improve the procurement process for technical assistants (TAs) deployed through the IDIP, recognising that the process could not always yield suitable candidates for all provincial and national departments.

Linking performance with budgets

Programme 8	2015/16 Financial Year			2014/15 Financial Year		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Local government financial management support	573 946	573 946	-	547 926	547 926	-
Urban development and support	884 195	848 285	35 910	904 479	875 390	29 089
Employment creation facilitation	996 863	749 518	247 345	1 338 913	1 213 162	125 751
Government Technical Advisory Centre	83 609	83 609	-	79 752	79 752	-
Infrastructure development support	217 356	216 888	468	215 570	177 118	38 452
Total	2 755 969	2 472 246	283 723	3 086 640	2 893 348	193 292

PART B: PERFORMANCE INFORMATION – CONTINUED

5. TRANSFER PAYMENTS

5.1. Transfer payments to public entities

Name of public entity	Services rendered by the public entity	Amount transferred to the public entity (R'000)	Amount spent by the public entity (R'000)	Achievements of the public entity
1. Accounting Standards Board	Determine standards of generally recognised accounting practice.	R 11 274	R 11 274	Refer to General Information Public Entities reporting to Minister.
2. Co-operative Banks Development Agency	Regulate, promote and develop co-operative banking, including deposit-taking and lending co-operatives.	R 17 341	R 17 341	Refer to General Information Public Entities reporting to Minister.
3. Financial and Fiscal Commission	Assist and maintain fiscal the balance between fiscal decentralisation and the unitary state.	R 41 156	R 41 156	Refer to General Information Public Entities reporting to Minister.
4. Financial Intelligence Centre	Assist in in the identification of unlawful activities, and combating of money laundering activities, financing of terrorism and related activities.	R 239 488	R 239 488	Refer to General Information Public Entities reporting to Minister.
5. Government Technical Advisory Centre	Support public finance management through professional advisory services, programme and project management and transaction support.	R 88 006	R 88 006	Refer to General Information Public Entities reporting to Minister.
6. Independent Regulatory Board for Auditors	Registration of auditors and the regulation of the training of public accountants and auditors.	R 29 999	R 29 999	Refer to General Information Public Entities reporting to Minister.
7. South African Revenue Service	Efficient and effective collection of revenue.	R 9 334 439	R 9 334 439	Refer to General Information Public Entities reporting to Minister.

PART B: PERFORMANCE INFORMATION – CONTINUED

5.2. Transfer payments to all organisations other than public entities

The table below reflects the transfer payments made for the period 1 April 2015 to 31 March 2016.

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the department comply with s 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity	Reasons for the funds unspent by the entity
All 278 municipalities	Municipalities	To promote and support reforms in financial management by building capacity in municipalities to implement the Municipal Finance Management Act (Act No. 56 of 2003) (MFMA).	See below comments: FMG is a conditional grant in terms of the DoRA.	R 452 491	R 307 047	The municipal financial year is different to the national financial year. The 2015/16 municipal financial year commences in July and therefore municipalities have 3 additional months to spend the remaining funds (April, May and June).

PART B: PERFORMANCE INFORMATION – CONTINUED

6. CONDITIONAL GRANTS

6.1. Conditional grants and earmarked funds paid

The table below describes each of the conditional grants and earmarked funds paid by the department.

Conditional grant 1: *Integrated city development grant*

Department/ municipality to whom the grant has been transferred	Free State: Mangaung	
	KwaZulu-Natal: eThekweni	
	Western Cape: City of Cape Town	
	Eastern Cape Province: Buffalo City and Nelson Mandela Bay	
	Gauteng Province: Ekurhuleni, City of Tshwane and City of Johannesburg	
Purpose of the grant	To provide a financial incentive for metropolitan municipalities to achieve a more compact urban spatial form through integrating and focusing their use of available infrastructure investment and regulatory instruments.	
Expected outputs of the grant	Number of infrastructure projects implemented within identified integration zones; these can include projects within public transport, roads, water, energy, housing, land acquisition. Number of integrated strategic/catalytic projects planned within identified integration zones Number of authorised studies/strategies completed	
Actual outputs achieved	Collectively, all the cities have identified a total of 25 integration zones. Nelson Mandela Bay has identified six integration zones; City of Tshwane and Ekurhuleni have five; Mangaung, City of Johannesburg, City of Cape Town and Buffalo City have identified two integration zones each and eThekweni identified one integration zone. In addition cities have identified several projects within the identified integration zones that have been earmarked for planning and some projects are already being implemented. More projects will be identified for planning and implementation during the course of the financial year.	
Amount per amended DORA	Division of Revenue Act (Act No. 1 of 2015) allocation for the 2015/16 financial year for each metropolitan municipality:	
	Buffalo City	R5 605 million
	Nelson Mandela Bay	R5 708 million
	Mangaung	R10 157 million
	Ekurhuleni	R43 194 million
	City of Johannesburg	R49 327 million
	City of Tshwane	R39 702 million
	eThekweni	R46 781 million
City of Cape Town	R50 826 million	

PART B: PERFORMANCE INFORMATION – CONTINUED

Amount transferred (R'000)	Division of Revenue Act (Act No 1. of 2015) allocation per municipality :	
	Buffalo City	R5 605 million
	Nelson Mandela Bay	R5 708 million
	Mangaung	R10 157 million
	Ekurhuleni	R43 194 million
	City of Johannesburg	R49 327 million
	City of Tshwane	R39 702 million
	eThekwini	R46 781 million
	City of Cape Town	R50 826 million
Reasons if amount as per DORA not transferred	Not applicable	
Amount spent by the department/ municipality (R'000)	The <i>integrated city development grant</i> expenditure as at the end of March 2016:	
	Buffalo City	no expenditure incurred
	Nelson Mandela Bay	R 667 million
	Mangaung	R 4 957 million
	Ekurhuleni	R8 307 million
	City of Johannesburg	R11 792 million
	City of Tshwane	R1 751 million
	City of Cape Town	R29 938 million
	eThekwini	R34 038 million
Reasons for the funds unspent by the entity	It was mainly due to unpaid invoices, poor municipal coordination amongst units, as well as, poor understanding of the grant objectives.	
Monitoring mechanism by the transferring department	Section 71	



PART B: PERFORMANCE INFORMATION – CONTINUED

Conditional Grant 2: Local government financial management grant

Department/municipality to whom the grant has been transferred	All 278 municipalities.
Purpose of the grant	To promote and support reforms in financial management by building capacity in municipalities to implement the MFMA.
Expected outputs of the grant	<ul style="list-style-type: none"> a) Number of municipal officials registered for financial management training. b) Number of interns serving on the internship programme per municipality. c) Submission of the FMG support plans. d) Number of internal audit units and audit committees established. e) Timely submission of annual financial statements and improved audit outcomes. f) Preparation and implementation of financial recovery plans, where appropriate.
Actual outputs achieved	<ul style="list-style-type: none"> a) At the end of the financial year, 130 municipal managers and 140 chief financial officers had completed the training provided by the municipal finance management programme; 12 079 municipal officials received certificates for completing unit standards. b) As at 31 March 2016, 1 284 interns had been appointed in municipalities. c) All municipalities submitted 2015/16 FMG support plans. d) All municipalities reported the establishment of internal audit units and audit committees. e) Improvement in submission of annual financial statements: 251 municipalities developed audit action plans; improvement in audit outcomes (163 unqualified opinions - 149 in 2013/14), (76 qualified opinions – 71 in 2013/14), (33 disclaimer and adverse opinions – 58 in 2013/14). f) Two municipalities developed financial recovery plans (Matlosana and Ngwathe).

PART B: PERFORMANCE INFORMATION – CONTINUED

Amount per amended DoRA	R452 491
Amount transferred (R'000)	R452 491
Reasons if amount as per DoRA not transferred	Not applicable
Amount spent by the department/municipality (R'000)	R307 047
Reasons for the funds unspent by the entity	<p>The municipal financial year is different to the national financial year. The 2015/16 municipal financial year commences in July and therefore municipalities have 3 additional months to spend the remaining funds (April, May and June).</p>
Monitoring mechanism by the transferring department	<p>Municipalities are required to submit the following documents to NT:</p> <ul style="list-style-type: none"> • An FMG support plan detailing how the grant would be spent for the year. • FMG expenditure reports on a monthly basis • A performance evaluation report on the grant on a quarterly basis <p>An analysis of the support plan is undertaken and feedback is provided to municipalities to revise their support plans, where necessary. Correspondence is sent to municipalities (mayors, municipal managers and chief financial officers) for non-submission of reports and slow spending. Municipalities are requested to submit reasons for slow spending and remedial measures to be implemented to improve spending. An updated cash flow and/or a revised FMG support plan is provided, where appropriate.</p> <p>Provincial Treasuries are requested to assist with follow up activities on outstanding submissions from municipalities.</p>

6.2. Conditional grants and earmarked funds received

No conditional grants and earmarked funds were received.

PART B: PERFORMANCE INFORMATION – CONTINUED

7. DONOR FUNDS

7.1. Donor funds received

Donor fund: *European Union*

Name of donor	European Union – Technical Cooperation and Official Development Assistance Programme (TC&ODAP II).
Full amount of the funding	R12 577 467
Period of the commitment	March 2012-1 June 2016 (i.e. deposits to RDP accounts are R5 105 056 in March 2012 and R7 472 420 Dec 2014).
Purpose of the funding	The purpose of the project is to enhance efficient, effective and sustainable management of ODA for better management and impact on strategic development priorities of South Africa.
Expected outputs	<ol style="list-style-type: none"> 1. Enhanced coordination and management of official development assistance (ODA) by the government 2. Improved capacity development in the ODA sector in the three spheres of government, with emphasis on provincial and municipal levels. 3. Developed and/or improved skills in the programme cycle management with an emphasis on monitoring and evaluation. 4. Enhanced visibility for projects/programmes within the context of knowledge management and strategies. 5. The role of South Africa in global ODA aid effectiveness, enhanced coordination, discussion and leadership.
Actual outputs achieved	<p>Capacity development interventions to support GBS, SBS programmes: technical assistance for the development of project specific proposals and ToRs for TCODAP and Department of Public Enterprises.</p> <p>Support the IDC to implement its ODA resource mobilisation strategy and HR resources through capacity development: support to Department of Public Service and Administration – Tirelo Boshha programme.</p> <p>Undertake assessment in support of ongoing and future general budget support (GBS) and sector budget support (SBS) programmes, PEFA and other complementary PFM studies: logistical assistance provided to ODA coordinators and IDC officials during leadership training; baseline study to complement the implementation of an expert mechanism to the development sector.</p> <p>Studies to support the stages of project cycle management: provide short-term support to NT: International Development Cooperation (IDC), specifically to develop a national monitoring and accountability framework and to further provide technical and conceptual support to workshop the framework to the ODA recipient departments; baseline study and situational analysis on SA youth volunteerism (DIRCO); state of readiness assessment for NT CBDA.</p> <p>Provide research and training support to the IDC and ODA coordinators on knowledge management and monitoring and evaluation: research design and development of public sector SCM training needs analysis (TNA) toolkit.</p>

PART B: PERFORMANCE INFORMATION – CONTINUED



<p>Actual outputs achieved</p>	<p>Implement visibility actions development sector progress and best practice, SA/EU development partnership/relations through services and supplies: Procurement of visibility Items.</p> <p>Support the development and participation in international conferences, study tours: Support to NEPAD post Bussan conference; support the development and participation in international conferences.</p> <p>Logistical support services, conferences workshops, training events, all travel needs for IDC and ODA: provide support to IDC to host ODA workshops; provide support to IDC to host the SA/EU MIP consultations 2014; global rapporteur services during conferences.</p> <p>Provide capacity building to the IDC and ODA sector through training workshop: IDC Strategic Planning 2014.</p>
<p>Amount received in current period (R'000)</p>	<p>Nil</p>
<p>Amount spent by the department (R'000)</p>	<p>R10 704 228.23</p>
<p>Reasons for the funds unspent</p>	<p>Out of the received budget the balance left is R1 873 247.77 and was not spent as the contracting period was not sufficient to commit the entire budget.</p>
<p>Monitoring mechanism by the donor</p>	<p>Expenditure verification after completed implementation of each programme plan.</p>

PART B: PERFORMANCE INFORMATION – CONTINUED

Donor fund: *European Union (in kind and contracting, payments as well as monitoring are administered by European Union)*

Name of donor	European Union – Technical Cooperation & Official Development Assistance Programme (TC&ODAP II).
Full amount of the funding	€2 326 970.86
Period of the commitment	August 2011- 01 June 2016
Purpose of the funding	The purpose of the project, and therefore of this programme estimate, is to enhance efficient, effective and sustainable management of ODA for better management and impact on strategic development priorities of South Africa.
Expected outputs	<ol style="list-style-type: none"> 1. Enhanced coordination and management of Official Development Assistance (ODA) by government. 2. Improved capacity development in the ODA sector across the three spheres of government, with emphasis on provincial and municipal levels. 3. Developed and/or improved skills in the programme cycle management with an emphasis on monitoring and evaluation. 4. Enhanced visibility for projects/programmes within the context of knowledge management and strategies. 5. The role of South Africa in global ODA aid effectiveness, enhanced coordination, discussion and leadership.
Actual outputs achieved	<p>Feasibility study for the establishment of infrastructure support programme for South Africa and a regional programme for Southern Africa.</p> <p>Feasibility study for a regional public financial management capacity development programme.</p> <p>Technical assistance in institutional capacity development and ODA management.</p> <p>Study on non-grant official flows to South Africa.</p> <p>Skills audit of financial management staff in Limpopo.</p> <p>Technical support to 3 municipalities in NW Province.</p> <p>PEFA assessment 2014.</p> <p>TA -primary education (PrimEd SPSP).</p> <p>Final evaluation of poverty alleviation SBS to DST.</p> <p>Final evaluation of SURUDEC.</p> <p>E-Learning - National School of Government.</p> <p>Framework for SMMES rating system in SA.</p> <p>Review of trilateral development activities in SA.</p> <p>Technical assistance to strengthen ODA and primary health.</p> <p>Monitoring and evaluation expert for ODA implementation,</p> <p>Review technical assistance models in SA.</p> <p>Review of philanthropy in SA.</p> <p>Knowledge management for ODA.</p> <p>TA to support strategic implementation of IDC.</p> <p>Logistical support to IDC - conferences and study tours.</p> <p>Events management.</p> <p>Printing EU delegation progress report 2011 - 2013.</p> <p>Public diplomacy events.</p>
Amount received in current period (R'000)	n/a
Amount spent by the department (R'000)	n/a

PART B: PERFORMANCE INFORMATION – CONTINUED

Donor fund: *Germany (GIZ) technical and management support IDC project*

Name of donor	Germany (GIZ) technical and management support IDC project.
Full amount of the funding	R 689 700
Period of the commitment	1/10/2012 -30/9/2013
Purpose of the funding	Provide support for long-term technical assistance for the IDC unit in the National Treasury.
Expected outputs	Improved alignment of new programmes with SA policy. Improved integration of sector support programmes with SA public finance systems. Increased capacity of NT staff to manage and monitor process of putting aid on budget.
Actual outputs achieved	SBS manuals produced and disseminated. Improved alignment with SA public finance systems.
Amount received in current period (R'000)	R26 095
Amount spent by the department (R'000)	R23 235
Reasons for the funds unspent	Project completed and costs incurred were less than anticipated.
Monitoring mechanism by the donor	Final report at end of project (financial and narrative).

Donor fund: *Scholarship programme*

Name of donor	Scholarship Programme
Full amount of the funding	€44 457.05
Period of the commitment	2015-2016
Purpose of the funding	Belgium contribution towards the completion of Masters' and postgraduate degrees in development finance.
Expected outputs	Completion of the Masters' and post graduation studies.
Actual outputs achieved	Two students from postgraduate have completed. The Masters' students finish end of 2017.
Amount received in current period (R'000)	219
Amount spent by the department (R'000)	219
Reasons for the funds unspent	N/A
Monitoring mechanism by the donor	Expenditure report to be made available before tranche disbursement.

PART B: PERFORMANCE INFORMATION – CONTINUED

Donor fund: *Jicadcis project*

Name of donor	Jicadcis project
Full amount of the funding	R120 000.00
Period of the commitment	13/4/2015 -12/10/2015
Purpose of the funding	Establish and operationalise a management information system (knowledge management information system for ODA DCMIS).
Expected outputs	Organise and classify of all historic ODA project documentation. Assist with capturing of documentation on the DCMIS system.
Actual outputs achieved	60% of documents organised and classified Documents captured onto system.
Amount received in current period (R'000)	120
Amount spent by the department (R'000)	108
Reasons for the funds unspent	Actual cost for the contract was less than anticipated.
Monitoring mechanism by the donor	Expenditure report to be made available once all funds have been spent.

8. CAPITAL INVESTMENT

8.1. Capital investment, maintenance and asset management plan

No capital investment was incurred during the 2015/16 financial year.

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ANNUAL REPORT

2015/16

PART



GOVERNANCE



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA



PART C: GOVERNANCE

1. INTRODUCTION

Commitment by the department to maintain the highest standards of governance is fundamental to the management of public finances and resources. The department has responded impactfully to users requiring assurance that the department has good governance structures in place to effectively, efficiently and economically utilise state resources, which are funded by the taxpayer.

2. RISK MANAGEMENT

The overall risk management philosophy of the National Treasury is to identify potential and emerging risks prior to materialisation and implement risk management strategies that seek to reduce the impact of the identified risks on the achievement of NT's strategic objectives.

A risk management committee is in place and is responsible for ensuring that the department implements an effective risk management framework, strategy and plan that enhance its ability to achieve its strategic objectives. The audit committee also provides advice and oversight regarding the implementation of risk management activities throughout the organisation. Risk registers are compiled, updated with emerging risks and progress of mitigating actions are monitored by the Office of the Chief Risk Officer.

The focus in the year under review was geared at improving the risk management culture of the National Treasury. To this end, risk management is a standing agenda item in EXCO meetings and the top 15 risks are tabled regularly for discussion.

Business Continuity (BC) management continues to progress with phase two of the three phase strategy and plan currently being implemented. To this end NT has established two BC sites and has started a process of establishing a dedicated disaster recovery site.

3. FRAUD AND CORRUPTION

NT has a dedicated unit that deals with fraud and corruption. Its activities are determined by an anticorruption strategy and the unit reports its activities to the risk management and audit committees.

To further strengthen the department's anti-corruption culture, anticorruption activities are promoted, using various awareness mechanisms such as email flyers, competitions and observing the commemoration of the annual international anticorruption day. NT also raises awareness promoting the importance of whistle blowing and the need to protect whistle blowers.

PART C: GOVERNANCE – CONTINUED



The National Treasury has a dedicated email address to report fraud and corruption. This is in addition to fraud and corruption cases that have been reported through the National Anticorruption Hotline. Progress with all cases reported to the anticorruption unit is reported quarterly to the PSC and also to the risk management and audit committees.

To improve its anticorruption and fraud prevention activities, the National Treasury has recently established an anticorruption database which brings together all elements of fraud prevention such as:

- Vetting.
- The declaration of financial interests.
- Recording remunerative work outside the public service.
- Disciplinary cases against personnel, including those previously employed in the public service.
- Conflict of interest.

Through this database the NT will improve its fraud profiling and better manage its anticorruption activities.

4. MINIMISING CONFLICT OF INTEREST

NT employees are informed through various programmes annually regarding the risk that conflict of interest can pose. Anticorruption programmes and financial disclosure procedures are used to encourage employees to disclose any registrable interests they might have or any remunerative work that is conducted outside of the department. Where conflict of interests has been identified employees are engaged and, where appropriate, standard disciplinary steps are taken against them in terms of the disciplinary code and procedure of the Public Service.

5. CODE OF CONDUCT (COC)

The National Treasury adheres to the Public Service CoC that gives practical effect to the relevant Constitutional provisions relating to the Public Service. All NT employees are expected to comply with the CoC as it acts as an ethics guide, both in their individual conduct as well as their relationship with others. Compliance with the CoC strengthens professionalism in the department and contributes to service delivery and confidence in the Public Service.

Newly appointed employees in NT are inducted on the CoC during the induction/training programme. The CoC is also re-emphasised during capacity building sessions within NT.

In incidents where the CoC is breached, standard disciplinary steps are taken in terms of the disciplinary code and procedure of the Public Service.

PART C: GOVERNANCE – CONTINUED

6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

NT has a dedicated official responsible for Occupational Health and Safety (OHS) related matters. Activities related to OHS matters are managed through an OHS committee that meets quarterly. Its members regularly receive appropriate training including fire fighting and first aid.

The National Treasury has an approved emergency plan linked to business continuity management and, in the year under review, evacuation drills were held in all buildings occupied by it.

NT remains aware of environmental factors affecting the South African landscape; while its buildings are old and not conducive to affect the latest technology to better manage environmental risks, the following are being implemented:

- Taps are being replaced with automatic “stop and go” taps, as well as being adjusted to release less water.
- The air conditioning system automatically switches off after office hours.
- Most lifts automatically stop after office hours, with only a few remaining operational.
- One of the NT buildings has been fitted with an electricity saving mechanism.
- In the remaining buildings, security officials ensure that lights on all floors are appropriately switched off.

7. SCOPA RESOLUTIONS

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
7 of 2015	SCOPA report on the report of the AG on the annual report and financial statements of the Departments of Military Veterans for 2013/14 financial year.	SCOPA recommends that the department be assisted by NT on the implementation of the new accounting system, to ensure that value for money is realised and that policies are aligned.	Submitted the SCOPA report to Public Finance (Justice, Crime Prevention and Security) for action.	
1 of 2016	SCOPA report on the unauthorised expenditure by the Department of Home Affairs.	SCOPA recommends that the R99.883 million and the R687.304 million incurred during the 2005/06 and 2010/11 financial years respectively, as well as the 2012/13 amount of R160.394 million be approved by Parliament as a direct charge against the NRF.	Submitted the SCOPA report to Budget Office and Legal Services for inclusion in next Finance Bill.	
2 of 2016	SCOPA report on the unauthorised expenditure by the Department of Water Affairs.	SCOPA recommends that the unauthorised expenditure of R3.782 million be approved by Parliament as a direct charge against the NRF as there is no evidence of impropriety, wasteful expenditure or losses to the state.	Submitted the SCOPA report to Budget Office and Legal Services for inclusion in next Finance Bill.	No

PART C: GOVERNANCE – CONTINUED

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
3 of 2016	SCOPA report on the unauthorised expenditure by the Department of Transport.	Having considered the evidence and the steps taken by the accounting officer to prevent similar cases of unauthorised expenditure from reoccurring, SCOPA recommends the approval of the amount of R1 207 374 000 by Parliament as a direct charge against the NRF.	Submitted the SCOPA report to Budget Office and Legal Services for inclusion in next Finance Bill.	No

8. PRIOR MODIFICATIONS TO AUDIT REPORTS

Nature of qualification, disclaimer, adverse opinion and matters of non-compliance	Financial year in which it first arose	Progress made in clearing / resolving the matter
Reliability and usefulness of the reported performance information	2013/14	<ul style="list-style-type: none"> The department has developed its 2016/17 annual performance plan (APP) that complies with the prescripts that govern the APP. The plan was submitted to the Department of Planning, Monitoring and Evaluation for assessment. The review was subsequently incorporated in the final plan. The Auditor-General was provided with the plan prior to approval for assessment. Their review was incorporated to enhance compliance.

9. INTERNAL AUDIT AND AUDIT COMMITTEES

Internal audit

The committee approved a risk based three year rolling strategic internal audit plan and an annual audit coverage plan for the period 1 April 2015 to 31 March 2018 covering the following key audit activities:

Type	Total planned audits	Total No. (%) completed
Regularity audit	15	15 (100%)
Compliance audit	3	3 (100%)
Performance audit	5	5 (100%)
Information technology audit	19	19 (100%)
Total planned audits	42	42 (100%)
Postponed Audits	9	-
Ad hoc audits	14	14 (100%)
Total	65	65 (100%)



PART C: GOVERNANCE – CONTINUED

The committee reviewed all the internal audit reports and is satisfied:

- With the activities of the internal audit function, including its annual work programme, coordination with the external auditors, the reports of significant investigations and the responses of management to specific recommendations.
- That internal audit conducted its work in accordance with the standards set by the Institute of Internal Auditors.
- With the implementation of improvement actions that were recommended during the external quality assurance review that the internal audit function underwent in the 2014/15 financial year, which gave them the general conformance rating in terms of their operations in compliance with the definition of internal auditing, international standards for the professional practice of internal audit (ISPPA) and the code of ethics.

Accounting and auditing concerns identified by internal audit

There are no accounting and auditing concerns that have been noted and brought to our attention.

Other identified concerns

The committee:

- Identified significant control weaknesses in the IFMS project control environment. Management has initiated measures to deal with them.
- Has raised a number of concerns with the implementation of the prescribed framework for managing programme performance information for selected programmes as also reflected in the audit report.
- Noted that despite progress made to achieve the set project milestones, the IFMS project is still running behind schedule. Management is implementing measures to accelerate completion of the project.
- Identified significant challenges within the department's IT environment. These are receiving urgent attention, including a detailed and independent end to end evaluation of the IT environment with the view of implementing remedial measures as may be deemed necessary from the evaluation.
- Also identified the lack of controls to adequately and effectively mitigate the risks associated with the administration of Programme 7 (special pensions) using the CIVPEN system.

Other than these matters, nothing significant has come to our attention to indicate any material breakdown in the functioning of controls, procedures and systems.

The committee is therefore of the opinion that internal audit is independent, provided objective assurance and consulting activities that were designed to add value and improve the department's operations.

PART C: GOVERNANCE – CONTINUED



The adequacy, reliability and accuracy of the financial and performance information

The 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 and performance information provided by management to users of such information is adequate, reliable and accurate.

External audit

- The committee has reviewed the independence and objectivity of the external auditors.
- The external auditors attended six meetings of the committee.
- The committee also had seven in-camera meetings with the external auditors and we are satisfied that there are no unresolved issues of concern.
- The committee reviewed and approved the external audit report and no accounting and auditing concerns were noted.
- The committee has reported major concerns to the Accounting Officer and the Auditor-General.

The audit committee's responsibilities

The committee, in conjunction with the risk management committee is satisfied that it has discharged its responsibilities in assisting the accounting officer with the following activities:

- The safeguarding of assets, the operation of adequate systems, control and reporting processes, and the preparation of accurate reporting and financial statements in compliance with the applicable legal requirements and accounting standards.
- Overseeing the activities of, and ensuring coordination between, the activities of internal and external audit.
- Providing a forum for discussing enterprise wide risks relating to financial, performance and regulatory exposures, and monitoring controls designed to minimise these risks.
- Reviewing the department's quarterly financial and performance information, annual report, including annual performance information and annual financial statements, and any other public reports or announcements containing financial and non-financial information.
- Receiving and dealing with any complaints concerning the accounting practices, internal and external audit or the content and audit of its financial statements and performance reports, or related matters.
- Annually reviewing the committee's work and charter; and making recommendations to the Accounting Officer to ensure the committee's effectiveness.

PART C: GOVERNANCE – CONTINUED

Membership and attendance

- The committee consists solely of independent members who are financially literate and also have appropriate experience.
- The committee met six times during the year.
- The following is a list of its members, qualifications and a record of their attendance:

Name of member	Qualifications	Appointment date	*Number of meetings attended
Mr. Joe Lesejane (Chairperson)	Chartered Accountant (SA), Fellow Chartered Management Accountant (UK), B.Com, B.Compt (Hons) and Certificate in Control Self-Assessment (CCSA), Chartered Director (SA)	1 February 2013	5 of 6
Ms. Octavia Matloa*	Chartered Accountant (SA), B.Com (Hons) and CTA	1 July 2013	6 of 6
Mr. Ameen Amod	Master in Business Administration, Bachelor of Commerce, Certificate in Internal Audit (CIA), Certified Government Auditing Professional Auditor and Certification in Risk Management Assurance, Chartered Director (SA)	1 July 2015	6 of 6
Mr. Luyanda Mangquku	Chartered Accountant (SA), Masters in Business Leadership, Honours Bachelor of Accounting and Honours Bachelor of Commerce, Advanced Company Law I & II	1 July 2015	5 of 6
Ms. Anna Badimo	B.Sc Computer Science B.Sc Hons Computer Science MBA, MSC, CISM, CGEIT, M. InstD, Cobol Programming Diploma, Project Management Diploma	1 July 2015	4 of 6
Ms. Berenice Francis	Certification in Control Self-Assessment (CCSA), Certified Internal Auditor (CIA), B.Compt (Hons) and B.Com Accounting	1 August 2013	4 of 6

**Ms Octavia Matloa was the acting chairperson from 1 February 2016 to 31 March 2016. Mr. Joe Lesejane's term of office expired on 31 January 2016 and Ms. Berenice Francis' term ends on 31 July 2016.*

PART C: GOVERNANCE – CONTINUED



10. AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2016.

Background

- The audit committee is established as a statutory committee in terms of section 38 (1) (a) (ii) of the Public Finance Management Act and Treasury Regulation 3.1.13.
- The committee has adopted formal terms of reference as its audit committee charter and has fulfilled its responsibilities for the year, in compliance with its terms of reference.

The effectiveness of internal controls

The committee:

- Considered all the reports issued by the various assurance providers e.g. internal and external auditors, risk management committee, etc.
- Noted management’s actions in addressing identified control weaknesses and is satisfied with the following achievements reported during the year:

Assurance provider	Total findings	Resolved findings	Unresolved findings
Internal audit	1011	818	193
External audit	25	14	11

- We also noted findings raised by both internal and external auditors in the area of performance information which management is still addressing.

In light of the above we report that the system of internal control for the period under review is considered to have been generally effective.

Risk management

- Management is responsible for the establishment and maintenance of an effective system of governance, risk management, prevention and detection of fraud and internal controls.
- Internal audit was guided by the consolidated risk profile, critical audit areas and management’s inputs in the formulation of its three year strategic and annual plans.
- The department has a risk management committee which is chaired by an independent member who reports directly to the audit committee.
- Due to a number of internal challenges which are in the process of being addressed the risk management committee could only meet twice during the year under review.
- A risk register is updated annually to ensure that all the major risks including emerging risks facing the department are effectively managed.

PART C: GOVERNANCE – CONTINUED

Compliance with legal and regulatory provisions

The committee has:

- Reviewed the in-year management and quarterly reports submitted in terms of the PFMA and DoRA and is satisfied that no material deviations were noted.
- Noted management's policies and procedures to ensure compliance with applicable laws and regulations.
- Concerns with the department's non-compliance to some of the legislative requirements as reflected in the audit report.

Evaluation of financial statements and annual report

The committee has evaluated the annual financial statements and performance information for the year ended 31 March 2016 and duly recommended it for the Accounting Officer's approval prior to being submitted to the Auditor-General for audit.

The committee reviewed the auditor's management and audit reports and concurs with their conclusions. The committee therefore accepts the audit opinion and conclusion expressed by the external auditors on the annual financial statements, annual performance report and annual report.

We would like to express our appreciation to the Director-General, Mr. Lungisa Fuzile, for his leadership and support, and to internal audit and management for their commitment and achievement of the unqualified audit opinion.



Ms. Octavia M Matloa

Chairperson
National Treasury
31 July 2016

REPUBLIC OF SOUTH AFRICA | VOETE 7



ANNUAL REPORT

2015/16

PART
D

HUMAN RESOURCE MANAGEMENT



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

PART D: HUMAN RESOURCE MANAGEMENT

1. INTRODUCTION

The information contained in this part of the annual report has been prescribed by the Minister for the Public Service and Administration for all departments in the public service.

2. EXPENDITURE

TABLE 2.1 – Personnel costs by programme, 2015/16

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and special services (R'000)	Personnel cost as a per cent of total expenditure	Average personnel cost per employee (R'000) *
Programme 1 Administration	375 582	182 388	2 705	32 185	48.6	477
Programme 2 Economic policy, tax, financial regulation and research	131 290	78 214	313	11 680	59.6	745
Programme 3 Public finance and budget management	262 577	192 344	243	6 825	73.3	694
Programme 4 Asset and liability management	3 264 294	72 088	362	2 152	2.2	649
Programme 5 Financial systems and accounting	774 494	179 487	1 460	137 593	23.2	592
Programme 6 International financial relations	3 546 134	28 221	49	124	0.8	743
Programme 7 Civil and military pensions, contributions to funds	3 967 698	0	0	56 586	0	0
Programme 8 Technical support and development finance	2 472 246	0	0	283 806	0	0
Programme 9 Revenue administration	9 334 439	0	0	0	0	0
Programme 10 Financial intelligence and state security	4 562 062	0	0	0	0	0
Total	28 690 816	732 742	5 132	530 948		

* 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.

PART D: HUMAN RESOURCE MANAGEMENT – CONTINUED

TABLE 2.2 – Personnel costs by salary band, 2015/16

Salary bands	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000) ***
Lower skilled (Levels 1-2)	0	0.0	0	0
Skilled (Levels 3-5)	11 268	1.5	52	217
Highly skilled production (Levels 6-8)	94 555	13.0	306	309
Highly skilled supervision (Levels 9-12)	328 079	45.0	573	573
Senior management (Levels 13-16)	294 730	40.4	285	1,034
Total **	728 632	100.0	1 216	599

** 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.

TABLE 2.3 – Salaries, overtime, home owners' allowance and medical assistance by programme, 2015/16

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	124 289	68.1	879	0.5	2 686	1.5	5 256	2.9
Programme 2	50 180	64.2	0	0.0	843	1.1	1 229	1.6
Programme 3	124 030	64.5	283	0.1	2 374	1.2	2 979	1.5
Programme 4	48 565	67.4	0	0.0	813	1.1	1 386	1.9
Programme 5	122 218	68.1	0	0.0	1 894	1.1	2 902	1.6
Programme 6	16 486	58.4	80	0.3	168	0.6	458	1.6
Programme 7	0.00	00.0	0	0.0	0	0.0	0	0.0
Programme 8	0.00	00.0	0	0.0	0	0.0	0	0.0
Total	485 768	66.3	1 242	0.17	8 778	1.2	14 210	1.9

**** 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

PART D: HUMAN RESOURCE MANAGEMENT – CONTINUED

TABLE 2.4 – Salaries, overtime, home owners' allowance and medical assistance by salary band, 2015/16

Salary bands	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
Skilled (Levels 3-5)	7 102	63.0	340	3.0	569	5.0	771	6.8
Highly skilled production (Levels 6-8)	68 322	72.3	392	0.4	2 630	2.8	4 439	4.7
Highly skilled supervision (Levels 9-12)	206 105	62.8	510	0.2	2 973	0.9	5 781	1.8
Senior management (Levels 13-16)	201 774	68.5	0	0.0	2 606	0.9	3 186	1.1
1.1.1.1 Total *****	483 303	66.3	1,242	0.2	8 778	1.2	14 177	1.9

***** Note: Minister and Deputy Minister personnel expenditure not included in total

PART D: HUMAN RESOURCE MANAGEMENT – CONTINUED

3. EMPLOYMENT AND VACANCIES

TABLE 3.1 – Employment and vacancies by programme, 31 March 2016

Programme	Number of funded posts	Headcount	Vacancy rate %	Number of posts filled additional to the establishment
Programme 1 Administration	415	384	7.4	82
Programme 2 Economic policy and financial sector	122	105	13.9	1
Programme 3 Fiscal and budget group	310	277	10.6	5
Programme 4 Asset and liability management	120	111	7.5	0
Programme 5 Financial accounting and reporting	326	303	7.0	38
Programme 6 Economic policy and international financial relations	46	38	17.3	1
Programme 7	0	0	0	0
Programme 8	0	0	0	0
Total	1 339	1 218	9.0	127

NB: Minister and Deputy Minister included in totals.

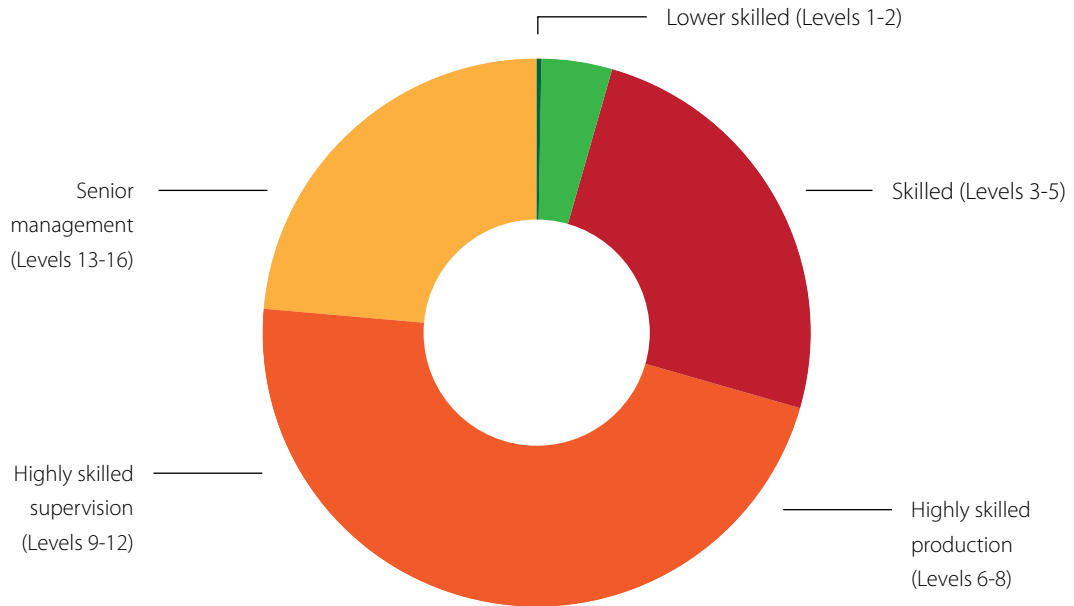
TABLE 3.2 – Employment and vacancies by salary band, 31 March 2016

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
Skilled (Levels 3-5)	58	52	10.3	0
Highly skilled production (Levels 6-8)	320	306	4.3	82
Highly skilled supervision (Levels 9-12)	634	573	9.6	34
Senior management (Levels 13-16)	327	287	12.2	11
Total	1 339	1 218	9.0	127



PART D: HUMAN RESOURCE MANAGEMENT – CONTINUED

DISTRIBUTION OF FILLED POSITIONS PER PROGRAMME



NB: Vacancy reduced by additional appointments. Minister and Deputy Minister included in totals

TABLE 3.3 - Filling of SMS posts

Table 3.3.1 - SMS post information as of 31 March 2016

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
Salary level 16	0	0	0	0	0
Salary level 15	16	14	88	2	13
Salary level 14	64	60	94	4	6
Salary level 13	246	210	85	36	15
Total	327	285	87	42	13

Minister and Deputy Minister excluded in totals.

PART D: HUMAN RESOURCE MANAGEMENT – CONTINUED

Table 3.3.2 - SMS post information as of 30 September 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
Salary level 16	0	0	0	0	0
Salary level 15	16	15	94	1	6
Salary level 14	72	67	93	5	7
Salary level 13	250	229	92	21	8
Total	339	312	92	27	8

Minister and Deputy Minister excluded in totals

Table 3.3.3 - Advertising and filling of SMS posts for the period 1 April 2015 to 31 March 2016

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	1	0	0
Salary level 14	9	8	1
Salary\Level 13	45	31	14
Total	55	39	15

Reasons for vacancies not advertised within six months

The functions in some divisions of the National Treasury were under review. Certain units also restructured according to the needs of the department. Advertising these positions at the time would therefore not have been ideal as some of the functions changed in line with the business needs.

Reasons for vacancies not filled within twelve months

Reasons in addition to those given above include the department's challenge in finding suitable candidates in specific scarce skills areas.

PART D: HUMAN RESOURCE MANAGEMENT – CONTINUED

4. JOB EVALUATION

TABLE 4.1 – Job evaluation, 1 April 2015 to 31 March 2016

Salary band	Number of posts	Number of jobs evaluated	% of posts evaluated by salary bands	Posts upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower skilled (Levels 1-2)	0	0	0%	0	0	0	0
Skilled (Levels 3-5)	58	0	0%	0	0	0	0
Highly skilled production (Levels 6-8)	320	1	0.31%	0	0	0	0
Highly skilled supervision (Levels 9-12)	634	2	0.32%	1	9.09%	0	0
Senior Management Service Band A	246	8	3.25%	0	0	0	0
Senior Management Service Band B	64	0	0%	0	0	0	0
Senior Management Service Band C	16	0	0%	0	0	0	0
Senior Management Service Band D	1	0	0%	0	0	0	0
Total	1 339	11	0.82%	1	9.09%	0	0%

NB: Minister and Deputy Minister included in totals

TABLE 4.2 – Profile of employees whose salary positions were upgraded due to their posts being upgraded, 1 April 2015 to 31 March 2016

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
Total	0	0	0	0	0

PART D: HUMAN RESOURCE MANAGEMENT – CONTINUED

TABLE 4.3 – Employees whose salary level exceeded the grade determined by job evaluation, 1 April 2015 to 31 March 2016 (in terms of PSR 1.V.C.3)

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Deputy Director-General	1	15	16	Retention
Chief Director	3	14	15	Retention
Director	2	13	14&15	Retention
Deputy Director	15	11&12	12&13	Retention/ attraction
Assistant Director and below	5	6,7&9	7&10	Retention
Total number of employees whose salaries exceeded the level determined by job evaluation in 2015/16				26
Percentage of total employment				2.1

TABLE 4.4 – Profile of employees whose salary level exceeded the grade determined by job evaluation, 1 April 2015 to 31 March 2016 (in terms of PSR 1.V.C.3)

Beneficiaries	African	Asian	Coloured	White	Total
Female	6	2	2	6	16
Male	5	1	2	2	10
Total	11	3	4	8	26

5. EMPLOYMENT CHANGES

TABLE 5.1 – Annual turnover rates by salary band for the period 1 April 2015 to 31 March 2016

Salary band	Number of employees per band as on 31 March 2015	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate %
Lower skilled (Levels 1-2)	0	0	0	0
Skilled (Levels 3-5)	59	4	5	8.5
Highly skilled production(Levels 6-8)	301	60	31	10.3
Highly skilled supervision(Levels 9-12)	547	83	75	13.7
Senior management service band A	211	19	26	12.3
Senior management service band B	64	5	15	23.4
Senior management service band C	14	4	4	28.6
Senior management service Band D	3	1	1	33.3
Total	1199	176	157	13.1



PART D: HUMAN RESOURCE MANAGEMENT – CONTINUED

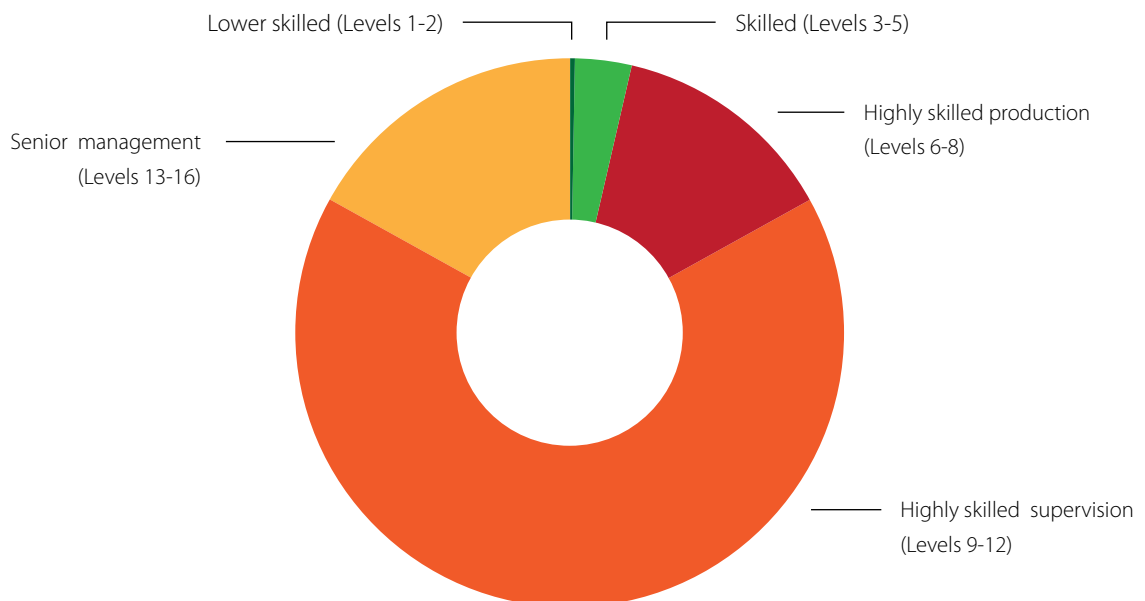
Table 5.2 – Reasons for staff leaving the department

Termination Type	Number	% of total
Death	1	0.6
Resignation	80	54.5
Expiry of contract	12	7.6
Dismissal – operational changes	0	0
Dismissal – misconduct	1	0.6
Dismissal – inefficiency	0	0
Discharged due to ill-health	0	0
Retirement	5	3.8
Severance package	0	0
Transfers to other public service departments	58	36.7
Total	157	100
Number of employees who left as a % of total employment (as at 31 March 2016)		

Table 5.3 – Promotions by salary band

Salary band	Employees 31 March 2015	Promotions to another salary level	Salary band promotions as a % of employees by salary level
Lower skilled (Levels 1-2)	0	0	0
Skilled (Levels 3-5)	59	3	5.0
Highly skilled production (Levels 6-8)	301	12	4.0
Highly skilled supervision (Levels 9-12)	547	59	10.8
Senior management (Levels 13-16)	292	15	5.1
Total	1 199	89	7.4

PROMOTIONS TO ANOTHER SALARY LEVEL



PART D: HUMAN RESOURCE MANAGEMENT – CONTINUED



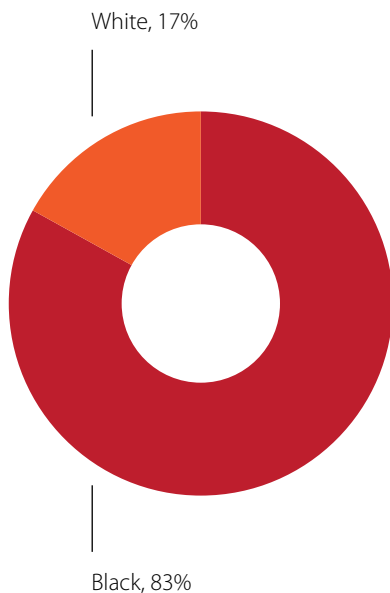
6. EMPLOYMENT EQUITY

6.1 – Total number of employees (including employees with disabilities) in each of the following occupational categories as at 31 March 2016

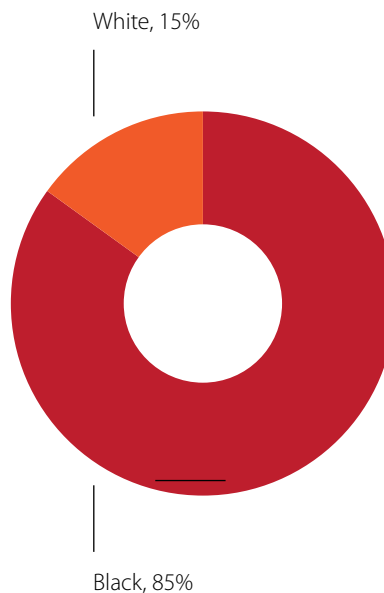
Occupational categories (SASCO)	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	80	15	15	42	77	7	12	37	285
Professionals	200	15	8	32	241	9	12	26	543
Technicians and associate professionals	57	3	1	4	118	11	2	34	230
Clerks	31	0	0	0	70	4	3	10	118
Service and sales workers	17	1	0	0	7	1	0	0	26
Plant and machine operators and assemblers	8	1	0	0	7	0	0	0	16
Elementary occupations	0	0	0	0	0	0	0	0	0
Total	393	35	24	78	520	32	29	107	1 218

NB: Minister and Deputy Minister included in totals (Legislators, senior officials and managers)

RACE DISTRIBUTION 2014/15



RACE DISTRIBUTION 2015/16



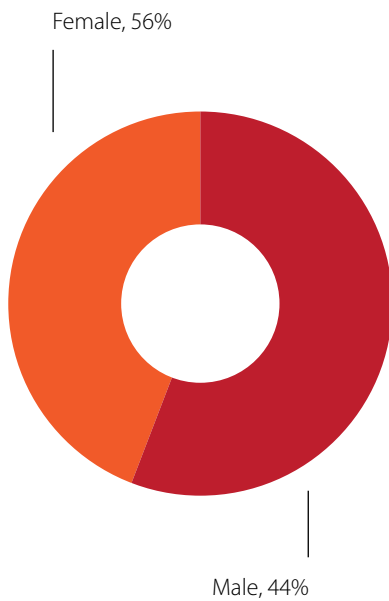


PART D: HUMAN RESOURCE MANAGEMENT – CONTINUED

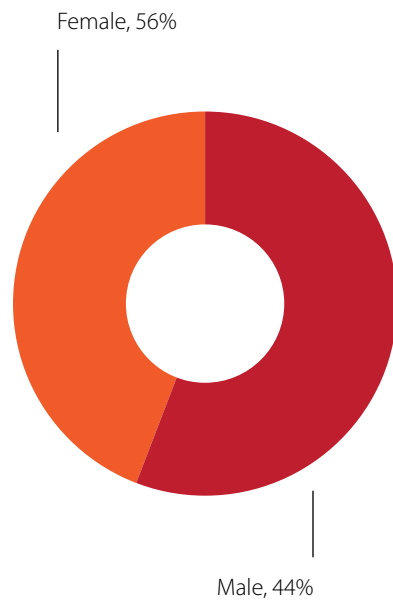
6.2 – Total number of employees (including employees with disabilities) in each of the following occupational bands as at 31 March 2016

Occupational bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	8	2	4	4	5	1	0	2	26
Senior management	77	15	11	40	73	6	12	35	269
Professionally qualified and experienced specialists and mid-management	152	10	6	24	165	7	6	32	402
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	133	3	3	9	254	18	11	38	469
Semi-skilled and discretionary decision making	23	5	0	1	23	0	0	0	52
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	393	35	24	78	520	32	29	107	1 218

GENDER DISTRIBUTION 2014/15



GENDER DISTRIBUTION 2015/16



PART D: HUMAN RESOURCE MANAGEMENT – CONTINUED

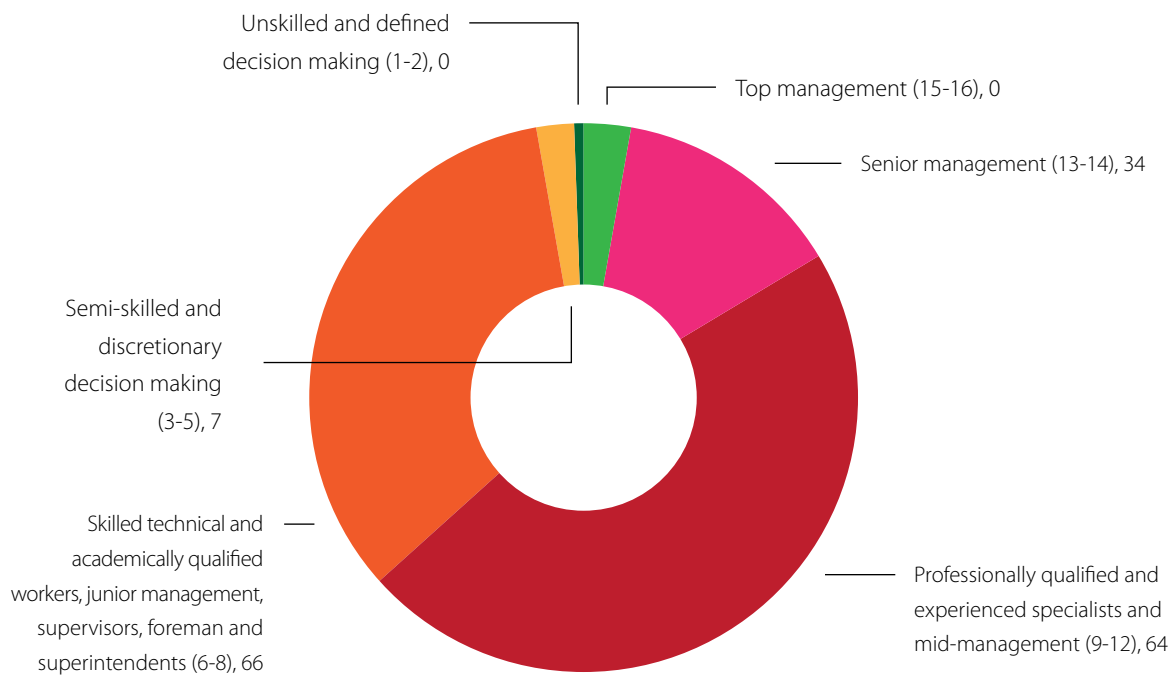


6.3 – Recruitment for the period 1 April 2015 to 31 March 2016

Occupational bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management (15-16)	3	0	0	0	0	1	0	1	5
Senior management (13-14)	10	0	2	1	7	0	2	2	24
Professionally qualified and experienced specialists and mid-management (9-12)	42	3	0	2	28	1	2	5	83
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents (6-8)	18	0	0	0	38	2	1	1	60
Semi-skilled and discretionary decision making (3-5)	1	0	0	0	3	0	0	0	4
Unskilled and defined decision making (1-2)	0	0	0	0	0	0	0	0	0
Total	74	3	2	3	76	4	5	9	176
Employees with disabilities	0	0	0	0	0	0	0	0	0

***** Note: Minister and Deputy Minister not included in total

RECRUITMENT PROFILE



PART D: HUMAN RESOURCE MANAGEMENT – CONTINUED

6.4 – Promotions for the period 1 April 2015 to 31 March 2016

Occupational bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management (15-16)	2	0	0	0	0	0	0	0	2
Senior management (13-14)	3	1	1	1	4	0	1	2	13
Professionally qualified and experienced specialists and mid-management (9-12)	26	0	1	1	28	0	0	3	59
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents (6-8)	0	1	0	1	8	0	1	1	12
Semi-skilled and discretionary decision making (3-5)	2	0	0	0	1	0	0	0	3
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
Total	33	2	2	3	41	0	2	6	89

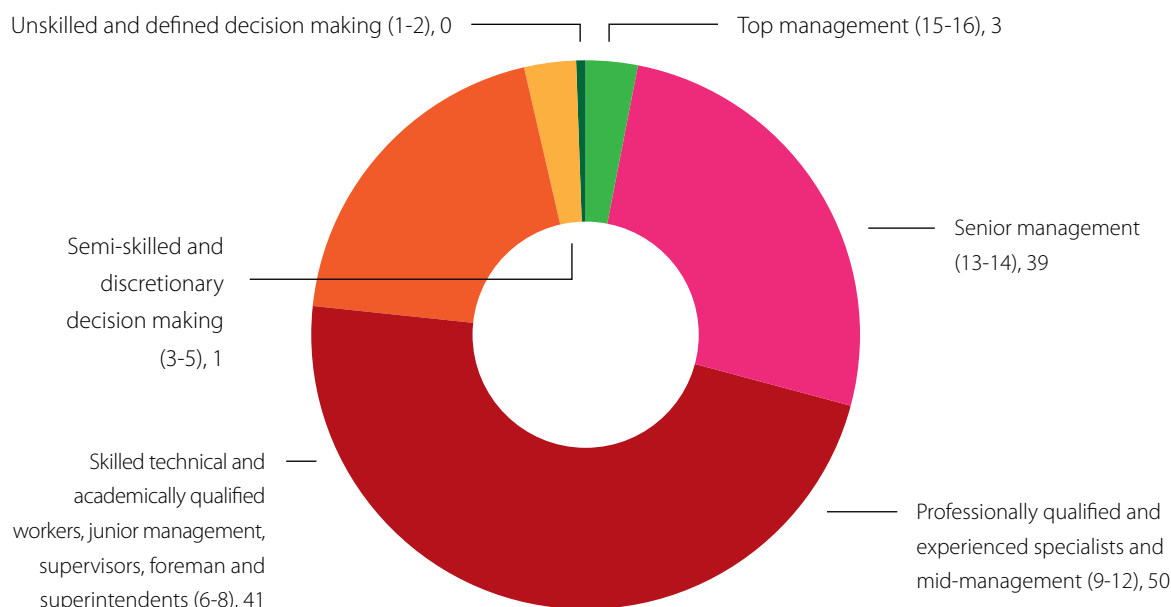
6.5 – Terminations for the period 1 April 2015 to 31 March 2016

Occupational bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management (15-16)	1	0	1	2	0	0	0	1	5
Senior management (13-14)	17	2	3	8	5	3	0	3	41
Professionally qualified and experienced specialists and mid-management (9-12)	28	2	2	5	27	3	3	5	75
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents (6-8)	8	1	2	0	16	1	2	1	31
Semi-skilled and discretionary decision making (3-5)	3	0	0	0	2	0	0	0	5
Unskilled and defined decision making (1-2)	0	0	0	0	0	0	0	0	0
Total	57	5	8	15	50	7	5	10	157

NB: Minister and Deputy Minister not included in totals.

PART D: HUMAN RESOURCE MANAGEMENT – CONTINUED

TERMINATION OF SERVICES PROFILE



6.6 – Disciplinary action for the period 1 April 2015 to 31 March 2016

	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Disciplinary action	0	0	0	0	0	0	1	0	1

6.7 – Skills development for the period 1 April 2015 to 31 March 2016

Occupational categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	79	15	14	42	77	7	12	37	283
Professionals	200	15	8	32	241	9	12	26	543
Technicians and associate professionals	57	3	1	4	118	11	2	34	230
Clerks	31	0	0	0	70	4	3	10	118
Service and sales workers	17	1	0	0	7	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	8	1	0	0	7	0	0	0	16
Total	392	35	23	78	520	32	29	107	1 216

PART D: HUMAN RESOURCE MANAGEMENT – CONTINUED

Employees with disabilities	2	3	0	0	5	1	0	3	13
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NB: Minister and Deputy Minister not included in totals.

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, gender, and disability (Table 7.1), salary bands (Table 7.2) and critical occupations (Table 7.3).

TABLE 7.1 Signing of performance agreements by SMS members as on 31 May 2015

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General/ head of department	1	1	1	100
Salary Level 16	2	2	0	0
Salary Level 15	16	14	10	71
Salary Level 14	67	63	56	89
Salary Level 13	227	208	199	96
Total	313	288	266	92

TABLE 7.2 – Reasons for not having concluded performance agreements for all SMS members as on 31 March 2015

Status	13	14	15	16	Total	Reasons
Political office bearers				2	2	Do not sign agreements
Minister advisor			1		1	Do not sign agreements
Secondment to GTAC	2	5	1		8	Agreements to be signed at receiving entity
Secondment aboard	3	1			4	Agreements to be signed at receiving entity
Seconded to other departments	2				2	Agreements to be signed at receiving entity
Incapacity leave	1	1			2	No agreement signed, absent due to illness
Resignation	1		1		2	Last working day before 31 May 2015
Retirement			1		1	Last working day before 31 May 2015
Total	9	7	4	2	22	

TABLE 7.3 – Disciplinary steps taken against SMS members for not having concluded performance agreements as on 31 May 2015

The reasons indicated on 7.2 do not warrant disciplinary action.
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PART D: HUMAN RESOURCE MANAGEMENT – CONTINUED

TABLE 7.4 – Performance rewards by race, gender, and disability, 1 April 2014 to 31 March 2015

	Beneficiary profile			Cost	
	Number of beneficiaries	Total number of employees in group	% of total within group	Cost (R'000)	Average cost per employee
African	537	871	62	11 533	21 477
Male	221	377	59	5 090	23 030
Female	316	494	64	6 443	20 391
Asian	32	58	55	1 052	32 887
Male	17	29	59	599	35 222
Female	15	29	52	454	30 240
Coloured	46	72	64	1 221	26 538
Male	22	37	59	615	27 937
Female	24	35	69	606	25 255
White	151	198	76	4 833	32 007
Male	66	90	73	2 395	36 290
Female	85	108	79	2 438	28 681
Total	766	1199	64	18 639	24 333

TABLE 7.5 – Performance rewards by salary band for personnel below SMS, 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
Skilled (Levels 3-5)	51	59	86	355	7	0.05
Highly skilled production (Levels 6-8)	172	301	57	2 278	13	0.31
Highly skilled supervision (Levels 9-12)	366	547	67	8 557	23	1.17
Total	589	907	65	11 190	19	1.54

TABLE 7.6 – Performance related rewards (cash bonus), by salary band, for SMS

Salary band	Beneficiary profile			Total cost (R'000)	Average cost per employee	Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within band			
Band A	128	211	61	5 049	39 449	0.69
Band B	41	64	64	1 952	47 615	0.27
Band C	8	14	57	489	61 145	0.07
Band D	0	3	0	0	0	0
Total	177	292	61	7 491	42 3219	1.03

PART D: HUMAN RESOURCE MANAGEMENT – CONTINUED

8. FOREIGN WORKERS

TABLE 8.1 – Foreign workers by salary band, 1 April 2015 to 31 March 2016

Salary band	March 2015		March 2016		Change	
	Number	% of total	Number	% of total	Number	% change
Lower skilled (Levels 1-2)	0	0	0	0	0	0
Skilled (Levels 3-5)	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	21	60	15	56	-6	-28.6
Senior management (Levels 13-16)	14	40	12	44	-2	-14.3
Total	35	100	27	100	-8	-22.9

TABLE 8.2 – Foreign workers by major occupation, 1 April 2015 to 31 March 2016

Salary band	March 2015		March 2016		Change	
	Number	% of total	Number	% of total	Number	% change
Senior management	14	40	12	44	-2	-14.3
Professional qualified	21	60	15	56	-6	-28.6
Skilled technical	0	0	0	0	0	0
Semi-skilled	0	0	0	0	0	0
Unskilled	0	0	0	0	0	0
Total	35	100	27	100	-8	-22.9

9. LEAVE UTILISATION FOR THE PERIOD 1 JANUARY 2015 TO 31 DECEMBER 2015

TABLE 9.1 – Sick leave, 1 January 2015 to 31 December 2015

Salary band	Total days	% days with medical certification	Number of employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated cost (R'000)
Lower skilled (Levels 1-2)	0	0	0	0	0	0
Skilled (Levels 3-5)	329	82.4	47	4.4	7	222
Highly skilled production (Levels 6-8)	1 993	77.8	267	25.2	7	2 441
Highly skilled supervision (Levels 9-12)	3 183	73.5	512	48.3	6	7 044
Senior management (Levels 13-16)	1 284	72.3	241	22.7	5	4 635
Total	6 789	75	1 067	100	6	14 342

PART D: HUMAN RESOURCE MANAGEMENT – CONTINUED



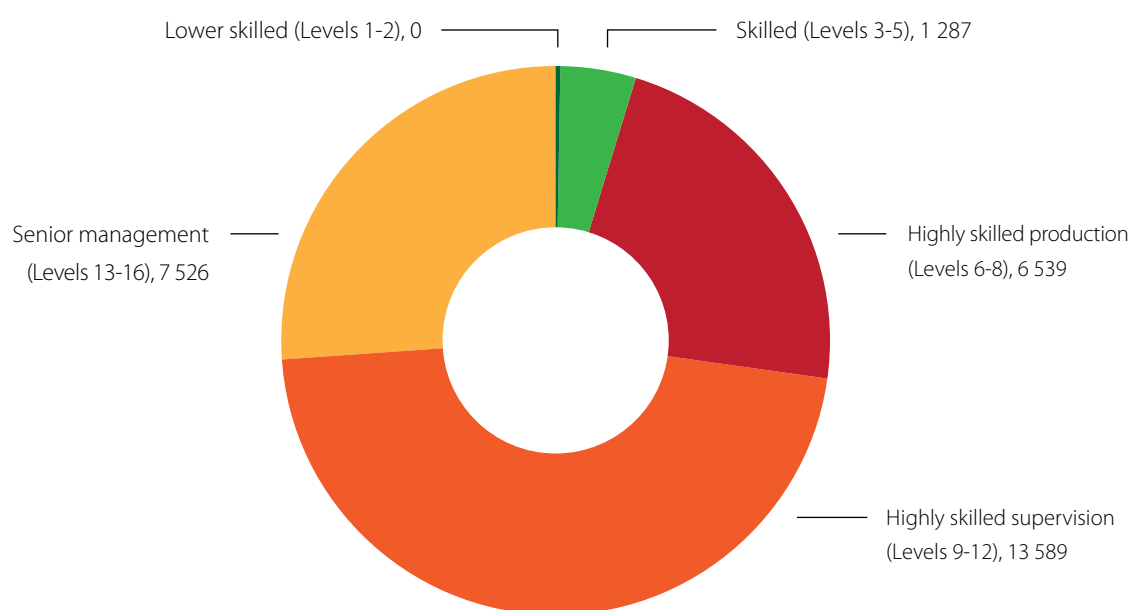
TABLE 9.2 – Disability leave (temporary and permanent), 1 January 2015 to 31 December 2015

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	Estimated cost (R'000)
Lower skilled (Levels 1-2)	0	0	0	0	0	-
Skilled (Levels 3-5)	27	100	1	2.9	27	22
Highly skilled production (Levels 6-8)	406	100	12	34.3	34	489
Highly skilled supervision (Levels 9-12)	467	100	12	34.3	39	1 188
Senior management (Levels 13-16)	964	100	10	28.6	96	2 664
Total	1 864	100	35	100	53	4 363

TABLE 9.3 – Annual leave, 1 January 2015 to 31 December 2015

Salary bands	Total days taken	Average per employee
Lower skilled (Levels 1-2)	0	0
Skilled (Levels 3-5)	1 287	23
Highly skilled production (Levels 6-8)	6 539	21
Highly skilled supervision (Levels 9-12)	13 589	21
Senior management (Levels 13-16)	7 526	21
Total	28 940	21

PROFILE OF ANNUAL LEAVE TAKEN



PART D: HUMAN RESOURCE MANAGEMENT – CONTINUED

TABLE 9.4 – Capped leave, 1 January 2015 to 31 December 2015

Salary bands	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2015
Lower skilled (Levels 1-2)	0	0	0
Skilled (Levels 3-5)	11	6	25
Highly skilled production (Levels 6-8)	4	1	19
Highly skilled supervision (Levels 9-12)	28	5	31
Senior management (Levels 13-16)	12	2	47
Total	55	3	33

TABLE 9.5 – Leave pay-outs for the period 1 April 2015 to 31 March 2016

Reason	Total Amount (R'000)	Number of Employees	Average payment per employee (R'000)
	(a)	(b)	(c=a/b)
Leave payout for 2014/15 due to non-utilisation of leave for the previous cycle	0	0	0
Capped leave payouts on termination of service for 2014/15	2 196	4	549
Current leave payout on termination of service for 2014/15	1 719	72	24
Total	3 915	76	52

10 HIV AND AIDS AND 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

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 Corporate Services Director: Organisational Development EWP and ER Telephone: 012 315 5596 Cell: 076 020 9323 Fax: 086 768 4205 Email: avhatakali.nenungwi@treasury.gov.za

PART D: HUMAN RESOURCE MANAGEMENT – CONTINUED

Question	Yes	No	Details, if yes
2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and wellbeing 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 run by a wellness specialist (assistant director). The Unit has a budget of R3.5 million to utilise 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 programme brand of <i>Siyaphila</i> . <i>Siyaphila</i> is a confidential, free, 24 hour, 365 day, personal support line for NT employees and their immediate family members. These services include counselling services, wellness management, HIV and 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.			The committee consists of employees across the department in various divisions. These include: Sheridan Pillay Johnny October Margaret Serumula Innocentia Machaba Jolanda Watton Octavia Maphila Nomlotha Mazibuko Betty Malope Judith Rudolph Ezre Stokes Tebogo Legote
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 HIV and Aids and TB management policy has been reviewed and tabled at the governance review and departmental bargaining chambers for consultation and endorsement. A task team for employee wellness programmes, policies and frameworks has been established and is represented by stakeholders including organised labour, employee relations, occupational health and safety, chief risk officer, divisional support of corporate services and HR management.
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		Confidentiality clauses have been in place and are still enforced. New infections are managed by the primary health care personnel.

PART D: HUMAN RESOURCE MANAGEMENT – CONTINUED

Question	Yes	No	Details, if yes
7. Does the department encourage its employees to undergo voluntary counselling and testing? If so, list the results that you have achieved.	X		In 2015/16 financial year, 110 employees voluntarily tested for HIV and Aids. The department has a clinic on-site providing primary health care services. The clinic is occupied by a nurse twice a week, for four hours on each day, and a doctor one day a week, for an hour. The services are free and provide employees with an opportunity to do voluntary testing. In addition to this, the <i>Siyaphila</i> programme hosts 6 departmental events per annum where employees also have the opportunity to do voluntary testing. Nurses are present at each of the events to render this service.
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		<ul style="list-style-type: none"> • Rate of absenteeism. • Number of health related complaints . • Voluntary HIV and Aids reports (that do not compromise confidentiality) . • EWP satisfaction surveys. • Wellness cards to continuously monitor and improve on health risk assessments. • Quarterly and annual utilisation statistics of services (reach one new employee, as well as utilisation, including repeat users of numerous contact points).

11. LABOUR RELATIONS

TABLE 11.1 – Collective agreements, 1 April 2015 to 31 March 2016

Subject Matter	Date
None	N/A

TABLE 11.2 – Misconduct and disciplinary hearings finalised, 1 April 2015 to 31 March 2016

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling/written warning/suspended without pay	1	100
Verbal warning	0	0
Final written warning	0	0
Three months suspension without pay	0	0
Demotion	0	0
Dismissal	0	0
Not guilty	0	0
Case withdrawn	0	0
Total	1	100

PART D: HUMAN RESOURCE MANAGEMENT – CONTINUED

TABLE 11.3 – Types of misconduct addressed at disciplinary hearings

Type of misconduct	Number	% of total
Sleeping on duty, security breach and attempted theft	1	100
Corruption, dishonesty	0	0
Failure to comply with a lawful instruction, dishonesty	0	0
Total	1	100

TABLE 11.4 – Grievances lodged for the period 1 April 2015 to 31 March 2016

Grievances	Number	% of total
Number of grievances resolved	4	22%
Number of grievances not resolved	14	78%
Total number of grievances lodged	18	100%

TABLE 11.5 – Disputes lodged with Councils for the period 1 April 2015 to 31 March 2016

Disputes	Number	% of total
Number of disputes upheld	0	0
Number of disputes dismissed	0	0
Number of disputes pending	3	100%
Total number of disputes lodged	3	100%

TABLE 11.6 – Strike actions for the period 1 April 2015 to 31 March 2016

Total number of person working days lost	Number
Total cost (R'000) of working days lost	0
Amount (R'000) recovered as a result of no work no pay	0

TABLE 11.7 – Precautionary suspensions for the period 1 April 2015 to 31 March 2016

Number of people suspended	2
Number of people whose suspension exceeded 30 days	2
Average number of days suspended	103
Cost of suspensions	R136 032.61

PART D: HUMAN RESOURCE MANAGEMENT – CONTINUED

12. SKILLS DEVELOPMENT

12.1 – Training needs identified as at 31 March 2015

Occupational categories	Gender	Number of employees as at 1 April 2015	Training needs identified at start of reporting period			
			Learnerships	Skills programmes and other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	126	0	84	6	90
	Male	167	0	100	4	104
Professionals	Female	276	5	133	11	149
	Male	243	5	111	14	130
Technicians and associated professionals	Female	205	0	87	5	92
	Male	64	0	14	1	15
Clerks	Female	44	0	33	39	72
	Male	30	0	22	24	46
Service and sales workers	Female	8	0	3	0	3
	Male	20	0	11	0	11
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	6	0	6
	Male	9	0	5	0	5
Subtotal	Female	666	5	346	61	412
	Male	533	5	263	43	311
Total		1 199	10	609	104	723

** Note: Minister and Deputy Minister not included in total

PART D: HUMAN RESOURCE MANAGEMENT – CONTINUED

12.2 – Training provided, 1 April 2015 to 31 March 2016

Occupational categories	Gender	Number of employees as at 1 April 2015	Training provided within the reporting period			
			Learnerships	Skills programmes and other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	126	0	41	11	52
	Male	167	0	36	13	49
Professionals	Female	276	17	110	36	163
	Male	243	18	109	38	165
Technicians and associated professionals	Female	205	0	63	15	78
	Male	64	0	30	8	38
Clerks	Female	44	0	34	44	78
	Male	30	0	15	30	45
Service and sales workers	Female	8	0	3	1	4
	Male	20	0	9	4	13
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	4	0	4
	Male	9	0	2	0	2
Subtotal	Female	666	17	255	107	379
	Male	533	18	201	93	312
Total		1199	35	456	200	691

** Note: Minister and Deputy Minister not included in total

13. INJURIES ON DUTY

The following table provides basic information about injuries on duty.

TABLE 13.1 – Injuries on duty, 1 April 2015 to 31 March 2016

Nature of injury on duty	Number	% of total
Required basic medical attention only	2	100
Temporary total disablement	0	0
Permanent disablement	0	0
Fatal	0	0
Total	2	100



ANNUAL REPORT

2015/16

PART E

FINANCIAL INFORMATION

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national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON VOTE NO. 7



for the year ended 31 March 2016

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the financial statements of the National Treasury set out on pages 236 to 382, which comprise the appropriation statement, the statement of financial position as at 31 March 2016, 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.

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 2016 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.



REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON VOTE NO. 7 – CONTINUED

for the year ended 31 March 2016

Emphasis of matter

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

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.

Additional matter

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

Unaudited supplementary schedules

10. The supplementary information set out on pages 383 to 418 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 ON OTHER LEGAL AND REGULATORY REQUIREMENTS

11. 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 of 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

12. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information of the following selected programmes presented in the annual performance report of the department for the year ended 31 March 2016:
- Programme 4: Asset and Liability Management on pages 95 to 105
 - Programme 7: Civil And Military Pensions, Contributions to Funds and Other Benefits on pages 160 to 161
 - Programme 8: Technical Support and Development Finance on pages 172 to 182.
13. 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).

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON VOTE NO. 7 – CONTINUED



for the year ended 31 March 2016

14. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
15. The material findings in respect of the selected programmes are as follows:

Programme 4: Asset and Liability Management

Usefulness of reported performance information

16. The FMPPPI requires that performance targets should be specific in clearly identifying the nature and required level of performance. A total of 27% of targets were not specific and measurable. This was due to the technical indicator descriptions not being aligned to the targets.

Reliability of reported performance information

17. The FMPPPI requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure reliable reporting of actual achievements against planned objectives, indicators and targets. The reported achievements against planned targets of 27% of indicators were not reliable when compared to the source information.

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

Usefulness of reported performance information

18. The FMPPPI requires that performance indicators should be well defined by having clear definitions so that data can be collected consistently and is easy to understand and use. A total of 25% of indicators were not well defined.

Reliability of reported performance information

19. The FMPPPI requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure reliable reporting of actual achievements against planned objectives, indicators and targets. The reported achievements against planned targets of 25% of indicators were not reliable when compared to the source information.

Programme 8: Technical Support and Development Finance

Usefulness of reported performance information

20. 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.



REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON VOTE NO. 7 – CONTINUED

for the year ended 31 March 2016

21. Performance targets were not specific in clearly identifying the nature and required level of performance and were not measurable, as required by the FMPPI.
22. 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

23. The FMPPI requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure reliable 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.

Additional matters

I draw attention to the following matters:

Achievement of planned targets

24. Refer to the annual performance report on page(s) 39 to 194 for information on the achievement of planned targets for the year.

Compliance with legislation

25. I performed procedures to obtain evidence that the department had complied with applicable legislation regarding financial matters, financial management and other related matters. My material findings on compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA, are as follows:

Annual financial statements

26. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework as required by section 40(1)(b) of the Public Finance Management Act.
27. Material misstatements of disclosure items identified by the auditors in the submitted financial statements were subsequently corrected resulting in the financial statements receiving an unqualified audit opinion.

Internal control

28. I considered internal control relevant to my audit of the financial statements, performance report and compliance with legislation. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on the annual performance report and the findings on compliance with legislation included in this report.

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON VOTE NO. 7 – CONTINUED



for the year ended 31 March 2016

Leadership

29. The accounting officer guides, directs and reviews the development and performance of the system of internal control. This system requires strengthening at the department to enable increased compliance with the PFMA and Treasury Regulations.

Financial and performance management

30. The financial and performance information submitted for audit were not free from material misstatement. Improved application of the relevant reporting frameworks will enable increased compliance with the PFMA and Treasury Regulations.

Other reports

Investigations

31. I draw attention to the following engagements that could potentially have an impact on the department's financial-, performance- and compliance-related matters. My opinion is not modified in respect of these engagements that are either in progress or have been completed:
32. 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 awaiting the final report and recommendations from the PSC.

Auditor-General

Pretoria

31 July 2016



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence



APPROPRIATION STATEMENT

for the year ended 31 March 2016

Voted Funds		APPROPRIATION PER PROGRAMME									
		2015/16					2014/15				
Programme	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	Final Appropriation R'000	Actual Expenditure R'000		
1. Administration	363 629	-	23 016	386 645	375 582	11 063	97.1%	372 382	362 527		
2. Economic Policy Tax Financial Regulation and Research	135 387	-	(2 657)	132 730	131 290	1 440	98.9%	134 358	124 329		
3. Public Finance and Budget Management	266 104	-	2 785	268 889	262 577	6 312	97.7%	259 877	245 271		
4. Asset and Liability Management	3 264 890	-	281	3 265 171	3 264 294	877	100.0%	3 343 372	3 089 403		
5. Financial Accounting and Supply Chain Management Systems	807 090	-	(23 337)	783 753	774 494	9 259	98.8%	770 035	731 495		
6. International Financial Relations	3 533 926	-	13 736	3 547 662	3 546 134	1 528	100.0%	1 199 717	1 198 652		
7. Civil and Military Pensions Contributions to Funds and Other Benefits	3 962 941	-	4 800	3 967 741	3 967 698	43	100.0%	3 730 971	3 730 935		
8. Technical Support and Development Finance	2 774 593	-	(18 624)	2 755 969	2 472 246	283 723	89.7%	3 086 640	2 893 348		
9. Revenue Administration	9 334 439	-	-	9 334 439	9 334 439	-	100.0%	9 440 321	9 440 321		
10. Financial Intelligence and State Security	4 562 062	-	-	4 562 062	4 562 062	-	100.0%	4 366 250	4 366 250		
TOTAL	29 005 061	-	-	29 005 061	28 690 816	314 245	98.9%	26 703 923	26 182 531		
Reconciliation with Statement of Financial Performance											
Add:				5 602 331				5 599 130			
				92 598				93 748			
Actual amounts per Statement of Financial Performance (Total Revenue)				34 699 990				32 396 801			
Add:					70 009				80 833		
Actual amounts per Statement of Financial Performance (Total Expenditure)					28 760 825				26 263 364		

APPROPRIATION STATEMENT – CONTINUED

for the year ended 31 March 2016

	2015/16							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	
Current payments	1 922 472	(5 651)	(37 832)	1 878 989	1 825 908	53 081	97.2%	1 643 528	1 529 934	
Compensation of employees	733 419	(406)	(1)	733 012	732 742	270	100.0%	692 824	671 461	
Salaries and wages	659 870	(137)	273	660 006	659 790	216	100.0%	624 439	606 554	
Social contributions	73 549	(269)	(274)	73 006	72 952	54	99.9%	68 385	64 907	
Goods and services	1 189 053	(5 245)	(37 831)	1 145 977	1 093 166	52 811	95.4%	950 704	858 473	
Administrative fees	3 494	919	(126)	4 287	3 510	777	81.9%	4 158	3 110	
Advertising	2 538	4 422	(136)	6 824	6 344	480	93.0%	3 005	1 871	
Minor assets	1 408	(183)	(88)	1 137	523	614	46.0%	2 342	1 880	
Audit costs: External	15 119	(3 252)	-	11 867	11 819	48	99.6%	15 317	15 299	
Bursaries: Employees	5 637	(207)	(317)	5 113	4 802	311	93.9%	5 311	4 230	
Catering: Departmental activities	1 772	(773)	(30)	969	1 098	(129)	113.3%	1 739	1 225	
Communication (G&S)	7 648	875	(97)	8 426	7 976	450	94.7%	7 174	6 102	
Computer services	355 583	18 330	(3 806)	370 107	368 743	1 364	99.6%	423 584	420 591	
Consultants: Business and advisory services	603 190	(23 743)	(33 102)	546 345	505 356	40 989	92.5%	285 160	218 091	
Legal services	11 217	790	-	12 007	12 126	(119)	101.0%	14 006	12 667	
Contractors	2 532	(253)	(1)	2 278	2 414	(136)	106.0%	2 569	2 381	
Agency and support / outsourced services	11 151	(46)	-	11 105	11 052	53	99.5%	10 252	9 833	
Entertainment	398	(88)	(22)	288	121	167	42.0%	378	121	
Fleet services (including government motor transport)	2 065	(706)	(2)	1 357	1 350	7	99.5%	2 273	2 255	
Consumable supplies	2 361	71	(90)	2 342	2 196	146	93.8%	3 820	3 459	
Consumable: Stationery printing and office supplies	14 410	(2 244)	(387)	11 779	10 724	1 055	91.0%	14 545	11 388	
Operating leases	56 104	(4 649)	2 022	53 477	52 928	549	99.0%	61 464	60 797	
Property payments	13 782	7 468	1 810	23 060	23 057	3	100.0%	21 392	21 389	

APPROPRIATION STATEMENT – CONTINUED

for the year ended 31 March 2016

	2015/16							2014/15			
	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
Travel and subsistence	50 232	(1 158)	(1 920)	47 154	45 209	1 945	95.9%	50 017	43 077	50 017	43 077
Training and development	9 490	(1 230)	(734)	7 526	5 132	2 394	68.2%	8 242	6 490	8 242	6 490
Operating payments	7 828	233	(623)	7 438	6 272	1 166	84.3%	6 061	5 528	6 061	5 528
Venues and facilities	11 094	169	(182)	11 081	10 404	677	93.9%	7 895	6 689	7 895	6 689
Rental and hiring	-	10	-	10	10	-	100.0%	-	-	-	-
Transfers and subsidies	21 170 108	46 027	18 080	21 234 215	20 985 425	248 790	98.8%	21 411 250	21 256 214	21 411 250	21 256 214
Provinces and municipalities	1 435 256	-	-	1 435 256	1 411 831	23 425	98.4%	1 399 742	1 398 953	1 399 742	1 398 953
Municipal bank accounts	1 435 256	-	-	1 435 256	1 411 831	23 425	98.4%	1 399 742	1 398 953	1 399 742	1 398 953
Departmental agencies and accounts	15 042 106	(223)	-	15 041 883	14 816 595	225 288	98.5%	14 186 874	14 115 137	14 186 874	14 115 137
Departmental agencies (non-business entities)	15 042 106	(223)	-	15 041 883	14 816 595	225 288	98.5%	14 186 874	14 115 137	14 186 874	14 115 137
Higher education institutions	-	-	-	-	-	-	-	5 800	-	5 800	-
Foreign governments and international organisations	777 892	40 137	13 280	831 309	831 304	5	100.0%	790 652	790 549	790 652	790 549
Public corporations and private enterprises	11 384	-	-	11 384	11 384	-	100.0%	1 350 999	1 274 456	1 350 999	1 274 456
Other transfers to public corporations	11 384	-	-	11 384	11 384	-	100.0%	1 350 999	1 274 456	1 350 999	1 274 456
Households	3 903 470	6 113	4 800	3 914 383	3 914 311	72	100.0%	3 677 183	3 677 119	3 677 183	3 677 119
Social benefits	3 901 883	6 284	4 800	3 912 967	3 912 896	71	100.0%	3 675 615	3 675 562	3 675 615	3 675 562
Other transfers to households	1 587	(171)	-	1 416	1 415	1	99.9%	1 568	1 557	1 568	1 557
Payments for capital assets	26 101	-	19 752	45 853	33 210	12 643	72.4%	22 327	20 124	22 327	20 124
Buildings and other fixed structures	440	-	-	440	-	440	-	364	363	364	363
Machinery and equipment	25 661	-	19 752	45 413	33 210	12 203	73.1%	21 963	19 761	21 963	19 761
Transport equipment	1 600	(625)	-	975	-	975	-	1 788	1 787	1 788	1 787
Other machinery and equipment	24 061	625	19 752	44 438	33 210	11 228	74.7%	20 175	17 974	20 175	17 974
Payment for financial assets	5 886 380	(40 376)	-	5 846 004	5 846 273	(269)	100.0%	3 626 818	3 376 258	3 626 818	3 376 258
Total	29 005 061	-	-	29 005 061	28 690 816	314 245	98.9%	26 703 923	26 182 531	26 703 923	26 182 531

APPROPRIATION STATEMENT - PROGRAMME 1:



ADMINISTRATION

for the year ended 31 March 2016

PROGRAMME 1: ADMINISTRATION PER SUB PROGRAMME									
	2015/16					2014/15			
	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 R'000
1. Ministry	4 225	(524)	(68)	3 633	3 628	5	99.9%	4 005	3 309
2. Departmental Management	45 812	2 719	(180)	48 351	47 115	1 236	97.4%	47 900	47 458
3. Corporate Services	108 690	(2 891)	19 534	125 333	116 477	8 856	92.9%	111 691	107 272
4. Enterprise Wide Risk Management	26 930	640	(17)	27 553	27 537	16	99.9%	23 548	22 496
5. Financial Administration	40 763	(1 716)	(185)	38 862	38 701	161	99.6%	40 051	38 632
6. Legal Services	18 164	585	-	18 749	18 656	93	99.5%	16 794	16 593
7. Internal Audit	22 358	(1 303)	(61)	20 995	20 681	314	98.5%	18 311	17 119
8. Communications	10 009	287	(4)	10 292	10 200	92	99.1%	10 276	10 120
9. Office Accommodation	86 678	2 203	3 997	92 878	92 587	291	99.7%	99 806	99 528
Total	363 629	-	23 016	386 645	375 582	11 063	97.1%	372 382	362 527

PROGRAMME 1: ADMINISTRATION PER ECONOMIC CLASSIFICATION									
	2015/16					2014/15			
	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 R'000
Current payments	346 400	(36)	3 264	349 628	347 817	1 811	99.5%	354 851	345 080
Compensation of employees	183 192	(33)	(736)	182 423	182 388	35	100.0%	169 098	166 375
Salaries and wages	164 288	(413)	(606)	163 269	163 251	18	100.0%	151 558	149 485
Social contributions	18 904	380	(130)	19 154	19 137	17	99.9%	17 540	16 890
Goods and services	163 208	(3)	4 000	167 205	165 429	1 776	98.9%	185 753	178 705
Administrative fees	1 680	222	-	1 902	1 607	295	84.5%	1 211	1 002
Advertising	738	(61)	-	677	455	222	67.2%	802	471

APPROPRIATION STATEMENT - PROGRAMME 1:



ADMINISTRATION - CONTINUED

for the year ended 31 March 2016

	PROGRAMME 1: ADMINISTRATION PER ECONOMIC CLASSIFICATION - CONTINUED									
	2015/16					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	R'000	R'000	R'000
Minor assets	816	(357)	-	459	285	174	62.1%	1 268	1 173	1 173
Audit costs: External	7 852	(435)	-	7 417	7 417	-	100.0%	8 231	8 231	8 231
Bursaries: Employees	1 424	(482)	-	942	922	20	97.9%	1 141	833	833
Catering: Departmental activities	582	(110)	-	472	358	114	75.8%	521	392	392
Communication (G&S)	4 337	1 000	-	5 337	5 147	190	96.4%	4 156	3 547	3 547
Computer services	21 535	(2 344)	-	19 192	18 613	579	97.0%	26 386	24 868	24 868
Consultants: Business and advisory services	7 838	(1 099)	-	6 740	6 999	(260)	103.9%	10 220	8 948	8 948
Legal services	11 217	730	-	11 947	11 946	1	100.0%	12 315	12 313	12 313
Contractors	2 267	22	-	2 289	2 236	53	97.7%	2 335	2 247	2 247
Agency and support / outsourced services	11 121	(118)	-	11 003	11 001	2	100.0%	10 120	9 738	9 738
Entertainment	121	(6)	-	115	45	70	39.1%	119	44	44
Fleet services (including government motor transport)	2 033	(752)	-	1 281	1 272	9	99.3%	2 233	2 226	2 226
Consumable supplies	1 536	236	-	1 772	1 743	29	98.4%	2 948	2 888	2 888
Consumable: Stationery printing and office supplies	3 315	(200)	-	3 115	2 980	135	95.7%	3 352	2 982	2 982
Operating leases	53 794	(4 854)	2 190	51 130	51 091	39	99.9%	59 073	58 912	58 912
Property payments	13 782	7 468	1 810	23 060	23 057	3	100.0%	21 392	21 389	21 389
Travel and subsistence	12 988	1 422	-	14 410	14 364	46	99.7%	13 836	13 222	13 222
Training and development	3 556	(807)	-	2 749	2 705	44	98.4%	3 270	2 739	2 739
Operating payments	436	(117)	-	319	324	(5)	101.6%	697	530	530
Venues and facilities	240	628	-	868	852	16	98.2%	127	10	10

APPROPRIATION STATEMENT - PROGRAMME 1:

ADMINISTRATION – CONTINUED

for the year ended 31 March 2016

	PROGRAMME 1: ADMINISTRATION PER ECONOMIC CLASSIFICATION - CONTINUED									
	2015/16					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	R'000	
Rental and hiring	-	10	-	10	10	-	100.0%	-	-	
Transfers and subsidies	4 253	36	-	4 289	4 251	38	99.1%	4 359	4 274	
<i>Departmental agencies and accounts</i>	2 139	(223)	-	1 916	1 859	57	97.0%	2 358	2 304	
Departmental agencies (non-business entities)	2 139	(223)	-	1 916	1 859	57	97.0%	2 358	2 304	
<i>Households</i>	2 114	259	-	2 373	2 392	(19)	100.8%	2 001	1 970	
Social benefits	527	430	-	957	977	(20)	102.1%	433	413	
Other transfers to households	1 587	(171)	-	1 416	1 415	1	99.9%	1 568	1 557	
Payments for capital assets	12 976	-	19 752	32 728	23 367	9 361	71.4%	13 172	13 110	
<i>Machinery and equipment</i>	<i>12 976</i>	<i>-</i>	<i>19 752</i>	<i>32 728</i>	<i>23 367</i>	<i>9 361</i>	<i>71.4%</i>	<i>13 172</i>	<i>13 110</i>	
Transport equipment	1 600	(625)	-	975	-	975	-	1 788	1 787	
Other machinery and equipment	11 376	625	19 752	31 753	23 367	8 386	73.6%	11 384	11 323	
Payment for financial assets	-	-	-	-	147	(147)	-	-	62	
Total	363 629	-	23 016	386 645	375 582	11 063	97.1%	372 382	362 527	

ADMINISTRATION - CONTINUED

for the year ended 31 March 2016

SUB-PROGRAMME: 1.1: MINISTRY	2015/16						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
Current payments	4 225	(524)	(68)	3 633	3 628	5	99.9%	4 005	3 309
Compensation of employees	4 225	(524)	(68)	3 633	3 628	5	99.9%	4 005	3 309
Salaries and wages	4 225	(596)	-	3 629	3 628	1	100.0%	4 005	3 309
Social contributions	-	72	(68)	4	-	4	-	-	-
Total	4 225	(524)	(68)	3 633	3 628	5	99.9%	4 005	3 309

SUB-PROGRAMME: 1.2: DEPARTMENTAL MANAGEMENT	2015/16						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
Current payments	43 556	3 100	(180)	46 476	46 312	164	99.6%	45 864	45 395
Compensation of employees	27 562	1 008	(180)	28 390	28 432	(42)	100.1%	26 923	26 688
Salaries and wages	25 097	728	(174)	25 651	25 694	(43)	100.2%	23 853	23 809
Social contributions	2 465	280	(6)	2 739	2 738	1	100.0%	3 070	2 879
Goods and services	15 994	2 092	-	18 086	17 880	206	98.9%	18 941	18 707
Administrative fees	248	19	-	267	257	10	96.3%	195	194
Advertising	41	(12)	-	29	29	-	100.0%	15	14
Minor assets	34	(30)	-	4	1	3	25.0%	22	21
Bursaries: Employees	219	(9)	-	210	164	46	78.1%	259	211
Catering: Departmental activities	374	(149)	-	225	188	37	83.6%	252	233
Communication (G&S)	958	288	-	1 246	1 245	1	99.9%	858	854
Computer services	27	(25)	-	2	2	-	100.0%	8	5

APPROPRIATION STATEMENT - PROGRAMME 1:

ADMINISTRATION – CONTINUED

for the year ended 31 March 2016

Economic classification	2015/16							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
Consultants: Business and advisory services	385	360	-	745	738	7	99.1%	2 143	2 141
Legal services	1 075	80	-	1 155	1 155	-	100.0%	2 128	2 127
Contractors	17	(12)	-	5	4	1	80.0%	23	5
Agency and support / outsourced services	15	(5)	-	10	9	1	90.0%	5	5
Entertainment	91	(2)	-	89	34	55	38.2%	79	35
Fleet services (including government motor transport)	528	40	-	568	562	6	98.9%	515	514
Consumable supplies	58	(40)	-	18	16	2	88.9%	77	75
Consumable: Stationery printing and office supplies	616	(284)	-	332	328	4	98.8%	463	459
Operating leases	245	(7)	-	238	232	6	97.5%	279	246
Travel and subsistence	10 544	1 572	-	12 116	12 104	12	99.9%	11 303	11 283
Training and development	110	(108)	-	2	2	-	100.0%	192	187
Operating payments	179	(176)	-	3	1	2	33.3%	103	98
Venues and facilities	230	582	-	812	799	13	98.4%	22	-
Rental and hiring	-	10	-	10	10	-	100.0%	-	-
Transfers and subsidies	394	176	-	570	567	3	99.5%	22	22
<i>Households</i>	<i>394</i>	<i>176</i>	-	<i>570</i>	<i>567</i>	<i>3</i>	<i>99.5%</i>	<i>22</i>	<i>22</i>
Social benefits	394	176	-	570	567	3	99.5%	22	22
Payments for capital assets	1 862	(557)	-	1 305	236	1 069	18.1%	2 014	2 011
<i>Machinery and equipment</i>	<i>1 862</i>	<i>(557)</i>	-	<i>1 305</i>	<i>236</i>	<i>1 069</i>	<i>18.1%</i>	<i>2 014</i>	<i>2 011</i>
Transport equipment	1 600	(625)	-	975	975	975	-	1 788	1 787
Other machinery and equipment	262	68	-	330	236	94	71.5%	226	224

APPROPRIATION STATEMENT - PROGRAMME 1:



ADMINISTRATION – CONTINUED

for the year ended 31 March 2016

SUB-PROGRAMME: 1.2: DEPARTMENTAL MANAGEMENT - CONTINUED									
Economic classification	2015/16					2014/15			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Payment for financial assets	-	-	-	-	-	-	-	-	30
Total	45 812	2 719	(180)	48 351	47 115	1 236	97.4%	47 900	47 458

SUB-PROGRAMME: 1.3: CORPORATE SERVICES - CONTINUED									
Economic classification	2015/16					2014/15			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Current payments	98 452	(2 609)	(218)	95 625	94 872	753	99.2%	97 358	93 007
Compensation of employees	68 231	(774)	(218)	67 239	67 183	56	99.9%	62 422	61 765
Salaries and wages	62 044	(806)	(210)	61 028	60 977	51	99.9%	56 895	56 436
Social contributions	6 187	32	(8)	6 211	6 206	5	99.9%	5 527	5 329
Goods and services	30 221	(1 835)	-	28 386	27 689	697	97.5%	34 936	31 242
Administrative fees	770	228	-	998	757	241	75.9%	423	297

APPROPRIATION STATEMENT - PROGRAMME 1:

ADMINISTRATION – CONTINUED

for the year ended 31 March 2016

SUB-PROGRAMME: 1.3: CORPORATE SERVICES	2015/16							2014/15		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Advertising	504	(156)	-	348	267	81	76.7%	509	331	331
Minor assets	64	13	-	77	69	8	89.6%	311	290	290
Audit costs: External	-	-	-	-	-	-	-	335	335	335
Bursaries: Employees	585	(254)	-	331	332	(1)	100.3%	310	166	166
Catering: Departmental activities	51	25	-	76	26	50	34.2	113	20	20
Communication (G&S)	2 231	661	-	2 892	2 889	3	99.9%	2 246	1 845	1 845
Computer services	18 395	(1 863)	-	16 532	16 336	196	98.8%	23 084	21 742	21 742
Consultants: Business and advisory services	4 206	125	-	4 331	4 368	(37)	100.9%	4 360	3 819	3 819
Contractors	30	-	-	30	27	3	90.0%	273	257	257
Entertainment	14	5	-	19	5	14	26.3%	16	4	4
Fleet services (including government motor transport)	-	3	-	3	2	1	66.7%	8	8	8
Consumable supplies	253	45	-	298	229	69	76.8%	258	223	223
Consumable: Stationery printing and office supplies	285	(81)	-	204	151	53	74.0%	306	207	207
Operating leases	173	(26)	-	147	145	2	98.6%	178	154	154
Travel and subsistence	676	(54)	-	622	612	10	98.4%	806	504	504
Training and development	1 954	(494)	-	1 460	1 455	5	99.7%	1 182	901	901
Operating payments	30	(12)	-	18	19	(1)	105.6%	216	137	137
Venues and facilities	-	-	-	-	-	-	-	2	2	2
Transfers and subsidies	3 730	(282)	-	3 448	3 446	2	99.9%	4 186	4 121	4 121
<i>Departmental agencies and accounts</i>	<i>2 074</i>	<i>(223)</i>	-	<i>1 851</i>	<i>1 850</i>	<i>1</i>	<i>99.9%</i>	<i>2 343</i>	<i>2 295</i>	<i>2 295</i>

ADMINISTRATION – CONTINUED

for the year ended 31 March 2016

SUB-PROGRAMME: 1.3: CORPORATE SERVICES	2015/16										2014/15		
	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		
Departmental agencies (non-business entities)	2 074	(223)	-	1 851	1 850	1	99.9%	2 343	2 295	2 343	2 295		
Households	1 656	(59)	-	1 597	1 596	1	99.9%	1 843	1 826	1 843	1 826		
Social benefits	90	112	-	202	202	-	100.0%	275	269	275	269		
Other transfers to households	1 566	(171)	-	1 395	1 394	1	99.9%	1 568	1 557	1 568	1 557		
Payments for capital assets	6 508	-	19 752	26 260	18 108	8 152	69.0%	10 147	10 142	10 147	10 142		
Machinery and equipment	6 508	-	19 752	26 260	18 108	8 152	69.0%	10 147	10 142	10 147	10 142		
Other machinery and equipment	6 508	-	19 752	26 260	18 108	8 152	69.0%	10 147	10 142	10 147	10 142		
Payment for financial assets	-	-	-	-	51	(51)	-	-	2	-	2		
Total	108 690	(2 891)	19 534	125 333	116 477	8 856	92.9%	111 691	107 272	111 691	107 272		
SUB-PROGRAMME: 1.4: ENTERPRISE WIDE RISK MANAGEMENT	2015/16										2014/15		
Economic classification	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		
Current payments	23 545	238	(17)	23 766	23 750	16	99.9%	23 488	22 447	23 488	22 447		
Compensation of employees	16 501	350	(17)	16 834	16 831	3	100.0%	16 130	16 016	16 130	16 016		
Salaries and wages	14 369	330	(16)	14 683	14 682	1	100.0%	14 147	14 039	14 147	14 039		
Social contributions	2 132	20	(1)	2 151	2 149	2	99.9%	1 983	1 977	1 983	1 977		
Goods and services	7 044	(112)	-	6 932	6 919	13	99.8%	7 358	6 431	7 358	6 431		
Administrative fees	14	(3)	-	11	11	-	100.0%	15	8	15	8		
Advertising	25	(25)	-	-	-	-	-	43	1	43	1		

APPROPRIATION STATEMENT - PROGRAMME 1:

ADMINISTRATION – CONTINUED

for the year ended 31 March 2016

SUB-PROGRAMME: 1.4: ENTERPRISE WIDE RISK MANAGEMENT - CONTINUED	2015/16							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									
Minor assets	16	(16)	-	-	-	-	-	43	12
Audit costs: External	30	(30)	-	-	-	-	-	-	-
Bursaries: Employees	120	37	-	157	156	1	99.4%	160	102
Catering: Departmental activities	15	-	-	15	14	1	93.3%	14	13
Communication (G&S)	104	22	-	126	124	2	98.4%	114	99
Computer services	96	(96)	-	-	-	-	-	92	91
Consultants: Business and advisory services	-	-	-	-	-	-	-	102	2
Contractors	293	146	-	439	463	(24)	105.5%	148	147
Agency and support / outsourced services	5 451	145	-	5 596	5 595	1	100.0%	5 605	5 224
Entertainment	2	(2)	-	-	-	-	-	4	-
Fleet services (including government motor transport)	-	23	-	23	23	-	100.0%	9	7
Consumable supplies	46	(29)	-	17	17	-	100.0%	78	73
Consumable: Stationery printing and office supplies	130	(49)	-	81	81	-	100.0%	119	59
Operating leases	43	(4)	-	39	39	-	100.0%	44	41
Travel and subsistence	365	(82)	-	283	280	3	98.9%	415	290
Training and development	286	(144)	-	142	114	28	80.3%	287	254
Operating payments	8	(6)	-	2	2	-	100.0%	8	8
Venues and facilities	-	1	-	1	-	1	-	58	-
Transfers and subsidies	21	-	-	21	21	-	100.0%	15	5
Households	21	-	-	21	21	-	100.0%	15	5
Social benefits	21	-	-	21	21	-	100.0%	15	5

ADMINISTRATION – CONTINUED

for the year ended 31 March 2016

Economic classification	2015/16						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
Payments for capital assets	3 364	402	-	3 766	3 765	1	100.0%	45	44
<i>Machinery and equipment</i>	3 364	402	-	3 766	3 765	1	100.0%	45	44
Other machinery and equipment	3 364	402	-	3 766	3 765	1	100.0%	45	44
Payment for financial assets	-	-	-	-	1	(1)	-	-	-
Total	26 930	640	(17)	27 553	27 537	16	99.9%	23 548	22 496

Economic classification	2015/16						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
Current payments	39 933	(1 800)	(185)	37 948	37 905	43	99.9%	39 774	38 410
<i>Compensation of employees</i>	28 618	(455)	(185)	27 978	27 973	5	100.0%	28 056	27 361
Salaries and wages	24 742	(435)	(143)	24 164	24 162	2	100.0%	24 500	23 894
Social contributions	3 876	(20)	(42)	3 814	3 811	3	99.9%	3 556	3 467
Goods and services	11 315	(1 345)	-	9 970	9 932	38	99.6%	11 718	11 049
Administrative fees	460	(44)	-	416	414	2	99.5%	364	310
Advertising	50	(17)	-	33	32	1	97.0%	167	76
Minor assets	106	21	-	127	67	60	52.8%	45	23
Audit costs: External	7 822	(405)	-	7 417	7 417	-	100.0%	7 890	7 890
Bursaries: Employees	215	(93)	-	122	120	2	98.4%	147	90
Catering: Departmental activities	6	-	-	6	2	4	33.3%	15	5
Communication (G&S)	194	(19)	-	175	173	2	98.9%	169	162

APPROPRIATION STATEMENT - PROGRAMME 1:

ADMINISTRATION – CONTINUED

for the year ended 31 March 2016

SUBPROGRAMME: 1.5: FINANCIAL ADMINISTRATION - CONTINUED	2015/16							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
Computer services	772	(257)	-	515	515	-	100.0%	722	686
Consultants: Business and advisory services	20	(13)	-	7	7	-	100.0%	76	53
Contractors	65	25	-	90	63	27	70.0%	49	18
Entertainment	3	(2)	-	1	1	-	100.0%	5	2
Fleet services (including government motor transport)				1	1	-	100.0%	1	1
Consumable supplies	61	(28)	-	33	53	(20)	160.6%	177	155
Consumable: Stationery printing and office supplies	906	(178)	-	728	727	1	99.9%	892	760
Operating leases	78	(24)	-	54	51	3	94.4%	141	50
Travel and subsistence	208	(129)	-	79	95	(16)	120.3%	257	191
Training and development	318	(156)	-	162	183	(21)	113.0%	560	557
Operating payments	31	(27)	-	4	11	(7)	275.0%	41	20
Transfers and subsidies	42	84	-	126	102	24	81.0%	15	13
Households	42	84	-	126	102	24	81.0%	15	13
Social benefits	42	84	-	126	102	24	81.0%	15	13
Payments for capital assets	788	-	-	788	692	96	87.8%	262	209
Machinery and equipment	788	-	-	788	692	96	87.8%	262	209
Other machinery and equipment	788	-	-	788	692	96	87.8%	262	209
Payments for financial assets	-	-	-	-	2	(2)	-	-	-
Total	40 763	(1 716)	(185)	38 862	38 701	161	99.6%	40 051	38 632

APPROPRIATION STATEMENT - PROGRAMME 1:



ADMINISTRATION - CONTINUED

for the year ended 31 March 2016

SUBPROGRAMME: 1.6: LEGAL SERVICES	2015/16										2014/15	
	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												
Current payments	18 055	538	-	18 593	18 501	92	99.5%	16 669	16 469	16 669	16 469	
Compensation of employees	7 248	(143)	-	7 105	7 102	3	100.0%	5 893	5 715	5 893	5 715	
Salaries and wages	6 494	(129)	-	6 365	6 363	2	100.0%	5 232	5 119	5 232	5 119	
Social contributions	754	(14)	-	740	739	1	99.9%	661	596	661	596	
Goods and services	10 807	681	-	11 488	11 399	89	99.2%	10 776	10 754	10 776	10 754	
Administrative fees	101	(1)	-	100	100	-	100.0%	6	6	6	6	
Advertising	23	18	-	41	20	21	48.8%	17	16	17	16	
Minor assets	15	(9)	-	6	6	-	100.0%	10	8	10	8	
Bursaries: Employees	20	(20)	-	-	-	-	-	-	-	-	-	
Catering: Departmental activities	1	(1)	-	-	-	-	-	2	-	2	-	
Communication (G&S)	45	(10)	-	35	35	-	100.0%	27	26	27	26	
Consultants: Business and advisory services	22	6	-	28	14	14	50.3%	15	14	15	14	
Legal services	10 142	650	-	10 792	10 791	1	100.0%	10 187	10 186	10 187	10 186	
Entertainment	4	(3)	-	1	1	-	100.0%	6	1	6	1	
Fleet services (including government motor transport)	-	2	-	2	1	1	50.0%	6	5	6	5	
Consumable supplies	3	(2)	-	1	1	-	100.0%	1	1	1	1	
Consumable: Stationery printing and office supplies	40	(24)	-	16	15	1	93.8%	24	22	24	22	
Operating leases	50	-	-	50	49	1	98.0%	57	57	57	57	
Travel and subsistence	116	(42)	-	74	71	3	95.9%	136	132	136	132	
Training and development	220	118	-	338	292	46	86.4%	282	280	282	280	
Operating payments	5	(1)	-	4	3	1	75.0%	-	-	-	-	

ADMINISTRATION – CONTINUED

for the year ended 31 March 2016

Economic classification	2015/16							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	R'000	R'000
Transfers and subsidies	-	-	-	-	-	-	-	91	90	90
Households	-	-	-	-	-	-	-	91	90	90
Social benefits	-	-	-	-	-	-	-	91	90	90
Payments for capital assets	109	47	-	156	155	1	99.4%	34	34	34
Machinery and equipment	109	47	-	156	155	1	99.4%	34	34	34
Other machinery and equipment	109	47	-	156	155	1	99.4%	34	34	34
Total	18 164	585	-	18 749	18 656	93	99.5%	16 794	16 593	16 593

Economic classification	2015/16							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	R'000	R'000
Current payments	22 122	(1 314)	(61)	20 748	20 459	289	98.6%	18 054	16 862	16 862
Compensation of employees	16 924	273	(61)	17 136	17 134	2	100.0%	12 163	12 039	12 039
Salaries and wages	15 433	276	(59)	15 650	15 648	2	100.0%	11 081	11 054	11 054
Social contributions	1 491	(3)	(2)	1 486	1 486	-	100.0%	1 082	985	985
Goods and services	5 198	(1 587)	-	3 612	3 325	287	92.1%	5 891	4 823	4 823
Administrative fees	56	31	-	87	46	41	52.9%	94	74	74
Advertising	60	77	-	137	53	84	38.7%	30	15	15
Minor assets	62	45	-	107	45	62	42.1%	10	7	7
Audit costs: External	-	-	-	-	-	-	-	6	5	5
Bursaries: Employees	220	(138)	-	82	110	(28)	134.1%	187	187	187

ADMINISTRATION - CONTINUED

for the year ended 31 March 2016

Economic classification	SUB-PROGRAMME: 1.7: INTERNAL AUDIT - CONTINUED									
	2015/16					2014/15				
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation	Final Appropriation R'000	Actual Expenditure R'000	
Catering: Departmental activities	25	(4)	-	21	24	(3)	114.3%	22	20	
Communication (G&S)	31	10	-	41	40	1	97.6%	27	27	
Computer services	620	(195)	-	425	62	363	14.6%	858	810	
Consultants: Business and advisory services	3 155	(1 607)	-	1 548	1 791	(243)	115.7%	3 523	2 919	
Contractors	5	5	-	10	5	5	50.0%	-	-	
Entertainment	2	1	-	3	3	-	100.0%	5	1	
Fleet services (including government motor transport)	-	1	-	1	1	-	100.0%	3	3	
Consumable: Stationery printing and office supplies	53	26	-	79	74	5	93.7%	71	42	
Operating leases	125	-	-	125	107	18	85.6%	131	126	
Travel and subsistence	169	169	-	338	326	12	96.4%	155	94	
Training and development	565	13	-	578	610	(32)	105.5%	673	472	
Operating payments	50	(23)	-	27	27	-	100.0%	66	21	
Venues and facilities	-	2	-	2	1	1	50.0%	30	-	
Transfers and subsidies	1	58	-	59	58	1	98.3%	12	12	
<i>Households</i>	<i>1</i>	<i>58</i>	<i>-</i>	<i>59</i>	<i>58</i>	<i>1</i>	<i>98.3%</i>	<i>12</i>	<i>12</i>	
Social benefits	1	58	-	59	58	1	98.3%	12	12	
Payments for capital assets	235	(47)	-	188	164	24	87.2%	245	245	
<i>Machinery and equipment</i>	<i>235</i>	<i>(47)</i>	<i>-</i>	<i>188</i>	<i>164</i>	<i>24</i>	<i>87.2%</i>	<i>245</i>	<i>245</i>	
Other machinery and equipment	235	(47)	-	188	164	24	87.2%	245	245	
Total	22 358	(1 303)	(61)	20 995	20 681	314	98.5%	18 311	17 119	

APPROPRIATION STATEMENT - PROGRAMME 1:

ADMINISTRATION – CONTINUED

for the year ended 31 March 2016

SUB-PROGRAMME: 1.8: COMMUNICATIONS	2015/16							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	R'000
Current payments	9 850	287	(4)	10 133	9 965	168	98.3%	10 063	9 884	
Compensation of employees	5 805	(128)	(4)	5 673	5 672	1	100.0%	5 980	5 964	
Salaries and wages	5 157	(102)	(2)	5 053	5 052	1	100.0%	5 466	5 452	
Social contributions	648	(26)	(2)	620	620	-	100.0%	514	512	
Goods and services	4 045	415	-	4 460	4 293	167	96.3%	4 083	3 920	
Administrative fees	30	(9)	-	21	21	-	100.0%	111	110	
Advertising	35	54	-	89	53	36	59.6%	1	-	
Minor assets	13	25	-	38	36	2	94.7%	15	5	
Bursaries: Employees	45	(45)	-	-	-	-	-	11	11	
Catering: Departmental activities	110	19	-	129	104	25	80.6%	103	101	
Communication (G&S)	70	(14)	-	56	56	-	100.0%	60	60	
Computer services	1 500	10	-	1 510	1 491	19	98.7%	1 531	1 443	
Consultants: Business and advisory services	-	-	-	-	-	-	-	1	-	
Entertainment	4	(2)	-	2	1	1	50.0%	3	1	
Fleet services (including government motor transport)	-	-	-	-	-	-	-	1	-	
Consumable supplies	13	(8)	-	5	4	1	80.0%	35	33	
Consumable: Stationery printing and office supplies	1 227	379	-	1 606	1 552	54	96.6%	1 394	1 379	
Operating leases	107	(18)	-	89	86	3	96.6%	107	106	
Travel and subsistence	854	(39)	-	815	807	8	99.0%	670	645	
Training and development	27	20	-	47	30	17	63.8%	22	17	
Operating payments	-	-	-	-	-	-	-	3	1	

ADMINISTRATION - CONTINUED

for the year ended 31 March 2016

Economic classification	SUB-PROGRAMME: 1.8: COMMUNICATIONS - CONTINUED									
	2015/16					2014/15				
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000	
Venues and facilities	10	43		53	52	1	98.1%	15	8	
Transfers and subsidies	49	-	-	49	48	1	98.0%	-	-	
Departmental agencies and accounts	49	-	-	49	-	49	-	-	-	
Departmental agencies (non-business entities)	49	-	-	49	-	49	-	-	-	
Households	-	-	-	-	48	(48)	-	-	-	
Social benefits	-	-	-	-	48	(48)	-	-	-	
Payments for capital assets	110	-	-	110	94	16	85.5%	213	213	
Machinery and equipment	110	-	-	110	94	16	85.5%	213	213	
Other machinery and equipment	110	-	-	110	94	16	85.5%	213	213	
Payment for financial assets	-	-	-	-	93	(93)	-	-	23	
Total	10 009	287	(4)	10 292	10 200	92	99.1%	10 276	10 120	

Economic classification	SUB-PROGRAMME: 1.9: OFFICE ACCOMMODATION									
	2015/16					2014/15				
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000	
Current payments	86 662	2 048	3 997	92 707	92 425	282	99.7%	99 576	99 298	
Compensation of employees	8 078	360	(3)	8 435	8 433	2	100.0%	7 526	7 519	
Salaries and wages	6 727	321	(2)	7 046	7 045	1	100.0%	6 379	6 374	
Social contributions	1 351	39	(1)	1 389	1 388	1	99.9%	1 147	1 145	
Goods and services	78 584	1 688	4 000	84 272	83 992	280	99.7%	92 050	91 779	

APPROPRIATION STATEMENT - PROGRAMME 1:

ADMINISTRATION – CONTINUED

for the year ended 31 March 2016

SUB-PROGRAMME: 1.9: OFFICE ACCOMMODATION - CONTINUED	2015/16							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									
Administrative fees	1	1	-	2	1	1	50.0%	3	3
Advertising	-	-	-	-	1	(1)	-	20	19
Minor assets	506	(406)	-	100	61	39	61.0%	812	807
Bursaries: Employees	-	40	-	40	40	-	100.0%	67	66
Communication (G&S)	704	62	-	766	585	181	76.4%	655	474
Computer services	125	82	-	207	207	-	100.0%	91	91
Consultants: Business and advisory services	50	31	-	81	81	-	100.0%	-	-
Contractors	1 857	(142)	-	1 715	1 674	41	97.6%	1 842	1 820
Agency and support / outsourced services	5 655	(258)	-	5 397	5 397	-	100.0%	4 510	4 509
Entertainment	1	(1)	-	-	-	-	-	1	-
Fleet services (including government motor transport)	1 505	(822)	-	683	682	1	99.9%	1 690	1 688
Consumable supplies	1 102	298	-	1 400	1 423	(23)	101.6%	2 322	2 328
Consumable: Stationery printing and office supplies	58	11	-	69	52	17	75.4%	83	54
Operating leases	52 973	(4 775)	2 190	50 388	50 382	6	100.0%	58 136	58 132
Property payments	13 782	7 468	1 810	23 060	23 057	3	100.0%	21 392	21 389
Travel and subsistence	56	27	-	83	69	14	83.1%	94	83
Training and development	76	(56)	-	20	19	1	95.0%	72	71
Operating payments	133	128	-	261	261	-	100.0%	260	245
Transfers and subsidies	16	-	-	16	9	7	56.3%	18	11
Departmental agencies and accounts	16	-	-	16	9	7	56.3%	15	9
Departmental agencies (non-business entities)	16	-	-	16	9	7	56.3%	15	9

APPROPRIATION STATEMENT - PROGRAMME 1:



ADMINISTRATION – CONTINUED

for the year ended 31 March 2016

Economic classification	2015/16							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
<i>Households</i>	-	-	-	-	-	-	-	3	2
Social benefits	-	-	-	-	-	-	-	3	2
Payments for capital assets	-	155	-	155	153	2	98.7%	212	212
<i>Machinery and equipment</i>	-	155	-	155	153	2	98.7%	212	212
Other machinery and equipment	-	155	-	155	153	2	98.7%	212	212
Payment for financial assets	-	-	-	-	-	-	-	-	7
Total	86 678	2 203	3 997	92 878	92 587	291	99.7%	99 806	99 528

APPROPRIATION STATEMENT - PROGRAMME 2:

ECONOMIC POLICY, TAX, FINANCIAL REGULATION AND RESEARCH - CONTINUED

for the year ended 31 March 2016

PROGRAMME 2: ECONOMIC POLICY TAX FINANCIAL REGULATION AND RESEARCH PER SUB-PROGRAMME									
	2015/16						2014/15		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
1.	22 093	(469)	(379)	21 245	21 199	46	99.8%	21 133	20 668
2.	10 948	749	-	11 697	10 968	729	93.8%	11 530	11 529
3.	29 277	(281)	(1 109)	27 887	27 636	251	99.1%	32 393	27 974
4.	26 819	1 015	(46)	27 788	27 609	179	99.4%	23 697	21 589
5.	28 909	(1 014)	(1 123)	26 772	26 537	235	99.1%	28 767	25 731
6.	17 341	-	-	17 341	17 341	-	100.0%	16 838	16 838
Total	135 387	-	(2 657)	132 730	131 290	1 440	98.9%	134 358	124 329

PROGRAMME 2: ECONOMIC POLICY TAX FINANCIAL REGULATION AND RESEARCH PER ECONOMIC CLASSIFICATION									
	2015/16						2014/15		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Current payments	105 913	(61)	(2 657)	103 195	102 203	992	99.0%	106 150	96 288
Compensation of employees	79 057	(61)	(756)	78 240	78 214	26	100.0%	75 325	70 770
Salaries and wages	71 090	69	(712)	70 447	70 426	21	100.0%	68 271	64 202
Social contributions	7 967	(130)	(44)	7 793	7 788	5	99.9%	7 054	6 568
Goods and services	26 856	-	(1 901)	24 955	23 989	966	96.1%	30 825	25 518
Administrative fees	194	(44)	(17)	133	133	-	100.0%	371	120
Advertising	330	(34)	(43)	253	247	6	97.6%	546	408
Minor assets	81	(16)	(37)	28	4	24	14.3%	34	15
Bursaries: Employees	424	(23)	(112)	289	288	1	99.7%	822	760

APPROPRIATION STATEMENT - PROGRAMME 2:

ECONOMIC POLICY, TAX, FINANCIAL REGULATION AND RESEARCH - CONTINUED

for the year ended 31 March 2016

	PROGRAMME 2: ECONOMIC POLICY TAX FINANCIAL REGULATION AND RESEARCH PER ECONOMIC CLASSIFICATION - CONTINUED									
	2015/16					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	%	R'000	R'000	R'000
Catering: Departmental activities	133	(23)	(30)	80	84	(4)	105.0%	167	93	93
Communication (G&S)	449	1	(28)	422	422	-	100.0%	389	297	297
Computer services	44	(9)	(23)	12	12	-	100.0%	151	144	144
Consultants: Business and advisory services	11 731	504	(32)	12 203	11 487	716	94.1%	14 871	11 843	11 843
Legal services	-	180	-	180	180	-	100.0%	-	-	-
Contractors	9	16	(1)	24	13	11	54.2%	10	4	4
Entertainment	57	(11)	(22)	24	10	14	41.7%	45	10	10
Fleet services (including government motor transport)	-	4	(2)	2	2	-	100.0%	-	-	-
Consumable supplies	179	(75)	(27)	77	56	21	72.7%	203	124	124
Consumable: Stationery printing and office supplies	894	(292)	(81)	521	511	10	98.1%	1 334	1 047	1 047
Operating leases	302	30	(34)	298	285	13	95.6%	264	239	239
Travel and subsistence	6 218	(564)	(614)	5 040	5 068	(28)	100.6%	6 333	5 368	5 368
Training and development	825	(313)	(139)	373	313	60	83.9%	799	669	669
Operating payments	4 792	490	(606)	4 676	4 548	128	97.3%	4 117	4 041	4 041
Venues and facilities	194	179	(53)	320	326	(6)	101.9%	369	336	336
Transfers and subsidies	28 746	61	-	28 807	28 805	2	100.0%	27 655	27 653	27 653
<i>Departmental agencies and accounts</i>	<i>17 341</i>	<i>-</i>	<i>-</i>	<i>17 341</i>	<i>17 341</i>	<i>-</i>	<i>100.0%</i>	<i>16 838</i>	<i>16 838</i>	<i>16 838</i>
Departmental agencies (non-business entities)	17 341	-	-	17 341	17 341	-	100.0%	16 838	16 838	16 838
<i>Public corporations and private enterprises</i>	<i>11 384</i>	<i>-</i>	<i>-</i>	<i>11 384</i>	<i>11 384</i>	<i>-</i>	<i>100.0%</i>	<i>10 780</i>	<i>10 780</i>	<i>10 780</i>

APPROPRIATION STATEMENT - PROGRAMME 2:

ECONOMIC POLICY, TAX, FINANCIAL
REGULATION AND RESEARCH - CONTINUED

for the year ended 31 March 2016

	2015/16							2014/15		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Other transfers to public corporations	11 384	-	-	11 384	11 384	-	100.0%	10 780	10 780	10 780
<i>Households</i>	21	61	-	82	80	2	97.6%	37	35	35
Social benefits	21	61	-	82	80	2	97.6%	37	35	35
Payments for capital assets	728	-	-	728	275	453	37.8%	553	386	386
<i>Machinery and equipment</i>	728	-	-	728	275	453	37.8%	553	386	386
Other machinery and equipment	728	-	-	728	275	453	37.8%	553	386	386
Payment for financial assets	-	-	-	-	7	(7)	-	-	2	2
Total	135 387	-	(2 657)	132 730	131 290	1 440	98.9%	134 358	124 329	124 329

	2015/16							2014/15		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Current payments	10 632	(474)	(379)	9 779	9 759	20	99.8%	10 299	9 856	9 856
<i>Compensation of employees</i>	7 065	274	(94)	7 245	7 232	13	99.8%	7 143	6 982	6 982
Salaries and wages	6 207	258	(88)	6 377	6 364	13	99.8%	6 369	6 231	6 231
Social contributions	858	16	(6)	868	868	-	100.0%	774	751	751
Goods and services	3 567	(748)	(285)	2 534	2 527	7	99.7%	3 156	2 874	2 874
Administrative fees	39	6	(6)	39	39	-	100.0%	38	29	29
Advertising	43	(17)	(26)	-	-	-	-	50	-	-
Minor assets	22	10	(22)	10	-	10	-	10	5	5
Bursaries: Employees	-	3	-	3	3	-	100.0%	10	-	-

APPROPRIATION STATEMENT - PROGRAMME 2:

ECONOMIC POLICY, TAX, FINANCIAL REGULATION AND RESEARCH - CONTINUED

for the year ended 31 March 2016

Economic classification	2015/16							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	R'000
Catering: Departmental activities	35	-	(13)	22	22	-	100.0%	47	20	20
Communication (G&S)	105	-	(13)	92	92	-	100.0%	74	73	73
Computer services	15	(10)	(3)	2	2	-	100.0%	7	2	2
Consultants: Business and advisory services	748	(269)	(21)	458	483	(25)	105.5%	289	280	280
Contractors	-	4	-	4	4	-	100.0%	-	-	-
Entertainment	11	1	(7)	5	4	1	80.0%	5	3	3
Consumable supplies	43	(31)	(1)	11	5	6	45.5%	111	77	77
Consumable: Stationery printing and office supplies	209	(153)	(13)	43	42	1	97.7%	576	573	573
Travel and subsistence	1 962	(125)	(127)	1 710	1 707	3	99.8%	1 878	1 778	1 778
Training and development	225	(176)	(6)	43	29	14	67.4%	37	20	20
Operating payments	-	84	-	84	83	1	98.8%	7	3	3
Venues and facilities	110	(75)	(27)	8	12	(4)	150.0%	17	9	9
Transfers and subsidies	11 384	-	-	11 384	11 384	-	100.0%	10 780	10 780	10 780
<i>Public corporations and private enterprises</i>	<i>11 384</i>	<i>-</i>	<i>-</i>	<i>11 384</i>	<i>11 384</i>	<i>-</i>	<i>100.0%</i>	<i>10 780</i>	<i>10 780</i>	<i>10 780</i>
Other transfers to public corporations	11 384	-	-	11 384	11 384	-	100.0%	10 780	10 780	10 780
Payments for capital assets	77	5	-	82	56	26	68.3%	54	30	30
<i>Machinery and equipment</i>	<i>77</i>	<i>5</i>	<i>-</i>	<i>82</i>	<i>56</i>	<i>26</i>	<i>68.3%</i>	<i>54</i>	<i>30</i>	<i>30</i>
Other machinery and equipment	77	5	-	82	56	26	68.3%	54	30	30
Payment for financial assets	-	-	-	-	-	-	-	-	-	2
Total	22 093	(469)	(379)	21 245	21 199	46	99.8%	21 133	20 668	20 668

APPROPRIATION STATEMENT - PROGRAMME 2:

**ECONOMIC POLICY, TAX, FINANCIAL
REGULATION AND RESEARCH** - CONTINUED



for the year ended 31 March 2016

SUB-PROGRAMME: 2.2: RESEARCH	2015/16							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	R'000	R'000
Economic classification										
Current payments	10 948	749	-	11 697	10 968	729	93.8%	11 530	11 529	11 529
Goods and services	10 948	749	-	11 697	10 968	729	93.8%	11 530	11 529	11 529
Consultants: Business and advisory services	10 948	749	-	11 697	10 968	729	93.8%	11 530	11 529	11 529
Total	10 948	749	-	11 697	10 968	729	93.8%	11 530	11 529	11 529

SUB-PROGRAMME: 2.3: FINANCIAL SECTOR POLICY	2015/16							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	R'000	R'000
Economic classification										
Current payments	28 979	(328)	(1 109)	27 542	27 492	50	99.8%	32 324	27 946	27 946
Compensation of employees	26 144	(326)	(618)	25 200	25 198	2	100.0%	25 631	24 964	24 964
Salaries and wages	23 590	(285)	(586)	22 719	22 719	-	100.0%	23 306	22 679	22 679
Social contributions	2 554	(41)	(32)	2 481	2 479	2	99.9%	2 325	2 285	2 285
Goods and services	2 835	(2)	(491)	2 342	2 294	48	98.0%	6 693	2 982	2 982
Administrative fees	45	(11)	(2)	32	32	-	100.0%	218	39	39
Advertising	70	(28)	(8)	34	32	2	94.1%	106	101	101
Minor assets	6		(3)	3	1	2	33.3%	7	-	-
Bursaries: Employees	208	1	(79)	130	129	1	99.2%	304	276	276
Catering: Departmental activities	21	-	(11)	10	4	6	40.0%	40	14	14
Communication (G&S)	169	(2)	(7)	160	160	-	100.0%	150	108	108
Computer services	19		(19)	-	-	-	-	67	66	66



APPROPRIATION STATEMENT - PROGRAMME 2:

ECONOMIC POLICY, TAX, FINANCIAL REGULATION AND RESEARCH - CONTINUED

for the year ended 31 March 2016

Economic classification	2015/16							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	R'000
Consultants: Business and advisory services	25	27	(11)	41	29	12	70.7%	2 993	12	12
Legal fees	-	180		180	180	-	100.0%	-	-	-
Entertainment	15	(5)	(7)	3	2	1	66.7%	13	1	1
Fleet services (including government motor transport)	-	4	(2)	2	2	-	100.0%	-	-	-
Consumable supplies	23	(2)	(10)	11	10	1	90.9%	14	4	4
Consumable: Stationery printing and office supplies	104	(40)	(34)	30	29	1	96.7%	189	72	72
Operating leases	150		(34)	116	115	1	99.1%	115	106	106
Travel and subsistence	1 744	(394)	(181)	1 169	1 165	4	99.7%	1 831	1 549	1 549
Training and development	230	(59)	(64)	107	92	15	86.0%	232	218	218
Operating payments	6	27	(19)	14	12	2	85.7%	114	112	112
Venues and facilities	-	300		300	300	-	100.0%	300	300	300
Transfers and subsidies	-	52	-	52	51	1	98.1%	-	-	-
<i>Households</i>	-	52	-	52	51	1	98.1%	-	-	-
Social benefits	-	52	-	52	51	1	98.1%	-	-	-
Payments for capital assets	298	(5)	-	293	89	204	30.4%	69	28	28
<i>Machinery and equipment</i>	298	(5)	-	293	89	204	30.4%	69	28	28
Other machinery and equipment	298	(5)	-	293	89	204	30.4%	69	28	28
Payment for financial assets	-	-	-	-	4	(4)	-	-	-	-
Total	29 277	(281)	(1 109)	27 887	27 636	251	99.1%	32 393	27 974	27 974

APPROPRIATION STATEMENT - PROGRAMME 2:

ECONOMIC POLICY, TAX, FINANCIAL REGULATION AND RESEARCH - CONTINUED



for the year ended 31 March 2016

SUB-PROGRAMME: 2.4: TAX POLICY	2015/16							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	R'000
Economic classification										
Current payments	26 645	1 015	(46)	27 614	27 490	124	99.6%	23 545	21 464	
<i>Compensation of employees</i>	23 678	926	(27)	24 577	24 577	-	100.0%	20 058	19 212	
Salaries and wages	21 338	964	(22)	22 280	22 280	-	100.0%	18 229	17 556	
Social contributions	2 340	(38)	(5)	2 297	2 297	-	100.0%	1 829	1 656	
Goods and services	2 967	89	(19)	3 037	2 913	124	95.9%	3 487	2 252	
Administrative fees	72	(35)	-	37	37	-	100.0%	84	24	
Advertising	105	(26)	-	79	78	1	98.7%	243	162	
Minor assets	37	(22)	-	15	3	12	20.0%	13	6	
Bursaries: Employees	80	(58)	(1)	21	21	-	100.0%	262	239	
Catering: Departmental activities	60	(10)	(2)	48	47	1	97.9%	55	50	
Communication (G&S)	72	(14)	(1)	57	57	-	100.0%	93	43	
Consultants: Business and advisory services	10	(3)	-	7	7	-	100.0%	59	22	
Contractors	2	2	(1)	3	-	3	-	10	4	
Entertainment	15	(2)	(8)	5	-	5	-	13	2	
Consumable supplies	56	(14)	(1)	41	41	-	100.0%	63	43	
Consumable: Stationery printing and office supplies	540	(98)	(2)	440	432	8	98.2%	560	396	
Operating leases	77	9	-	86	86	-	100.0%	74	61	
Travel and subsistence	1 314	(54)	(3)	1 257	1 296	(39)	103.1%	1 315	750	
Training and development	207	(67)	-	140	128	12	91.4%	319	221	
Operating payments	277	523	-	800	680	120	85.0%	272	203	
Venues and facilities	43	(42)	-	1	-	1	-	52	27	
Transfers and subsidies	18	-	-	18	18	-	100.0%	14	13	

APPROPRIATION STATEMENT - PROGRAMME 2:

ECONOMIC POLICY, TAX, FINANCIAL REGULATION AND RESEARCH - CONTINUED

for the year ended 31 March 2016

SUB-PROGRAMME: 2.4: TAX POLICY - CONTINUED	2015/16										2014/15		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Final Expenditure	Actual Expenditure	Final Appropriation	Final Expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000	R'000	
<i>Households</i>	18	-	-	18	18	-	100.0%	18	18	-	14	13	
Social benefits	18	-	-	18	18	-	100.0%	18	18	-	14	13	
Payments for capital assets	156	-	-	156	101	55	64.7%	156	101	55	138	112	
<i>Machinery and equipment</i>	156	-	-	156	101	55	64.7%	156	101	55	138	112	
Other machinery and equipment	156	-	-	156	101	55	64.7%	156	101	55	138	112	
Total	26 819	1 015	(46)	27 788	27 609	179	99.4%	27 788	27 609	179	23 697	21 589	

SUB-PROGRAMME: 2.5: ECONOMIC POLICY	2015/16										2014/15		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Final Expenditure	Actual Expenditure	Final Appropriation	Final Expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000	R'000	
Current payments	28 709	(1 023)	(1 123)	26 563	26 494	69	99.7%	26 563	26 494	69	28 452	25 494	
<i>Compensation of employees</i>	22 170	(935)	(17)	21 218	21 207	11	99.9%	21 218	21 207	11	22 493	19 612	
Salaries and wages	19 955	(868)	(16)	19 071	19 063	8	100.0%	19 071	19 063	8	20 367	17 737	
Social contributions	2 215	(67)	(1)	2 147	2 144	3	99.9%	2 147	2 144	3	2 126	1 876	
Goods and services	6 539	(88)	(1 106)	5 345	5 287	58	98.9%	5 345	5 287	58	5 959	5 882	
Administrative fees	38	(4)	(9)	25	25	-	100.0%	25	25	-	31	29	
Advertising	112	37	(9)	140	137	3	97.9%	140	137	3	147	145	
Minor assets	16	(4)	(12)	-	-	-	-	-	-	-	4	4	
Bursaries: Employees	136	31	(32)	135	135	-	100.0%	135	135	-	246	246	
Catering: Departmental activities	17	(13)	(4)	-	11	(11)	-	-	11	(11)	25	6	

APPROPRIATION STATEMENT - PROGRAMME 2:

ECONOMIC POLICY, TAX, FINANCIAL
REGULATION AND RESEARCH - CONTINUED

for the year ended 31 March 2016

Economic classification	2015/16							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
Communication (G&S)	103	17	(7)	113	113	-	100.0%	72	72
Computer services	10	1	(1)	10	10	-	100.0%	77	76
Contractors	7	10	-	17	9	8	52.9%	-	-
Entertainment	16	(5)	-	11	4	7	36.4%	14	4
Consumable supplies	57	(28)	(15)	14	-	14	-	15	-
Consumable: Stationery printing and office supplies	41	(1)	(32)	8	8	-	100.0%	9	6
Operating leases	75	21	-	96	84	12	87.5%	75	72
Travel and subsistence	1 198	9	(303)	904	900	4	99.6%	1 309	1 291
Training and development	163	(11)	(69)	83	64	19	77.1%	211	209
Operating payments	4 509	(144)	(587)	3 778	3 773	5	99.9%	3 724	3 722
Venues and facilities	41	(4)	(26)	11	14	(3)	127.3%	-	-
Transfers and subsidies	3	9	-	12	11	1	91.7%	23	22
Households	3	9	-	12	11	1	91.7%	23	22
Social benefits	3	9	-	12	11	1	91.7%	23	22
Payments for capital assets	197	-	-	197	29	168	14.7%	292	215
Machinery and equipment	197	-	-	197	29	168	14.7%	292	215
Other machinery and equipment	197	-	-	197	29	168	14.7%	292	215
Payment of financial assets	-	-	-	-	3	(3)	-	-	-
Total	28 909	(1 014)	(1 123)	26 772	26 537	235	99.1%	28 767	25 731



APPROPRIATION STATEMENT - PROGRAMME 2:

ECONOMIC POLICY, TAX, FINANCIAL REGULATION AND RESEARCH – CONTINUED

for the year ended 31 March 2016

SUB-PROGRAMME: 2.6: COOPERATIVE BANKING DEVELOPMENT AGENCY									
Economic classification	2015/16						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
Transfers and subsidies	17 341	-	-	17 341	17 341	-	100.0%	16 838	16 838
<i>Departmental agencies and accounts</i>	17 341	-	-	17 341	17 341	-	100.0%	16 838	16 838
Departmental agencies (non-business entities)	17 341	-	-	17 341	17 341	-	100.0%	16 838	16 838
Total	17 341	-	-	17 341	17 341	-	100.0%	16 838	16 838

APPROPRIATION STATEMENT - PROGRAMME 3:

PUBLIC FINANCE AND BUDGET MANAGEMENT



for the year ended 31 March 2016

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT PER SUB PROGRAMME									
	2015/16					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
1. Programme Management for Public Finance and Budget Management	18 403	48	(390)	18 061	17 884	177	99,0%	23 087	20 615
2. Public Finance	60 961	(71)	(1 317)	59 573	59 168	405	99,3%	54 770	52 330
3. Budget Office and Coordination	58 751	(1 387)	(1 315)	56 049	55 365	684	98,8%	58 132	53 225
4. Intergovernmental Relations	86 833	1 410	5 807	94 050	89 004	5 046	94,6%	78 600	73 813
5. Financial and Fiscal Commission	41 156	-	-	41 156	41 156	-	100,0%	45 288	45 288
Total	266 104	-	2 785	268 889	262 577	6 312	97,7%	259 877	245 271

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT PER ECONOMIC CLASSIFICATION									
	2015/16					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
Current payments	222 420	(659)	2 785	224 546	218 731	5 815	97,4%	212 750	198 419
Compensation of employees	193 373	(184)	(715)	192 474	192 344	130	99,9%	180 817	175 122
Salaries and wages	174 404	22	(638)	173 788	173 676	112	99,9%	163 259	158 549
Social contributions	18 969	(206)	(77)	18 686	18 668	18	99,9%	17 558	16 573
Goods and services	29 047	(475)	3 500	32 072	26 387	5 685	82,3%	31 933	23 297
Administrative fees	545	142	(96)	591	559	32	94,6%	589	417
Advertising	487	(38)	(73)	376	258	118	68,6%	530	277
Minor assets	104	51	(51)	104	38	66	36,5%	178	37
Bursaries: Employees	934	(2)	(73)	859	835	24	97,2%	1 059	689

APPROPRIATION STATEMENT - PROGRAMME 3:

PUBLIC FINANCE AND BUDGET MANAGEMENT - CONTINUED

for the year ended 31 March 2016

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT PER ECONOMIC CLASSIFICATION - CONTINUED												
	2015/16							2014/15				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Final Appropriation	Actual Expenditure	R'000	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000	
Catering: Departmental activities	473	(124)	-	349	309	40	88.5%	460	460	374	374	
Communication (G&S)	920	62	(56)	926	896	30	96.8%	771	771	643	643	
Computer services	876	699	(16)	1 559	1 554	5	99.7%	1 241	1 241	1 002	1 002	
Consultants: Business and advisory services	5 221	(749)	6 007	10 479	6 821	3 658	65.1%	6 737	6 737	4 407	4 407	
Contractors	17	10	-	27	4	23	14.8%	48	48	10	10	
Agency and support / outsourced services	-	1	-	1	-	1	-	132	132	95	95	
Entertainment	103	(44)	-	59	27	32	45.8%	96	96	40	40	
Fleet services (including government motor transport)	1	7	-	8	6	2	75.0%	7	7	2	2	
Consumable supplies	449	(25)	(29)	395	340	55	86.1%	410	410	328	328	
Consumable: Stationery printing and office supplies	6 665	(542)	(200)	5 923	5 701	222	96.3%	7 369	7 369	5 828	5 828	
Operating leases	785	50	(110)	725	629	96	86.8%	734	734	589	589	
Travel and subsistence	9 654	172	(1 219)	8 607	7 848	759	91.2%	10 128	10 128	7 867	7 867	
Training and development	1 190	(18)	(541)	631	243	388	38.5%	832	832	389	389	
Operating payments	230	34	(3)	261	152	109	58.2%	115	115	39	39	
Venues and facilities	393	(161)	(40)	192	167	25	87.0%	497	497	264	264	
Transfers and subsidies	42 025	659	-	42 684	42 676	8	100.0%	45 481	45 481	45 473	45 473	
<i>Departmental agencies and accounts</i>	41 156	-	-	41 156	41 156	-	100.0%	45 288	45 288	45 288	45 288	
Departmental agencies (non-business entities)	41 156	-	-	41 156	41 156	-	100.0%	45 288	45 288	45 288	45 288	

APPROPRIATION STATEMENT - PROGRAMME 3:

PUBLIC FINANCE AND BUDGET
MANAGEMENT - CONTINUED

for the year ended 31 March 2016

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT PER ECONOMIC CLASSIFICATION - CONTINUED											
	2015/16						2014/15				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure	Final Expenditure	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000
<i>Households</i>	869	659	-	1 528	1 520	8	99.5%	1 93	1 93	185	185
Social benefits	869	659	-	1 528	1 520	8	99.5%	1 93	1 93	185	185
Payments for capital assets	1 659	-	-	1 659	1 096	563	66.1%	1 646	1 646	1 338	1 338
<i>Machinery and equipment</i>	1 659	-	-	1 659	1 096	563	66.1%	1 646	1 646	1 338	1 338
Other machinery and equipment	1 659	-	-	1 659	1 096	563	66.1%	1 646	1 646	1 338	1 338
Payment for financial assets	-	-	-	-	74	(74)	-	-	-	42	42
Total	266 104	-	2 785	268 889	262 577	6 312	97.7%	259 877	259 877	245 271	245 271

SUB-PROGRAMME 3.1: PROGRAMME MANAGEMENT FOR PUBLIC FINANCE AND BUDGET MANAGEMENT											
	2015/16						2014/15				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure	Final Expenditure	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000
<i>Current payments</i>	18 350	(30)	(390)	17 930	17 754	176	99.0%	23 051	23 051	20 546	20 546
<i>Compensation of employees</i>	10 509	(30)	(10)	10 469	10 465	4	100.0%	13 454	13 454	13 105	13 105
Salaries and wages	9 457	164	(9)	9 612	9 609	3	100.0%	12 393	12 393	12 218	12 218
Social contributions	1 052	(194)	(1)	857	856	1	99.9%	1 061	1 061	887	887
<i>Goods and services</i>	7 841	-	(380)	7 461	7 289	172	97.7%	9 597	9 597	7 441	7 441
Administrative fees	57	12	(9)	60	58	2	96.7%	69	69	49	49
Advertising	44	42	-	86	42	44	48.8%	84	84	55	55
Minor assets	6	-	-	6	-	6	-	31	31	4	4
Bursaries: Employees	15	(15)	-	-	-	-	-	55	55	-	-
Catering: Departmental activities	121	-	-	121	92	29	76.0%	102	102	93	93

APPROPRIATION STATEMENT - PROGRAMME 3:

PUBLIC FINANCE AND BUDGET MANAGEMENT - CONTINUED

for the year ended 31 March 2016

Economic classification	2015/16							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	R'000	R'000
Communication (G&S)	98	22	(20)	100	97	3	97.0%	78	56	56
Computer services	-	-	-	-	-	-	-	16	13	13
Consultants: Business and advisory services	640	10	(15)	635	633	2	99.7%	1 099	958	958
Contractors	-	2	-	2	1	1	50.0%	5	2	2
Entertainment	9	(2)	-	7	4	3	57.1%	9	7	7
Fleet services (including government motor transport)	-	1	-	1	-	1	-	3	2	2
Consumable supplies	93	14	-	107	85	22	79.4%	56	42	42
Consumable: Stationery printing and office supplies	5 179	(132)	(126)	4 921	4 915	6	99.9%	5 982	4 655	4 655
Operating leases	145	38	-	183	165	18	90.2%	116	99	99
Travel and subsistence	1 191	132	(210)	1 113	1 104	9	99.2%	1 675	1 246	1 246
Training and development	43	(10)	-	33	9	24	27.3%	48	7	7
Operating payments	-	1	-	1	-	1	-	3	-	-
Venues and facilities	200	(115)	-	85	84	1	98.8%	166	153	153
Transfers and subsidies	-	30	-	30	29	1	96.7%	-	-	-
<i>Households</i>	-	<i>30</i>	-	<i>30</i>	<i>29</i>	<i>1</i>	<i>96.7%</i>	-	-	-
Social benefits	-	30	-	30	29	1	96.7%	-	-	-
Payments for capital assets	53	48	-	101	98	3	97.0%	36	28	28
<i>Machinery and equipment</i>	<i>53</i>	<i>48</i>	-	<i>101</i>	<i>98</i>	<i>3</i>	<i>97.0%</i>	<i>36</i>	<i>28</i>	<i>28</i>
Other machinery and equipment	53	48	-	101	98	3	97.0%	36	28	28
Payment for financial assets	-	-	-	-	3	(3)	-	-	41	41
Total	18 403	48	(390)	18 061	17 884	177	99.0%	23 087	20 615	20 615

APPROPRIATION STATEMENT - PROGRAMME 3:

PUBLIC FINANCE AND BUDGET MANAGEMENT - CONTINUED



for the year ended 31 March 2016

SUB-PROGRAMME: 3.2: PUBLIC FINANCE	2015/16							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	59 794	(631)	(1 317)	57 846	57 527	319	99.4%	54 218	51 817
<i>Compensation of employees</i>	56 091	(156)	(597)	55 338	55 328	10	100.0%	50 720	49 488
Salaries and wages	50 383	(110)	(586)	49 687	49 680	7	100.0%	45 544	44 492
Social contributions	5 708	(46)	(11)	5 651	5 648	3	99.9%	5 176	4 996
Goods and services	3 703	(475)	(720)	2 508	2 199	309	87.7%	3 498	2 329
Administrative fees	68	32	(48)	52	43	9	82.7%	113	81
Advertising	137	(46)	(28)	63	57	6	90.5%	98	73
Minor assets	36	12	(15)	33	9	24	27.3%	30	8
Bursaries: Employees	450	33	(22)	461	450	11	97.6%	351	261
Catering: Departmental activities	59	(39)		20	48	(28)	240.0%	71	46
Communication (G&S)	196	39	(17)	218	208	10	95.4%	188	167
Computer services	-	-		-	-	-	-	5	4
Consultants: Business and advisory services	842	(521)	(216)	105	104	1	99.0%	554	241
Contractors	4	8	-	12	3	9	25.0%	1	-
Agency and support / outsourced services		1	-	1	-	1	-	132	95
Entertainment	29	(10)	-	19	6	13	31.6%	27	9
Fleet services (including government motor transport)	-	-	-	-	-	-	-	3	-
Consumable supplies	66	(19)	(2)	45	34	11	75.6%	41	27
Consumable: Stationery printing and office supplies	142	(1)	(10)	131	103	28	78.6%	142	97
Operating leases	173	16		189	156	33	82.5%	202	174

APPROPRIATION STATEMENT - PROGRAMME 3:

PUBLIC FINANCE AND BUDGET MANAGEMENT - CONTINUED

for the year ended 31 March 2016

SUB-PROGRAMME: 3.2: PUBLIC FINANCE	2015/16							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	R'000	R'000
Travel and subsistence	1 201	130	(350)	981	873	108	89,0%	1 240	880	880
Training and development	208	(94)	-	114	57	57	50,0%	188	112	112
Operating payments	-	-	-	-	-	-	-	26	25	25
Venues and facilities	92	(16)	(12)	64	48	16	75,0%	86	29	29
Transfers and subsidies	791	572	-	1 363	1 360	3	99,8%	51	46	46
<i>Households</i>	<i>791</i>	<i>572</i>	<i>-</i>	<i>1 363</i>	<i>1 360</i>	<i>3</i>	<i>99,8%</i>	<i>51</i>	<i>46</i>	<i>46</i>
Social benefits	791	572	-	1 363	1 360	3	99,8%	51	46	46
Payments for capital assets	376	(12)	-	364	233	131	64,0%	501	467	467
<i>Machinery and equipment</i>	<i>376</i>	<i>(12)</i>	<i>-</i>	<i>364</i>	<i>233</i>	<i>131</i>	<i>64,0%</i>	<i>501</i>	<i>467</i>	<i>467</i>
Other machinery and equipment	376	(12)	-	364	233	131	64,0%	501	467	467
Payments for financial assets	-	-	-	-	48	(48)	-	-	-	-
Total	60 961	(71)	(1 317)	59 573	59 168	405	99,3%	54 770	52 330	52 330

SUB-PROGRAMME: 3.3: BUDGET OFFICE AND COORDINATION	2015/16							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	R'000	R'000
Current payments	58 118	(1 395)	(1 315)	55 408	55 016	392	99,3%	57 616	52 942	52 942
<i>Compensation of employees</i>	<i>53 315</i>	<i>(1 394)</i>	<i>(45)</i>	<i>51 876</i>	<i>51 771</i>	<i>105</i>	<i>99,8%</i>	<i>52 420</i>	<i>49 732</i>	<i>49 732</i>
Salaries and wages	47 758	(1 305)	(26)	46 427	46 330	97	99,8%	46 965	44 694	44 694
Social contributions	5 557	(89)	(19)	5 449	5 441	8	99,9%	5 455	5 038	5 038

APPROPRIATION STATEMENT - PROGRAMME 3:

PUBLIC FINANCE AND BUDGET
MANAGEMENT - CONTINUED

for the year ended 31 March 2016

Economic classification	2015/16							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
Goods and services	4 803	(1)	(1 270)	3 532	3 245	287	91.9%	5 196	3 210
Administrative fees	81	47	(18)	110	106	4	96.4%	73	47
Advertising	89	(15)	(45)	29	47	(18)	162.1%	165	64
Minor assets	42	17	(26)	33	14	19	42.4%	67	17
Bursaries: Employees	195	(10)	(47)	138	136	2	98.6%	287	167
Catering: Departmental activities	30	-	-	30	9	21	30.0%	51	18
Communication (G&S)	173	(11)	(7)	155	147	8	94.8%	182	156
Computer services	1	-	-	1	1	-	100.0%	112	98
Consultants: Business and advisory services	2 069	(178)	(762)	1 129	1 110	19	98.3%	2 003	1 153
Contractors	2	-	-	2	-	2	-	24	-
Entertainment	20	(17)	-	3	5	(2)	166.7%	24	8
Fleet services (including government motor transport)	1	-	-	1	-	1	-	1	-
Consumable supplies	41	(29)	(7)	5	10	(5)	200.0%	43	30
Consumable: Stationery printing and office supplies	153	(37)	(47)	69	62	7	89.9%	153	78
Operating leases	192	(4)	-	188	145	43	77.1%	200	137
Travel and subsistence	1 410	173	(283)	1 300	1 287	13	99.0%	1 517	1 148
Training and development	188	(5)	(25)	158	73	85	46.2%	266	89
Operating payments	103	68	(3)	168	88	80	52.4%	5	-
Venues and facilities	13	-	-	13	5	8	38.5%	23	-
Transfers and subsidies	52	44	-	96	94	2	97.9%	70	68
Households	52	44	-	96	94	2	97.9%	70	68
Social benefits	52	44	-	96	94	2	97.9%	70	68

APPROPRIATION STATEMENT - PROGRAMME 3:

PUBLIC FINANCE AND BUDGET MANAGEMENT - CONTINUED

for the year ended 31 March 2016

Economic classification	2015/16							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	R'000	R'000
Payments for capital assets	581	(36)	-	545	254	291	46.6%	446	446	215
<i>Machinery and equipment</i>	581	(36)	-	545	254	291	46.6%	446	446	215
Other machinery and equipment	581	(36)	-	545	254	291	46.6%	446	446	215
Payments for financial assets				-	1	(1)	-			
Total	58 751	(1 387)	(1 315)	56 049	55 365	684	98.8%	58 132	58 132	53 225

Economic classification	2015/16							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	R'000	R'000
Current payments	86 158	1 397	5 807	93 362	88 434	4 928	94.7%	77 865	77 865	73 113
<i>Compensation of employees</i>	73 458	1 396	(63)	74 791	74 780	11	100.0%	64 223	64 223	62 797
Salaries and wages	66 806	1 273	(17)	68 062	68 057	5	100.0%	58 357	58 357	57 145
Social contributions	6 652	123	(46)	6 729	6 723	6	99.9%	5 866	5 866	5 652
Goods and services	12 700	1	5 870	18 571	13 654	4 917	73.5%	13 642	13 642	10 316
Administrative fees	339	51	(21)	369	352	17	95.4%	334	334	239
Advertising	217	(19)	-	198	112	86	56.6%	183	183	84
Minor assets	20	22	(10)	32	15	17	46.9%	50	50	9
Bursaries: Employees	274	(10)	(4)	260	249	11	95.8%	366	366	261
Catering: Departmental activities	263	(85)	-	178	160	18	89.9%	236	236	218
Communication (G&S)	453	12	(12)	453	444	9	98.0%	323	323	265

APPROPRIATION STATEMENT - PROGRAMME 3:

PUBLIC FINANCE AND BUDGET
MANAGEMENT – CONTINUED

for the year ended 31 March 2016

Economic classification	2015/16							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
Computer services	875	699	(16)	1 558	1 553	5	99.7%	1 108	887
Consultants: Business and advisory services	1 670	(60)	7 000	8 610	4 974	3 636	57.8%	3 081	2 055
Contractors	11	-	-	11	-	11	-	18	8
Entertainment	45	(15)	-	30	12	18	40.0%	36	16
Fleet services (including government motor transport)	-	6	-	6	6	-	100.0%	-	-
Consumable supplies	249	9	(20)	238	211	27	88.7%	270	229
Consumable: Stationery printing and office supplies	1 191	(372)	(17)	802	621	181	77.4%	1 092	998
Operating leases	275	-	(110)	165	163	2	98.8%	216	178
Travel and subsistence	5 852	(263)	(376)	5 213	4 584	629	87.9%	5 696	4 593
Training and development	751	91	(516)	326	104	222	31.9%	330	180
Operating payments	127	(35)	-	92	64	28	69.6%	81	14
Venues and facilities	88	(30)	(28)	30	30	-	100.0%	222	82
Transfers and subsidies	26	13	-	39	37	2	94.9%	72	71
Households	26	13	-	39	37	2	94.9%	72	71
Social benefits	26	13	-	39	37	2	94.9%	72	71
Payments for capital assets	649	-	-	649	511	138	78.7%	663	628
Machinery and equipment	649	-	-	649	511	138	78.7%	663	628
Other machinery and equipment	649	-	-	649	511	138	78.7%	663	628
Payment for financial assets	-	-	-	-	22	(22)	-	-	1
Total	86 833	1 410	5 807	94 050	89 004	5 046	94.6%	78 600	73 813

APPROPRIATION STATEMENT - PROGRAMME 3:

PUBLIC FINANCE AND BUDGET
MANAGEMENT – CONTINUED

for the year ended 31 March 2016

SUB-PROGRAMME: 3.5: FINANCIAL AND FISCAL COMMISSION	2015/16							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
Transfers and subsidies	41 156	-	-	41 156	41 156	-	100.0%	45 288	45 288
Departmental agencies and accounts	41 156	-	-	41 156	41 156	-	100.0%	45 288	45 288
Departmental agencies (non-business entities)	41 156	-	-	41 156	41 156	-	100.0%	45 288	45 288
Total	41 156	-	-	41 156	41 156	-	100.0%	45 288	45 288

APPROPRIATION STATEMENT - PROGRAMME 3:

**ASSET AND LIABILITY
MANAGEMENT**

for the year ended 31 March 2016

PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT PER SUB PROGRAMME									
	2015/16						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
1.	11 617	(1 666)	(270)	9 681	9 188	493	94.9%	12 086	11 951
2.	30 149	540	214	30 903	30 818	85	99.7%	29 476	29 171
3.	19 649	63	(150)	19 562	19 446	116	99.4%	19 425	19 286
4.	19 765	1 112	285	21 162	21 035	127	99.4%	20 472	20 031
5.	9 697	(49)	202	9 850	9 794	56	99.4%	9 913	8 964
6.	3 174 013	-	-	3 174 013	3 174 013	-	100.0%	3 252 000	3 000 000
Total	3 264 890	-	281	3 265 171	3 264 294	877	100.0%	3 343 372	3 089 403

PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT PER ECONOMIC CLASSIFICATION									
	2015/16						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
Current payments	89 433	(70)	281	89 644	89 147	497	99.4%	90 868	88 909
Compensation of employees	71 385	(69)	781	72 097	72 088	9	100.0%	70 477	69 334
Salaries and wages	63 858	(54)	763	64 567	64 560	7	100.0%	62 954	62 014
Social contributions	7 527	(15)	18	7 530	7 528	2	100.0%	7 523	7 320
Goods and services	18 048	(1)	(500)	17 547	17 059	488	97.2%	20 391	19 575
Administrative fees	58	17	-	75	64	11	85.3%	306	302
Advertising	160	4	-	164	161	3	98.2%	87	62
Minor assets	25	5	-	30	15	15	50.0%	32	1

APPROPRIATION STATEMENT - PROGRAMME 4:

ASSET AND LIABILITY MANAGEMENT - CONTINUED

for the year ended 31 March 2016

PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT PER ECONOMIC CLASSIFICATION - CONTINUED												
	2015/16							2014/15				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Final Expenditure	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	R'000
Audit costs: External	700	(189)	-	511	510	1	99.8%	547	547	546	547	546
Bursaries: Employees	655	102	(122)	635	598	37	94.2%	629	629	569	629	569
Catering: Departmental activities	76	(40)	-	36	30	6	83.3%	101	101	44	101	44
Communication (G&S)	301	(86)	(9)	206	194	12	94.2%	226	226	218	226	218
Computer services	8 748	1 031	(188)	9 591	9 484	107	98.9%	9 993	9 993	9 598	9 993	9 598
Consultants: Business and advisory services	2 919	(759)	(8)	2 152	2 151	1	100.0%	4 922	4 922	4 922	4 922	4 922
Contractors	2	5	-	7	1	6	14.3%	22	22	7	22	7
Entertainment	14	(3)	-	11	7	4	63.6%	27	27	9	27	9
Fleet services (including government motor transport)	11	5	-	16	2	14	12.5%	23	23	21	23	21
Consumable supplies	10	13	-	23	19	4	82.6%	8	8	8	8	8
Consumable: Stationery printing and office supplies	537	47	(20)	564	518	46	91.8%	484	484	468	484	468
Operating leases	361	(4)	(24)	333	299	34	89.8%	347	347	298	347	298
Travel and subsistence	2 535	(180)	(66)	2 289	2 309	(20)	100.9%	1 797	1 797	1 685	1 797	1 685
Training and development	642	(136)	(49)	457	362	95	79.2%	443	443	424	443	424
Operating payments	40	14	(14)	40	40	-	100.0%	32	32	28	32	28
Venues and facilities	254	159	-	413	283	130	68.5%	365	365	365	365	365
Transfers and subsidies	834	70	-	904	902	2	99.8%	230	230	227	230	227
<i>Households</i>	<i>834</i>	<i>70</i>	-	<i>904</i>	<i>902</i>	<i>2</i>	<i>99.8%</i>	<i>230</i>	<i>230</i>	<i>227</i>	<i>230</i>	<i>227</i>
Social benefits	834	70	-	904	902	2	99.8%	230	230	227	230	227
Payments for capital assets	610	-	-	610	231	379	37.9%	274	274	263	274	263
<i>Machinery and equipment</i>	<i>610</i>	-	-	<i>610</i>	<i>231</i>	<i>379</i>	<i>37.9%</i>	<i>274</i>	<i>274</i>	<i>263</i>	<i>274</i>	<i>263</i>

APPROPRIATION STATEMENT - PROGRAMME 4:

ASSET AND LIABILITY
MANAGEMENT - CONTINUED

for the year ended 31 March 2016

PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT PER ECONOMIC CLASSIFICATION - CONTINUED									
	2015/16					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
	610	-	-	610	231	379	37.9%	274	263
Other machinery and equipment									
Payment for financial assets	3 174 013	-	-	3 174 013	3 174 014	(1)	100.0%	3 252 000	3 000 004
Total	3 264 890	-	281	3 265 171	3 264 294	877	100.0%	3 343 372	3 089 403

SUB-PROGRAMME 4.1: PROGRAMME MANAGEMENT FOR ASSET AND LIABILITY MANAGEMENT									
Economic classification	2015/16					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
Current payments	11 007	(1 611)	(270)	9 126	8 990	136	98.5%	11 658	11 532
Compensation of employees	3 068	(338)	-	2 730	2 725	5	99.8%	2 358	2 327
Salaries and wages	2 754	(302)	-	2 452	2 449	3	99.9%	2 075	2 074
Social contributions	314	(36)	-	278	276	2	99.3%	283	253
Goods and services	7 939	(1 273)	(270)	6 396	6 265	131	98.0%	9 300	9 205
Administrative fees	15	7	-	22	18	4	81.8%	199	197
Advertising	160	4	-	164	161	3	98.2%	87	63
Minor assets	8	13	-	21	10	11	47.6%	1	-
Bursaries: Employees	80	(80)	-	-	-	-	-	61	61
Catering: Departmental activities	60	(30)	-	30	26	4	86.7%	72	39
Communication (G&S)	89	(39)	(9)	41	36	5	87.8%	19	19
Computer services	2 909	(480)	(188)	2 241	2 239	2	99.9%	2 880	2 876
Consultants: Business and advisory services	2 919	(759)	(8)	2 152	2 151	1	100.0%	4 922	4 922

APPROPRIATION STATEMENT - PROGRAMME 4:

ASSET AND LIABILITY MANAGEMENT - CONTINUED

for the year ended 31 March 2016

Economic classification	2015/16							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
Contractors	2	5	-	7	1	6	14.3%	12	6
Entertainment	3	(3)	-	-	3	(3)	-	3	-
Fleet services (including government motor transport)	7	-	-	7	6	1	85.7%	11	11
Consumable supplies	10	13	-	23	19	4	82.6%	8	8
Consumable: Stationery printing and office supplies	537	47	(20)	564	518	46	91.8%	484	468
Operating leases	34	-	(24)	10	10	-	100.0%	2	2
Travel and subsistence	739	(111)	-	628	744	(116)	118.5%	102	100
Training and development	73	(33)	(7)	33	-	33	-	40	40
Operating payments	40	14	(14)	40	40	-	100.0%	32	28
Venues and facilities	254	159	-	413	283	130	68.5%	365	365
Transfers and subsidies	-	28	-	28	28	-	100.0%	154	152
Households	-	28	-	28	28	-	100.0%	154	152
Social benefits	-	28	-	28	28	-	100.0%	154	152
Payments for capital assets	610	(83)	-	527	170	357	32.3%	274	263
Machinery and equipment	610	(83)	-	527	170	357	32.3%	274	263
Other machinery and equipment	610	(83)	-	527	170	357	32.3%	274	263
Payment for financial assets	-	-	-	-	-	-	-	-	4
Total	11 617	(1 666)	(270)	9 681	9 188	493	94.9%	12 086	11 951

APPROPRIATION STATEMENT - PROGRAMME 4:

ASSET AND LIABILITY
MANAGEMENT - CONTINUED

for the year ended 31 March 2016

SUB-PROGRAMME: 4.2: STATE OWNED ENTITY FINANCIAL MANAGEMENT AND GOVERNANCE	2015/16							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	30 145	460	214	30 819	30 735	84	99.7%	29 441	29 136
<i>Compensation of employees</i>	28 764	270	294	29 328	29 327	1	100.0%	28 138	27 954
Salaries and wages	25 844	291	294	26 429	26 428	1	100.0%	25 274	25 114
Social contributions	2 920	(21)	-	2 899	2 899	-	100.0%	2 864	2 840
Goods and services	1 381	190	(80)	1 491	1 408	83	94.4%	1 303	1 182
Administrative fees	19	4	-	23	18	5	78.3%	14	13
Minor assets	7	(6)	-	1	-	1	-	11	-
Bursaries: Employees	352	182	(80)	454	428	26	94.3%	403	368
Catering: Departmental activities	6	(6)	-	-	-	-	-	12	1
Communication (G&S)	100	(26)	-	74	73	1	98.6%	104	99
Entertainment	7	-	-	7	4	3	57.1%	11	6
Fleet services (including government motor transport)	-	-	-	-	-	-	-	11	10
Operating leases	32	16	-	48	47	1	97.9%	23	18
Travel and subsistence	591	53	-	644	614	30	95.3%	528	497
Training and development	267	(27)	-	240	224	16	93.3%	186	170
Transfers and subsidies	4	40	-	44	43	1	97.7%	35	35
<i>Households</i>	4	40	-	44	43	1	97.7%	35	35
Social benefits	4	40	-	44	43	1	97.7%	35	35
Payments for capital assets	-	40	-	40	40	-	100.0%	-	-
<i>Machinery and equipment</i>	-	40	-	40	40	-	100.0%	-	-
Other machinery and equipment	-	40	-	40	40	-	100.0%	-	-
Total	30 149	540	214	30 903	30 818	85	99.7%	29 476	29 171

APPROPRIATION STATEMENT - PROGRAMME 4:

ASSET AND LIABILITY MANAGEMENT - CONTINUED

for the year ended 31 March 2016

Economic classification	SUB-PROGRAMME: 4.3: GOVERNMENT DEBT MANAGEMENT							2014/15		
	2015/16						Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	R'000				
Current payments	18 828	20	(150)	18 698	18 603	95	99.5%	19 391	19 253	
<i>Compensation of employees</i>	17 482	(1)	-	17 481	17 479	2	100.0%	17 884	17 882	
Salaries and wages	15 425	(22)	-	15 403	15 401	2	100.0%	15 805	15 804	
Social contributions	2 057	21	-	2 078	2 078	-	100.0%	2 079	2 078	
Goods and services	1 346	21	(150)	1 217	1 124	93	92.4%	1 507	1 371	
Administrative fees	12	8	-	20	19	1	95.0%	17	17	
Advertising	-	-	-	-	-	-	-	1	-	
Minor assets	4	1	-	5	5	-	100.0%	10	-	
Bursaries: Employees	93	52	(42)	103	103	-	100.0%	67	63	
Catering: Departmental activities	5	(2)	-	3	4	(1)	133.3%	5	4	
Communication (G&S)	42	(8)	-	34	30	4	88.2%	54	53	
Contractors	-	-	-	-	-	-	-	8	-	
Entertainment	-	-	-	-	-	-	-	5	2	
Fleet services (including government motor transport)	4	5	-	9	8	1	88.9%	1	-	
Operating leases	255	-	-	255	222	33	87.1%	280	244	
Travel and subsistence	760	7	(66)	701	671	30	95.7%	874	803	
Training and development	171	(42)	(42)	87	62	25	71.3%	185	185	
Transfers and subsidies	821	1	-	822	821	1	99.9%	34	33	
Households	821	1	-	822	821	1	99.9%	34	33	

APPROPRIATION STATEMENT - PROGRAMME 4:
ASSET AND LIABILITY
MANAGEMENT - CONTINUED

for the year ended 31 March 2016

SUB-PROGRAMME: 4.3: GOVERNMENT DEBT MANAGEMENT - CONTINUED	2015/16							2014/15		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Economic classification										
Social benefits	821	1	-	822	821	1	99.9%	34	33	33
Payments for capital assets	-	42	-	42	21	21	50.0%	-	-	-
<i>Machinery and equipment</i>	-	42	-	42	21	21	50.0%	-	-	-
Other machinery and equipment	-	42	-	42	21	21	50.0%	-	-	-
Payment for financial assets	-	-	-	-	1	(1)	-	-	-	-
Total	19 649	63	(150)	19 562	19 446	116	99.4%	19 425	19 286	19 286

SUB-PROGRAMME: 4.4: FINANCIAL OPERATIONS	2015/16							2014/15		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Economic classification										
Current payments	19 756	1 111	285	21 152	21 025	127	99.4%	20 472	20 031	20 031
<i>Compensation of employees</i>	12 806	-	285	13 091	13 091	-	100.0%	12 607	12 601	12 601
Salaries and wages	11 531	-	267	11 798	11 798	-	100.0%	11 336	11 330	11 330
Social contributions	1 275	-	18	1 293	1 293	-	100.0%	1 271	1 271	1 271
<i>Goods and services</i>	6 950	1 111	-	8 061	7 934	127	98.4%	7 865	7 430	7 430
Administrative fees	7	(3)	-	4	4	-	100.0%	4	4	4
Minor assets	3	(3)	-	-	-	-	-	5	-	-
Audit costs: External	700	(189)	-	511	510	1	99.8%	547	546	546
Bursaries: Employees	30	(30)	-	-	-	-	-	21	-	-
Catering: Departmental activities	-	-	-	-	-	-	-	6	-	-

APPROPRIATION STATEMENT - PROGRAMME 4:
ASSET AND LIABILITY MANAGEMENT - CONTINUED

for the year ended 31 March 2016

Economic classification	2015/16							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	R'000	R'000
Communication (G&S)	40	(13)	-	27	26	1	96.3%	23	21	21
Computer services	5 839	1 511	-	7 350	7 245	105	98.6%	7 113	6 722	6 722
Contractors	-	-	-	-	-	-	-	1	1	1
Entertainment	3	-	-	3	-	3	-	4	1	1
Travel and subsistence	228	(108)	-	120	115	5	95.8%	115	111	111
Training and development	100	(54)	-	46	34	12	73.9%	26	24	24
Transfers and subsidies	9	1	-	10	10	-	100.0%	-	-	-
Households	9	1	-	10	10	-	100.0%	-	-	-
Social benefits	9	1	-	10	10	-	100.0%	-	-	-
Total	19 765	1 112	285	21 162	21 035	127	99.4%	20 472	20 031	20 031

Economic classification	2015/16							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	R'000	R'000
Current payments	9 697	(50)	202	9 849	9 794	55	99.4%	9 906	8 957	8 957
Compensation of employees	9 265	-	202	9 467	9 466	1	100.0%	9 490	8 570	8 570
Salaries and wages	8 304	(21)	202	8 485	8 484	1	100.0%	8 464	7 691	7 691
Social contributions	961	21	-	982	982	-	100.0%	1 026	879	879
Goods and services	432	(50)	-	382	328	54	85.9%	416	387	387
Administrative fees	5	1	-	6	5	1	83.3%	72	71	71

APPROPRIATION STATEMENT - PROGRAMME 4:
ASSET AND LIABILITY
MANAGEMENT – CONTINUED

for the year ended 31 March 2016

Economic classification	2015/16							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	R'000
Minor assets	3	-	-	3	3	3	-	5	1	
Bursaries: Employees	100	(28)	-	72	67	5	93.1%	77	77	
Catering: Departmental activities	5	(2)	-	3	20	3	-	6	0	
Communication (G&S)	30	-	-	30	29	1	96.7%	26	25	
Contractors	-	-	-	-	-	-	-	1	0	
Entertainment	1	-	-	1	-	1	-	4	-	
Operating leases	40	(20)	-	20	20	-	100.0%	42	35	
Travel and subsistence	217	(21)	-	196	165	31	84.2%	178	173	
Training and development	31	20	-	51	42	9	82.4%	5	5	
Transfers and subsidies	-	-	-	-	-	-	-	7	7	
Households	-	-	-	-	-	-	-	7	7	
Social benefits	-	-	-	-	-	-	-	7	7	
Payments for capital assets	-	1	-	1	-	1	-	-	-	
Machinery and equipment	-	1	-	1	-	1	-	-	-	
Other machinery and equipment	-	1	-	1	-	1	-	-	-	
Total	9 697	(49)	202	9 850	9 794	56	99.4%	9 913	8 964	

Economic classification	2015/16							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	R'000
Payment for financial assets	3 174 013	-	-	3 174 013	3 174 013	-	100.0%	3 252 000	3 000 000	
Total	3 174 013	-	-	3 174 013	3 174 013	-	100.0%	3 252 000	3 000 000	

APPROPRIATION STATEMENT - PROGRAMME 3:

FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS

for the year ended 31 March 2016

PROGRAMME 5: FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS PER SUB PROGRAMME											
	2015/16						2014/15				
	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
1.	48 722	(2 290)	(19 752)	26 680	24 727	1 953	92.7%	17 424	15 158	17 424	15 158
2.	51 789	3 001	2 282	57 072	55 277	1 795	96.9%	42 328	38 635	42 328	38 635
3.	445 472	1 168	(3 579)	443 061	441 042	2 019	99.5%	413 843	412 147	413 843	412 147
4.	85 070	(923)	(765)	83 382	82 987	395	99.5%	88 096	86 385	88 096	86 385
5.	133 938	(956)	(1 523)	131 459	128 484	2 975	97.7%	146 789	117 812	146 789	117 812
6.	41 856	-	-	41 856	41 856	-	100.0%	61 258	61 257	61 258	61 257
7.	243	-	-	243	121	122	49.8%	297	102	297	102
Total	807 090	-	(23 337)	783 753	774 494	9 259	98.8%	770 035	731 496	770 035	731 496

PROGRAMME 5: FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS PER ECONOMIC CLASSIFICATION											
	2015/16						2014/15				
	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
Current payments	713 886	(210)	(23 337)	690 339	682 887	7 452	98.9%	658 007	619 792	658 007	619 792
Compensation of employees	177 170	(37)	2 415	179 548	179 487	61	100.0%	165 115	158 331	165 115	158 331
Salaries and wages	159 650	179	2 415	162 244	162 192	52	100.0%	149 125	143 353	149 125	143 353

APPROPRIATION STATEMENT - PROGRAMME 5:

FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS - CONTINUED



for the year ended 31 March 2016

	2015/16							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	
Social contributions	17 520	(216)	-	17 304	17 295	9	99.9%	15 990	14 978	
Goods and services	536 716	(173)	(25 752)	510 791	503 400	7 391	98.6%	492 892	461 461	
Administrative fees	876	438	(18)	1 296	982	314	75.8%	1 084	674	
Advertising	750	4 583	(20)	5 313	5 184	129	97.6%	896	511	
Minor assets	363	101	-	464	181	283	39.0%	256	80	
Audit costs: External	6 567	(2 628)	-	3 939	3 892	47	98.8%	6 539	6 523	
Bursaries: Employees	2 037	237	(11)	2 263	2 056	207	90.9%	1 572	1 292	
Catering: Departmental activities	473	(49)	-	424	295	129	69.6%	410	289	
Communication (G&S)	1 184	(30)	(13)	1 141	931	210	81.6%	1 177	944	
Computer services	324 224	18 695	(3 579)	339 340	338 837	503	99.9%	385 400	384 567	
Consultants: Business and advisory services	176 803	(17 568)	(20 445)	138 790	137 433	1 357	99.0%	71 832	49 883	
Legal services	-	-	-	-	-	-	-	1 691	354	
Contractors	234	192	-	426	160	266	37.6%	68	30	
Entertainment	88	3	-	91	28	63	30.8%	76	12	
Fleet services (including government motor transport)	20	36	-	56	54	2	96.4%	8	5	
Consumable supplies	157	(18)	(34)	105	16	89	15.2%	172	36	
Consumable: Stationery printing and office supplies	2 881	(1 232)	(86)	1 563	954	609	61.0%	1 938	1 001	
Operating leases	762	35	-	797	530	267	66.5%	860	573	
Travel and subsistence	10 653	(2 817)	(1 441)	6 395	5 172	1 223	80.9%	10 168	7 221	
Training and development	3 027	(158)	(16)	2 853	1 460	1 393	51.2%	2 719	2 091	
Operating payments	829	124	-	953	861	92	90.3%	865	656	

APPROPRIATION STATEMENT - PROGRAMME 5:

FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS – CONTINUED

for the year ended 31 March 2016

	2015/16							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	R'000	R'000
Venues and facilities	4 788	(117)	(89)	4 582	4 374	208	95.5%	5 161	4 719	4 719
Transfers and subsidies	83 323	210	-	83 533	83 511	22	100.0%	106 509	106 495	106 495
<i>Departmental agencies and accounts</i>	83 129	-	-	83 129	83 129	-	100.0%	106 085	106 084	106 084
Departmental agencies (non-business entities)	83 129	-	-	83 129	83 129	-	100.0%	106 085	106 084	106 084
Households	194	210	-	404	382	22	94.6%	424	411	411
Social benefits	194	210	-	404	382	22	94.6%	424	411	411
Payments for capital assets	9 881	-	-	9 881	8 079	1 802	81.8%	5 519	3 893	3 893
<i>Buildings and other fixed structures</i>	440	-	-	440	-	440	-	356	356	356
Buildings	440	-	-	440	-	440	-	356	356	356
<i>Machinery and equipment</i>	9 441	-	-	9 441	8 079	1 362	85.6%	5 163	3 537	3 537
Other machinery and equipment	9 441	-	-	9 441	8 079	1 362	85.6%	5 163	3 537	3 537
Payment for financial assets	-	-	-	-	17	(17)	-	-	1 316	1 316
Total	807 090	-	(23 337)	783 753	774 494	9 259	98.8%	770 035	731 496	731 496

APPROPRIATION STATEMENT - PROGRAMME 5:

FINANCIAL ACCOUNTING AND SUPPLY
CHAIN MANAGEMENT SYSTEMS - CONTINUED

for the year ended 31 March 2016

SUB-PROGRAMME: 5.1: PROGRAMME MANAGEMENT FOR FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS	2015/16							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	48 561	(2 339)	(19 752)	26 470	24 554	1 916	92.8%	17 182	15 061	
Compensation of employees	7 785	670	-	8 455	8 453	2	100.0%	10 056	9 329	
Salaries and wages	7 122	486	-	7 608	7 607	1	100.0%	9 244	8 590	
Social contributions	663	184	-	847	846	1	99.9%	812	739	
Goods and services	40 776	(3 009)	(19 752)	18 015	16 101	1 914	89.4%	7 126	5 732	
Administrative fees	36	-	-	36	19	17	52.8%	52	29	
Advertising	109	4 449	-	4 558	4 513	45	99.0%	179	136	
Minor assets	16	4	-	20	7	13	35.0%	29	12	
Bursaries: Employees	85	20	-	105	45	60	42.9%	562	521	
Catering: Departmental activities	58	-	-	58	31	27	53.4%	56	44	
Communication (G&S)	75	17	-	92	82	10	89.1%	100	73	
Computer services	1	-	-	1	-	1	-	5	-	
Consultants: Business and advisory services	38 270	(7 671)	(19 752)	10 847	10 239	608	94.4%	2 887	2 459	
Legal services	-	-	-	-	-	-	-	150	113	
Contractors	-	-	-	-	-	-	-	2	2	
Agency and support / outsourced services	-	-	-	-	-	-	-	-	-	
Entertainment	7	(3)	-	4	2	2	50.0%	6	2	
Fleet services (including government motor transport)	-	15	-	15	14	1	93.3%	1	-	
Consumable supplies	11	12	-	23	3	20	13.0%	27	23	
Consumable: Stationery printing and office supplies	87	(32)	-	55	17	38	30.9%	134	22	
Operating leases	160	-	-	160	62	98	38.8%	170	81	
Travel and subsistence	1 072	-	-	1 072	486	586	45.3%	1 311	1 065	

APPROPRIATION STATEMENT - PROGRAMME 5:

FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS – CONTINUED

for the year ended 31 March 2016

SUB-PROGRAMME: 5.1: PROGRAMME MANAGEMENT FOR FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS - CONTINUED	2015/16							2014/15		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure	R'000
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Training and development	110	49	-	159	24	135	15.1%	629	542	542
Operating payments	360	204	-	564	557	7	98.8%	386	355	355
Venues and facilities	319	(73)	-	246	-	246	-	440	253	253
Transfers and subsidies	-	91	-	91	90	1	98.9%	17	16	16
Households	-	91	-	91	90	1	98.9%	17	16	16
Social benefits	-	91	-	91	90	1	98.9%	17	16	16
Payments for capital assets	161	(42)	-	119	83	36	69.7%	225	80	80
Machinery and equipment	161	(42)	-	119	83	36	69.7%	225	80	80
Other machinery and equipment	161	(42)	-	119	83	36	69.7%	225	80	80
Payment for financial assets	-	-	-	-	-	-	-	-	1	1
Total	48 722	(2 290)	(19 752)	26 680	24 727	1 953	92.7%	17 424	15 158	15 158

APPROPRIATION STATEMENT - PROGRAMME 5:

FINANCIAL ACCOUNTING AND SUPPLY
CHAIN MANAGEMENT SYSTEMS – CONTINUED



for the year ended 31 March 2016

SUB-PROGRAMME: 5.2: OFFICE OF THE CHIEF PROCUREMENT OFFICER	2015/16							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
Current payments	50 422	2 927	2 282	55 631	54 285	1 346	97.6%	41 816	36 985
Compensation of employees	41 307	771	2 282	44 360	44 355	5	100.0%	35 431	34 454
Salaries and wages	36 457	877	2 282	39 616	39 613	3	100.0%	31 668	30 811
Social contributions	4 850	(106)	-	4 744	4 742	2	100.0%	3 763	3 643
Goods and services	9 115	2 156	-	11 271	9 930	1 341	88.1%	6 385	2 531
Administrative fees	250	543	-	793	680	113	85.8%	260	182
Advertising	228	131	-	359	318	41	88.6%	294	140
Minor assets	85	22	-	107	59	48	55.1%	58	6
Audit costs: External	-	-	-	-	-	-	-	10	-
Bursaries: Employees	400	(30)	-	370	318	52	85.9%	214	111
Catering: Departmental activities	108	(3)	-	105	96	9	91.4%	83	51
Communication (G&S)	193	14	-	207	181	26	87.4%	238	136
Computer services	2 602	(455)	-	2 147	2 012	135	93.7%	801	377
Consultants: Business and advisory services	1 150	3 394	-	4 544	4 530	14	99.7%	695	232
Legal services	-	-	-	-	-	-	-	1 300	-
Contractors	-	-	-	-	-	-	-	12	11
Entertainment	18	(11)	-	7	10	(3)	142.9%	15	5
Consumable supplies	38	-	-	38	7	31	18.4%	41	-
Consumable: Stationery printing and office supplies	1 411	(1 102)	-	309	182	127	58.9%	300	235
Operating leases	185	7	-	192	111	81	57.8%	213	128
Travel and subsistence	1 977	(420)	-	1 557	1 180	377	75.8%	1 550	724

APPROPRIATION STATEMENT - PROGRAMME 5:

FINANCIAL ACCOUNTING AND SUPPLY
CHAIN MANAGEMENT SYSTEMS - CONTINUED

for the year ended 31 March 2016

SUB-PROGRAMME: 5.2: OFFICE OF THE CHIEF PROCUREMENT OFFICER - CONTINUED	2015/16										2014/15		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Final Expenditure	Actual Expenditure			
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000	R'000	
Training and development	327	(90)	-	237	75	162	31.6%	206	127				
Operating payments	98	34	-	132	97	35	73.5%	92	66				
Venues and facilities	45	122	-	167	74	93	44.3%	3	-				
Transfers and subsidies	125	2	-	127	126	1	99.2%	29	28				
Households	125	2	-	127	126	1	99.2%	29	28				
Social benefits	125	2	-	127	126	1	99.2%	29	28				
Payments for capital assets	1 242	72	-	1 314	862	452	65.6%	483	342				
Buildings and other fixed structures	440	-	-	440	-	440	-	-	-				
Buildings	440	-	-	440	-	440	-	-	-				
Machinery and equipment	802	72	-	874	862	12	98.6%	483	342				
Other machinery and equipment	802	72	-	874	862	12	98.6%	483	342				
Payment for financial assets	-	-	-	-	4	(4)	-	-	1 280				
Total	51 789	3 001	2 282	57 072	55 277	1 795	96.9%	42 328	38 635				

SUB-PROGRAMME: 5.3: FINANCIAL SYSTEMS	2015/16										2014/15		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Final Expenditure	Actual Expenditure			
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000	R'000	
Current payments	437 939	1 145	(3 579)	435 505	434 300	1 205	99.7%	410 630	409 844				
Compensation of employees	24 406	(1 520)	-	22 886	22 878	8	100.0%	19 856	19 526				
Salaries and wages	21 654	(1 349)	-	20 305	20 301	4	100.0%	17 466	17 212				
Social contributions	2 752	(171)	-	2 581	2 577	4	99.8%	2 390	2 314				

APPROPRIATION STATEMENT - PROGRAMME 5:

FINANCIAL ACCOUNTING AND SUPPLY
CHAIN MANAGEMENT SYSTEMS – CONTINUED

for the year ended 31 March 2016

Economic classification	2015/16							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
Goods and services	413 533	2 665	(3 579)	412 619	411 422	1 197	99.7%	390 774	390 318
Administrative fees	72	(41)	-	31	11	20	35.5%	23	9
Advertising	80	(80)	-	-	-	-	-	-	-
Minor assets	189	(15)	-	174	14	160	8.0%	64	24
Audit costs: External	2 436	(2 383)	-	53	6	47	11.3%	1 665	1 664
Bursaries: Employees	118	59	-	177	87	90	49.3%	-	-
Catering: Departmental activities	20	-	-	20	12	8	60.0%	40	16
Communication (G&S)	474	(2)	-	472	353	119	74.8%	396	371
Computer services	315 469	19 092	(3 579)	330 982	330 635	347	99.9%	383 774	383 649
Consultants: Business and advisory services	88 477	(12 706)	-	75 771	75 771	-	100.0%	-	-
Contractors	34	-	-	34	-	34	-	23	-
Entertainment	8	(3)	-	5	2	3	40.0%	4	1
Fleet services (including government motor transport)	20	13	-	33	33	-	100.0%	-	-
Consumable supplies	6	-	-	6	2	4	33.3%	1	-
Consumable: Stationery printing and office supplies	375	(99)	-	276	207	69	75.0%	282	227
Operating leases	102	-	-	102	74	28	72.5%	169	103
Travel and subsistence	1 547	(1 082)	-	465	274	191	58.9%	334	261
Training and development	206	(75)	-	131	68	63	51.9%	71	67
Operating payments	5	(5)	-	-	-	-	-	-	-
Venues and facilities	3 895	(8)	-	3 887	3 873	14	99.6%	3 928	3 926
Transfers and subsidies	-	-	-	-	-	-	-	2	2
Households	-	-	-	-	-	-	-	2	2

APPROPRIATION STATEMENT - PROGRAMME 5:

FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS - CONTINUED

for the year ended 31 March 2016

SUB-PROGRAMME: 5.3: FINANCIAL SYSTEMS - CONTINUED

Economic classification	2015/16						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
Social benefits	-	-	-	-	-	-	-	2	2
Payments for capital assets	7 533	23	-	7 556	6 742	814	89.2%	3 211	2 301
<i>Machinery and equipment</i>	7 533	23	-	7 556	6 742	814	89.2%	3 211	2 301
Other machinery and equipment	7 533	23	-	7 556	6 742	814	89.2%	3 211	2 301
Total	445 472	1 168	(3 579)	443 061	441 042	2 019	99.5%	413 843	412 147

SUB-PROGRAMME: 5.4: FINANCIAL REPORTING FOR NATIONAL ACCOUNTS

Economic classification	2015/16						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
Current payments	43 580	(911)	(765)	41 904	41 566	338	99.2%	43 009	41 381
<i>Compensation of employees</i>	30 449	(304)	-	30 145	30 102	43	99.9%	29 459	28 659
Salaries and wages	27 342	(284)	-	27 058	27 015	43	99.8%	26 443	25 801
Social contributions	3 107	(20)	-	3 087	3 087	-	100.0%	3 016	2 858
Goods and services	13 131	(607)	(765)	11 759	11 464	295	97.5%	13 550	12 722
Administrative fees	51	(15)	-	36	31	5	86.1%	82	45
Advertising	40	48	(20)	68	47	21	69.1%	100	39
Minor assets	23	-	-	23	2	21	8.7%	29	23
Audit costs: External	4 131	(245)	-	3 886	3 886	-	100.0%	4 864	4 859
Bursaries: Employees	66	16	(11)	71	69	2	97.2%	295	232
Catering: Departmental activities	76	19	-	95	41	54	43.2%	36	28
Communication (G&S)	142	(20)	(13)	109	107	2	98.2%	149	117

APPROPRIATION STATEMENT - PROGRAMME 5:

FINANCIAL ACCOUNTING AND SUPPLY
CHAIN MANAGEMENT SYSTEMS - CONTINUED

for the year ended 31 March 2016

Economic classification	2015/16							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
Computer services	5 674	15		5 689	5 684	5	99.9%	46	2
Consultants: Business and advisory services	464	(390)	(63)	11	7	4	63.6%	5 590	5 571
Entertainment	19	8		27	3	24	11.1%	18	1
Fleet services (including government motor transport)		6		6	5	1	83.3%	1	-
Consumable supplies	43	2	(34)	11	1	10	9.1%	27	6
Consumable: Stationery printing and office supplies	365	89	(86)	368	282	86	76.6%	457	374
Operating leases	198			198	170	28	85.9%	208	191
Travel and subsistence	1 283	8	(433)	858	816	42	95.1%	1 134	897
Training and development	195	(109)	(16)	70	38	32	54.3%	225	163
Operating payments	49	20		69	54	15	78.3%	110	58
Venues and facilities	312	(59)	(89)	164	221	(57)	134.8%	179	116
Transfers and subsidies	41 280	41	-	41 321	41 320	1	100.0%	44 877	44 875
Departmental agencies and accounts	41 273	-	-	41 273	41 273	-	100.0%	44 827	44 827
Departmental agencies (non-business entities)	41 273	-	-	41 273	41 273	-	100.0%	44 827	44 827
Households	7	41	-	48	47	1	97.9%	50	48
Social benefits	7	41	-	48	47	1	97.9%	50	48
Payments for capital assets	210	(53)	-	157	99	58	63.1%	210	99
Machinery and equipment	210	(53)	-	157	99	58	63.1%	210	99
Other machinery and equipment	210	(53)	-	157	99	58	63.1%	210	99
Payment for financial assets	-	-	-	-	2	(2)	-	-	30
Total	85 070	(923)	(765)	83 382	82 987	395	99.5%	88 096	86 385



APPROPRIATION STATEMENT - PROGRAMME 5:

FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS - CONTINUED

for the year ended 31 March 2016

Economic classification	SUB-PROGRAMME: 5.5: FINANCIAL MANAGEMENT POLICY AND COMPLIANCE IMPROVEMENT									
	2015/16					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	%	R'000	R'000	R'000
Current payments	133 141	(1 032)	(1 523)	130 586	128 061	2 525	98.1%	145 073	116 419	
Compensation of employees	73 223	346	133	73 702	73 699	3	100.0%	70 313	66 363	
Salaries and wages	67 075	449	133	67 657	67 656	1	100.0%	64 304	60 939	
Social contributions	6 148	(103)	-	6 045	6 043	2	100.0%	6 009	5 424	
Goods and services	59 918	(1 378)	(1 656)	56 884	54 362	2 522	95.6%	74 760	50 056	
Administrative fees	224	(49)	(18)	157	120	37	76.4%	370	307	
Advertising	293	35	-	328	306	22	93.3%	323	196	
Minor assets	50	90	-	140	99	41	70.7%	76	15	
Bursaries: Employees	1 368	172	-	1 540	1 537	3	99.8%	501	428	
Catering: Departmental activities	211	(65)	-	146	115	31	78.8%	195	150	
Communication (G&S)	300	(39)	-	261	208	53	79.7%	294	247	
Computer services	478	43	-	521	506	15	97.1%	774	539	
Consultants: Business and advisory services	48 442	(195)	(630)	47 617	46 886	731	98.5%	62 660	41 621	
Legal services	-	-	-	-	-	-	-	241	241	
Contractors	200	192	-	392	160	232	40.8%	31	17	
Entertainment	36	12	-	48	11	37	22.9%	33	3	
Fleet services (including government motor transport)	-	2	-	2	2	-	100.0%	6	5	
Consumable supplies	59	(32)	-	27	3	24	11.1%	76	7	
Consumable: Stationery printing and office supplies	643	(88)	-	555	266	289	47.9%	765	143	
Operating leases	117	28	-	145	113	32	77.9%	100	70	
Travel and subsistence	4 774	(1 323)	(1 008)	2 443	2 416	27	98.9%	5 839	4 274	
Training and development	2 189	67	-	2 256	1 255	1 001	55.6%	1 588	1 192	

APPROPRIATION STATEMENT - PROGRAMME 5:

FINANCIAL ACCOUNTING AND SUPPLY
CHAIN MANAGEMENT SYSTEMS - CONTINUED

for the year ended 31 March 2016

SUB-PROGRAMME: 5.5: FINANCIAL MANAGEMENT POLICY AND COMPLIANCE IMPROVEMENT - CONTINUED	2015/16							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
Operating payments	317	(129)	-	188	153	35	81.4%	277	177
Venues and facilities	217	(99)	-	118	206	(88)	174.6%	611	424
Transfers and subsidiaries	62	76	-	138	119	19	86.2%	326	317
Households	62	76	-	138	119	19	86.2%	326	317
Social benefits	62	76	-	138	119	19	86.2%	326	317
Payments for capital assets	735	-	-	735	293	442	39.9%	1 390	1 071
Buildings and other fixed structures	-	-	-	-	-	-	-	356	356
Buildings	-	-	-	-	-	-	-	356	356
Machinery and equipment	735	-	-	735	293	442	39.9%	1 034	715
Other machinery and equipment	735	-	-	735	293	442	39.9%	1 034	715
Payment for financial assets	-	-	-	-	11	(11)	-	-	5
Total	133 938	(956)	(1 523)	131 459	128 484	2 975	97.7%	146 789	117 812

SUB-PROGRAMME: 5.6: AUDIT STATUTORY BODIES	2015/16							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
Transfers and subsidiaries	41 856	-	-	41 856	41 856	-	100.0%	61 258	61 257
Departmental agencies and accounts	41 856	-	-	41 856	41 856	-	100.0%	61 258	61 257
Departmental agencies (non-business entities)	41 856	-	-	41 856	41 856	-	100.0%	61 258	61 257
Total	41 856	-	-	41 856	41 856	-	100.0%	61 258	61 257



APPROPRIATION STATEMENT - PROGRAMME 5:

FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS – CONTINUED

for the year ended 31 March 2016

SUB-PROGRAMME: 5.7: SERVICE CHARGES: COMMERCIAL BANKS	2015/16							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
Current payments	243	-	-	243	121	122	49.8%	297	102
Goods and services	243	-	-	243	121	122	49.8%	297	102
Administrative fees	243	-	-	243	121	122	49.8%	297	102
Total	243	-	-	243	121	122	49.8%	297	102

APPROPRIATION STATEMENT - PROGRAMME 6:

INTERNATIONAL FINANCIAL RELATIONS

for the year ended 31 March 2016

PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS PER SUB PROGRAMME									
	2015/16						2014/15		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
1. Programme Management for International Financial Relations	13 855	946	1 128	15 929	14 528	1 401	91.2%	8 731	8 318
2. International Economic Cooperation	32 134	(946)	(672)	30 516	30 389	127	99.6%	27 803	27 265
3. African Integration and Support	666 877	37 377	13 280	717 534	717 531	3	100.0%	588 393	588 292
4. International Development Funding Institutions	2 803 027	(40 376)	-	2 762 651	2 762 655	(4)	100.0%	557 595	557 582
5. International Projects	18 033	2 999	-	21 032	21 031	1	100.0%	17 195	17 195
Total	3 533 926	-	13 736	3 547 662	3 546 134	1 528	100.0%	1 199 717	1 198 652

PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS PER ECONOMIC CLASSIFICATION									
	2015/16						2014/15		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Current payments	45 742	(21)	456	46 177	44 731	1 446	96.9%	36 333	35 393
Compensation of employees	29 242	(22)	(990)	28 230	28 221	9	100.0%	26 547	26 085
Salaries and wages	26 580	60	(949)	25 691	25 685	6	100.0%	23 985	23 666
Social contributions	2 662	(82)	(41)	2 539	2 536	3	99.9%	2 562	2 419
Goods and services	16 500	1	1 446	17 947	16 510	1 437	92.0%	9 786	9 308
Administrative fees	141	21	5	167	165	2	98.8%	100	100
Advertising	73	(32)	-	41	39	2	95.1%	78	76
Minor assets	19	(19)	-	-	-	-	-	6	5
Bursaries: Employees	163	(60)	1	104	103	1	99.0%	88	87

APPROPRIATION STATEMENT - PROGRAMME 6:

INTERNATIONAL FINANCIAL RELATIONS - CONTINUED

for the year ended 31 March 2016

	PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS PER ECONOMIC CLASSIFICATION - CONTINUED									
	2015/16					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	%	R'000	R'000	R'000
Catering: Departmental activities	35	(15)	-	20	22	(2)	110.0%	60	14	14
Communication (G&S)	457	(79)	9	387	386	1	99.7%	403	401	401
Computer services	156	243	-	399	243	156	60.9%	265	265	265
Consultants: Business and advisory services	-	88	-	88	73	15	83.0%	643	643	643
Contractors	3	(3)	-	-	-	-	-	3	-	-
Agency and support / outsourced services	30	58	-	88	51	37	58.0%	-	-	-
Entertainment	15	(5)	-	10	4	6	40.0%	13	5	5
Fleet services (including government motor transport)	-	2	-	2	2	-	100.0%	2	1	1
Consumable supplies	30	(8)	-	22	22	-	100.0%	18	18	18
Consumable: Stationery printing and office supplies	118	(54)	-	64	60	4	93.8%	43	37	37
Operating leases	100	94	-	194	94	100	48.5%	97	97	97
Travel and subsistence	8 184	757	1 420	10 361	10 448	(87)	100.8%	6 968	6 941	6 941
Training and development	250	(156)	11	105	49	56	46.7%	161	160	160
Operating payments	1 501	(333)	-	1 168	347	821	29.7%	192	192	192
Venues and facilities	5 225	(498)	-	4 727	4 402	325	93.1%	646	266	266
Transfers and subsidies	775 570	40 397	13 280	829 247	829 242	5	100.0%	788 412	788 309	788 309
Foreign governments and international organisations	775 570	40 376	13 280	829 226	829 222	4	100.0%	788 365	788 263	788 263
Households	-	21	-	21	20	1	95.2%	47	46	46
Social benefits	-	21	-	21	20	1	95.2%	47	46	46

APPROPRIATION STATEMENT - PROGRAMME 6:

INTERNATIONAL FINANCIAL
RELATIONS - CONTINUED

for the year ended 31 March 2016

PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS PER ECONOMIC CLASSIFICATION - CONTINUED											
	2015/16						2014/15				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure	Final Expenditure	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000
Payments for capital assets	247	-	-	247	162	85	65.6%	154	154	126	126
<i>Machinery and equipment</i>	247	-	-	247	162	85	65.6%	154	154	126	126
Other machinery and equipment	247	-	-	247	162	85	65.6%	154	154	126	126
Payment for financial assets	2 712 367	(40 376)	-	2 671 991	2 671 999	(8)	100.0%	374 818	374 818	374 824	374 824
Total	3 533 926	-	13 736	3 547 662	3 546 134	1 528	100.0%	1 199 717	1 199 717	1 198 652	1 198 652

SUB-PROGRAMME 6.1: PROGRAMME MANAGEMENT FOR INTERNATIONAL FINANCIAL RELATIONS											
Economic classification	2015/16						2014/15				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure	Final Expenditure	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000
Current payments	13 800	946	1 128	15 874	14 502	1 372	91.4%	8 713	8 713	8 301	8 301
<i>Compensation of employees</i>	3 557	957	-	4 514	4 513	1	100.0%	4 585	4 585	4 581	4 581
Salaries and wages	3 268	966	-	4 234	4 233	1	100.0%	4 220	4 220	4 218	4 218
Social contributions	289	(9)	-	280	280	-	100.0%	365	365	363	363
Goods and services	10 243	(11)	1 128	11 360	9 989	1 371	87.9%	4 128	4 128	3 720	3 720
Administrative fees	52	(13)	4	43	43	-	100.0%	14	14	14	14
Advertising	24	(23)	-	1	-	1	-	53	53	52	52
Minor assets	5	(5)	-	-	-	-	-	5	5	5	5
Bursaries: Employees	23	(23)	-	-	-	-	-	21	21	20	20
Catering: Departmental activities	10	-	-	10	3	7	30.0%	21	21	2	2
Communication (G&S)	227	(53)	9	183	182	1	99.5%	176	176	176	176
Computer services	-	-	-	-	-	-	-	132	132	132	132

APPROPRIATION STATEMENT - PROGRAMME 6:

INTERNATIONAL FINANCIAL RELATIONS - CONTINUED

for the year ended 31 March 2016

SUB-PROGRAMME: 6.1: PROGRAMME MANAGEMENT FOR INTERNATIONAL FINANCIAL RELATIONS - CONTINUED	2015/16							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									
Consultants: Business and advisory services	-	-	-	-	-	-	-	500	500
Contractors	-	-	-	-	-	-	-	-	-
Agency and support / outsourced services	30	17	-	47	31	16	66.0%	-	-
Entertainment	3	(2)	-	1	2	(1)	200.0%	4	2
Fleet services (including government motor transport)	-	1	-	1	1	-	100.0%	2	1
Consumable supplies	20	(16)	-	4	4	-	100.0%	17	17
Consumable: Stationery printing and office supplies	30	(1)	-	29	29	-	100.0%	3	2
Operating leases	100	94	-	194	94	100	48.5%	97	97
Travel and subsistence	3 465	800	1 115	5 380	5 318	62	98.8%	2 501	2 498
Training and development	44	1	-	45	5	40	11.1%	6	6
Operating payments	1 060	107	-	1 167	346	821	29.6%	187	187
Venues and facilities	5 150	(895)	-	4 255	3 931	324	92.4%	389	9
Payments for capital assets	55	-	-	55	26	29	47.3%	18	-
Machinery and equipment	55	-	-	55	26	29	47.3%	18	-
Other machinery and equipment	55	-	-	55	26	29	47.3%	18	-
Payment for financial assets	-	-	-	-	-	-	-	-	17
Total	13 855	946	1 128	15 929	14 528	1 401	91.2%	8 731	8 318

APPROPRIATION STATEMENT - PROGRAMME 6:

INTERNATIONAL FINANCIAL
RELATIONS – CONTINUED

for the year ended 31 March 2016

Economic classification	2015/16							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
Current payments	31 942	(967)	(672)	30 303	30 229	74	99.8%	27 620	27 092
Compensation of employees	25 685	(979)	(990)	23 716	23 708	8	100.0%	21 962	21 504
Salaries and wages	23 312	(906)	(949)	21 457	21 452	5	100.0%	19 765	19 448
Social contributions	2 373	(73)	(41)	2 259	2 256	3	99.9%	2 197	2 056
Goods and services	6 257	12	318	6 587	6 521	66	99.0%	5 658	5 588
Administrative fees	89	34	1	124	122	2	98.4%	86	86
Advertising	49	(9)	-	40	39	1	97.5%	25	24
Minor assets	14	(14)	-	-	-	-	-	1	0
Bursaries: Employees	140	(37)	1	104	103	1	99.0%	67	67
Catering: Departmental activities	25	(15)	-	10	19	(9)	190.0%	39	12
Communication (G&S)	230	(26)	-	204	204	-	100.0%	227	225
Computer services	156	243	-	399	243	156	60.9%	133	133
Consultants: Business and advisory services	-	88	-	88	73	15	83.0%	143	143
Contractors	3	(3)	-	-	-	-	-	3	-
Agency and support / outsourced services	-	41	-	41	20	21	48.8%	-	-
Entertainment	12	(3)	-	9	2	7	22.2%	9	3
Fleet services (including government motor transport)	-	1	-	1	1	-	100.0%	-	-
Consumable supplies	10	8	-	18	18	-	100.0%	1	1
Consumable: Stationery printing and office supplies	88	(53)	-	35	31	4	88.6%	40	35
Travel and subsistence	4 719	(43)	305	4 981	5 130	(149)	103.0%	4 467	4 443
Training and development	206	(157)	11	60	44	16	73.3%	155	154

APPROPRIATION STATEMENT - PROGRAMME 6:

INTERNATIONAL FINANCIAL RELATIONS - CONTINUED

for the year ended 31 March 2016

SUB-PROGRAMME: 6.2: INTERNATIONAL ECONOMIC COOPERATION - CONTINUED												
Economic classification	2015/16						2014/15					
	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	
Operating payments	441	(440)	-	1	1	-	100.0%	5	5	5	5	
Venues and facilities	75	397	-	472	471	1	99.8%	257	257	257	257	
Transfers and subsidies	-	21	-	21	20	1	95.2%	47	46	47	46	
Households	-	21	-	21	20	1	95.2%	47	46	47	46	
Social benefits	-	21	-	21	20	1	95.2%	47	46	47	46	
Payments for capital assets	192	-	-	192	136	56	70.8%	136	126	136	126	
Machinery and equipment	192	-	-	192	136	56	70.8%	136	126	136	126	
Other machinery and equipment	192	-	-	192	136	56	70.8%	136	126	136	126	
Payment for financial assets	-	-	-	-	4	(4)	-	-	1	-	1	
Total	32 134	(946)	(672)	30 516	30 389	127	99.6%	27 803	27 265	27 803	27 265	

SUB-PROGRAMME: 6.3: AFRICAN INTEGRATION AND SUPPORT												
Economic classification	2015/16						2014/15					
	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	
Transfers and subsidies	666 877	37 377	13 280	717 534	717 531	3	100.0%	588 393	588 292	588 393	588 292	
Foreign governments and international organisations	666 877	37 377	13 280	717 534	717 531	3	100.0%	588 393	588 292	588 393	588 292	
Total	666 877	37 377	13 280	717 534	717 531	3	100.0%	588 393	588 292	588 393	588 292	

APPROPRIATION STATEMENT - PROGRAMME 6:

INTERNATIONAL FINANCIAL RELATIONS – CONTINUED



for the year ended 31 March 2016

SUB-PROGRAMME: 6.4: INTERNATIONAL DEVELOPMENT FUNDING INSTITUTIONS	2015/16							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	
Transfers and subsidies	90 660	-	-	90 660	90 660	-	100.0%	182 777	182 776	
Foreign governments and international organisations	90 660	-	-	90 660	90 660	-	100.0%	182 777	182 776	
Payment for financial assets	2 712 367	(40 376)	-	2 671 991	2 671 995	(4)	100.0%	374 818	374 806	
Total	2 803 027	(40 376)	-	2 762 651	2 762 655	(4)	100.0%	557 595	557 582	

SUB-PROGRAMME: 6.5: INTERNATIONAL PROJECTS	2015/16							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	
Transfers and subsidies	18 033	2 999	-	21 032	21 031	1	100.0%	17 195	17 195	
Foreign governments and international organisations	18 033	2 999	-	21 032	21 031	1	100.0%	17 195	17 195	
Total	18 033	2 999	-	21 032	21 031	1	100.0%	17 195	17 195	

APPROPRIATION STATEMENT - PROGRAMME 7:

CIVIL AND MILITARY PENSIONS, CONTRIBUTIONS TO FUNDS AND OTHER BENEFITS

for the year ended 31 March 2016

PROGRAMME 7: CIVIL AND MILITARY PENSIONS CONTRIBUTIONS TO FUNDS AND OTHER BENEFITS PER SUB PROGRAMME									
	2015/16					2014/15			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
1. Government Pensions Administration Agency	61 181	(4 594)	-	56 587	56 586	1	100.0%	54 433	54 395
2. Civil Pensions and Contributions to Funds	2 929 389	222 373	4 800	3 156 562	3 156 521	41	100.0%	2 613 927	2 613 931
3. Military Pensions and Other Benefits	972 371	(217 779)	-	754 592	754 591	1	100.0%	1 062 611	1 062 609
Total	3 962 941	-	4 800	3 967 741	3 967 698	43	100.0%	3 730 971	3 730 935

PROGRAMME 7: CIVIL AND MILITARY PENSIONS CONTRIBUTIONS TO FUNDS AND OTHER BENEFITS PER ECONOMIC CLASSIFICATION									
	2015/16					2014/15			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Current payments	61 181	(4 594)	-	56 587	56 586	1	100.0%	54 433	54 395
Goods and services	61 181	(4 594)	-	56 587	56 586	1	100.0%	54 433	54 395
Consultants: Business and advisory services	61 181	(4 594)	-	56 587	56 586	1	100.0%	54 433	54 395
Transfers and subsidies	3 901 760	4 594	4 800	3 911 154	3 911 097	57	100.0%	3 676 538	3 676 531
Foreign governments and international organisations	2 322	(239)	-	2 083	2 082	1	100.0%	2 287	2 286
Households	3 899 438	4 833	4 800	3 909 071	3 909 015	56	100.0%	3 674 251	3 674 245
Social benefits	3 899 438	4 833	4 800	3 909 071	3 909 015	56	100.0%	3 674 251	3 674 245
Payment for financial assets	-	-	-	-	15	(15)	-	-	9
Total	3 962 941	-	4 800	3 967 741	3 967 698	43	100.0%	3 730 971	3 730 935

APPROPRIATION STATEMENT - PROGRAMME 7:

CIVIL AND MILITARY PENSIONS, CONTRIBUTIONS TO FUNDS AND OTHER BENEFITS – CONTINUED

for the year ended 31 March 2016

SUB-PROGRAMME: 7.1: GOVERNMENT PENSIONS ADMINISTRATION AGENCY									
Economic classification	2015/16					2014/15			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Current payments	61 181	(4 594)	-	56 587	56 586	1	100.0%	54 433	54 395
Goods and services	61 181	(4 594)	-	56 587	56 586	1	100.0%	54 433	54 395
Consultants: Business and advisory services	61 181	(4 594)	-	56 587	56 586	1	100.0%	54 433	54 395
Total	61 181	(4 594)	-	56 587	56 586	1	100.0%	54 433	54 395
SUB-PROGRAMME: 7.2: CIVIL PENSIONS AND CONTRIBUTIONS TO FUNDS									
Economic classification	2015/16					2014/15			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Transfers and subsidies	2 929 389	222 373	4 800	3 156 562	3 156 506	56	100.0%	2 613 927	2 613 922
Foreign governments and international organisations	2 322	(239)		2 083	2 082	1	100.0%	2 287	2 286
Households	2 927 067	222 612	4 800	3 154 479	3 154 424	55	100.0%	2 611 640	2 611 636
Social benefits	2 927 067	222 612	4 800	3 154 479	3 154 424	55	100.0%	2 611 640	2 611 636
Payment for financial assets	-	-	-	-	15	(15)	-	-	9
Total	2 929 389	222 373	4 800	3 156 562	3 156 521	41	100.0%	2 613 927	2 613 931



APPROPRIATION STATEMENT - PROGRAMME 7:

CIVIL AND MILITARY PENSIONS, CONTRIBUTIONS TO FUNDS AND OTHER BENEFITS – CONTINUED

for the year ended 31 March 2016

SUB-PROGRAMME: 7.3: MILITARY PENSIONS AND OTHER BENEFITS	2015/16							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	61 181	(4 594)	-	56 587	56 586	1	100.0%	54 433	54 395
Households	972 371	(217 779)	-	754 592	754 591	1	100.0%	1 062 611	1 062 609
Social benefits	972 371	(217 779)	-	754 592	754 591	1	100.0%	1 062 611	1 062 609
Total	972 371	(217 779)	-	754 592	754 591	1	100.0%	1 062 611	1 062 609

APPROPRIATION STATEMENT - PROGRAMME 8:

CIVIL TECHNICAL SUPPORT AND DEVELOPMENT FINANCE

for the year ended 31 March 2016

PROGRAMME 8: TECHNICAL SUPPORT AND DEVELOPMENT FINANCE PER SUB PROGRAMME									
	2015/16					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
1.	573 946	-	-	573 946	573 946	-	100.0%	547 926	547 926
2.	884 195	-	-	884 195	848 285	35 910	95.9%	904 479	875 390
3.	1 003 487	-	(6 624)	996 863	749 518	247 345	75.2%	1 338 913	1 213 162
4.	83 609	-	-	83 609	83 609	-	100.0%	79 752	79 752
5.	229 356	-	(12 000)	217 356	216 888	468	99.8%	215 570	177 118
Total	2 774 593	-	(18 624)	2 755 969	2 472 246	283 723	89.7%	3 086 640	2 893 348

PROGRAMME 8: TECHNICAL SUPPORT AND DEVELOPMENT FINANCE PER ECONOMIC CLASSIFICATION									
	2015/16					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
	337 497	-	(18 624)	318 873	283 806	35 067	89.0%	130 136	91 659
<i>Current payments</i>	-	-	-	-	-	-	-	5 445	5 444
<i>Compensation of employees</i>	-	-	-	-	-	-	-	5 287	5 286
Salaries and wages	-	-	-	-	-	-	-	158	158
Social contributions	337 497	-	(18 624)	318 873	283 806	35 067	89.0%	124 691	86 215
<i>Goods and services</i>	-	-	-	-	-	-	-	497	496
Administrative fees	-	-	-	-	-	-	-	65	64
Advertising	-	-	-	-	-	-	-	568	568
Minor assets	-	-	-	-	-	-	-	20	19
Catering: Departmental activities	-	-	-	-	-	-	-	-	-

APPROPRIATION STATEMENT - PROGRAMME 8:

CIVIL TECHNICAL SUPPORT AND DEVELOPMENT FINANCE – CONTINUED

for the year ended 31 March 2016

	PROGRAMME 8: TECHNICAL SUPPORT AND DEVELOPMENT FINANCE PER ECONOMIC CLASSIFICATION - CONTINUED										
	2015/16						2014/15				
	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	
Communication (G&S)	-	-	-	-	-	-	-	52	52	52	52
Computer services	-	-	-	-	-	-	-	148	148	148	147
Consultants: Business and advisory services	337 497	-	(18 624)	3 18 873	283 806	35 067	89.0%	1 21 502	83 049	1 21 502	83 049
Contractors	-	-	-	-	-	-	-	83	83	83	83
Entertainment	-	-	-	-	-	-	-	2	2	2	2
Consumable supplies	-	-	-	-	-	-	-	61	61	61	60
Consumable: Stationery printing and office supplies	-	-	-	-	-	-	-	25	25	25	24
Operating leases	-	-	-	-	-	-	-	89	89	89	89
Travel and subsistence	-	-	-	-	-	-	-	787	773	787	773
Training and development	-	-	-	-	-	-	-	19	18	19	18
Operating payments	-	-	-	-	-	-	-	43	42	43	42
Venues and facilities	-	-	-	-	-	-	-	730	729	730	729
Transfers and subsidies	2 437 096	-	-	2 437 096	2 188 440	248 656	89.8%	2 955 495	2 800 681	2 955 495	2 800 681
Provinces and municipalities	1 435 256	-	-	1 435 256	1 411 831	23 425	98.4%	1 399 742	1 398 953	1 399 742	1 398 953
Municipal bank accounts	1 435 256	-	-	1 435 256	1 411 831	23 425	98.4%	1 399 742	1 398 953	1 399 742	1 398 953
Departmental agencies and accounts	1 001 840	-	-	1 001 840	776 609	225 231	77.5%	209 734	138 052	209 734	138 052
Departmental agencies (non-business entities)	1 001 840	-	-	1 001 840	776 609	225 231	77.5%	209 734	138 052	209 734	138 052
Higher education institutions	-	-	-	-	-	-	-	5 800	-	5 800	-
Public corporations and private enterprises	-	-	-	-	-	-	-	1 340 219	1 263 676	1 340 219	1 263 676
Other transfers to public corporations	-	-	-	-	-	-	-	1 340 219	1 263 676	1 340 219	1 263 676

APPROPRIATION STATEMENT - PROGRAMME 8:

CIVIL TECHNICAL SUPPORT AND
DEVELOPMENT FINANCE – CONTINUED

for the year ended 31 March 2016

PROGRAMME 8: TECHNICAL SUPPORT AND DEVELOPMENT FINANCE PER ECONOMIC CLASSIFICATION - CONTINUED									
	2015/16					2014/15			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Payments for capital assets	-	-	-	-	-	-	-	1 009	1 008
<i>Buildings and other fixed structures</i>	-	-	-	-	-	-	-	8	7
Buildings	-	-	-	-	-	-	-	8	7
<i>Machinery and equipment</i>	-	-	-	-	-	-	-	1 001	1 001
Other machinery and equipment	-	-	-	-	-	-	-	1 001	1 001
Total	2 774 593	-	(18 624)	2 755 969	2 472 246	283 723	89.7%	3 086 640	2 893 348

SUB-PROGRAMME 8.1: LOCAL GOVERNMENT FINANCIAL MANAGEMENT SUPPORT									
	2015/16					2014/15			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Economic classification									
Current payments	121 455	-	-	121 455	121 455	-	100.0%	-	-
<i>Goods and services</i>	121 455	-	-	121 455	121 455	-	100.0%	-	-
Consultants: Business and advisory services	121 455	-	-	121 455	121 455	-	100.0%	-	-
Transfers and subsidiaries	452 491	-	-	452 491	452 491	-	100.0%	547 926	547 926
<i>Provinces and municipalities</i>	452 491	-	-	452 491	452 491	-	100.0%	449 138	449 138
Municipal bank accounts	452 491	-	-	452 491	452 491	-	100.0%	449 138	449 138
Public corporations and private enterprises	-	-	-	-	-	-	-	98 788	98 788
Other transfers to public corporations	-	-	-	-	-	-	-	98 788	98 788
Total	573 946	-	-	573 946	573 946	-	100.0%	547 926	547 926



APPROPRIATION STATEMENT - PROGRAMME 8:

CIVIL TECHNICAL SUPPORT AND DEVELOPMENT FINANCE – CONTINUED

for the year ended 31 March 2016

Economic classification	2015/16							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	R'000
Current payments	25 895	-	-	25 895	13 410	12 485	51.8%	-	-	-
Goods and services	25 895	-	-	25 895	13 410	12 485	51.8%	-	-	-
Consultants: Business and advisory services	25 895	-	-	25 895	13 410	12 485	51.8%	-	-	-
Transfers and subsidies	858 300	-	-	858 300	834 875	23 425	97.3%	904 479	875 390	
Provinces and municipalities	858 300	-	-	858 300	834 875	23 425	97.3%	846 179	845 390	
Municipal bank accounts	858 300	-	-	858 300	834 875	23 425	97.3%	846 179	845 390	
Departmental agencies and accounts	-	-	-	-	-	-	-	58 300	30 000	
Departmental agencies (non-business entities)	-	-	-	-	-	-	-	58 300	30 000	
Total	884 195	-	-	884 195	848 285	35 910	95.9%	904 479	875 390	

Economic classification	2015/16							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	R'000
Current payments	85 256	-	(6 624)	78 632	56 518	22 114	71.9%	18 991	18 966	
Compensation of employees	-	-	-	-	-	-	-	5 445	5 444	
Salaries and wages	-	-	-	-	-	-	-	5 287	5 286	
Social contributions	-	-	-	-	-	-	-	158	158	
Goods and services	85 256	-	(6 624)	78 632	56 518	22 114	71.9%	13 546	13 522	
Administrative fees	-	-	-	-	-	-	-	497	496	

APPROPRIATION STATEMENT - PROGRAMME 8:

CIVIL TECHNICAL SUPPORT AND
DEVELOPMENT FINANCE - CONTINUED

for the year ended 31 March 2016

Economic classification	2015/16							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
Advertising	-	-	-	-	-	-	-	65	64
Minor assets	-	-	-	-	-	-	-	568	568
Catering: Departmental activities	-	-	-	-	-	-	-	20	19
Communication (G&S)	-	-	-	-	-	-	-	52	52
Computer services	-	-	-	-	-	-	-	148	147
Consultants: Business and advisory services	85 256	-	(6 624)	78 632	56 518	22 114	71.9%	10 357	10 356
Contractors	-	-	-	-	-	-	-	83	83
Entertainment	-	-	-	-	-	-	-	2	2
Consumable supplies	-	-	-	-	-	-	-	61	60
Consumable: Stationery printing and office supplies	-	-	-	-	-	-	-	25	24
Operating leases	-	-	-	-	-	-	-	89	89
Travel and subsistence	-	-	-	-	-	-	-	787	773
Training and development	-	-	-	-	-	-	-	19	18
Operating payments	-	-	-	-	-	-	-	43	42
Venues and facilities	-	-	-	-	-	-	-	730	729
Transfers and subsidies	918 231	-	-	918 231	693 000	225 231	75.5%	1 318 913	1 193 188
<i>Departmental agencies and accounts</i>	<i>918 231</i>	-	-	<i>918 231</i>	<i>693 000</i>	<i>225 231</i>	<i>75.5%</i>	<i>71 682</i>	<i>28 300</i>
Departmental agencies (non-business entities)	918 231	-	-	918 231	693 000	225 231	75.5%	71 682	28 300
<i>Higher education institutions</i>	-	-	-	-	-	-	-	5 800	-
<i>Public corporations and private enterprises</i>	-	-	-	-	-	-	-	1 241 431	1 164 888
Other transfers to public corporations	-	-	-	-	-	-	-	1 241 431	1 164 888

APPROPRIATION STATEMENT - PROGRAMME 8:

CIVIL TECHNICAL SUPPORT AND DEVELOPMENT FINANCE – CONTINUED

for the year ended 31 March 2016

Economic classification	2015/16							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	R'000
Payments for capital assets	-	-	-	-	-	-	-	1 009	1 008	
<i>Buildings and other fixed structures</i>	-	-	-	-	-	-	-	8	7	
Buildings	-	-	-	-	-	-	-	8	7	
<i>Machinery and equipment</i>	-	-	-	-	-	-	-	1 001	1 001	
Other machinery and equipment	-	-	-	-	-	-	-	1 001	1 001	
Total	1 003 487	-	(6 624)	996 863	749 518	247 345	75.2%	1 338 913	1 213 162	

Economic classification	2015/16							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	R'000
Transfers and subsidies	83 609	-	-	83 609	83 609	-	100.0%	79 752	79 752	
<i>Departmental agencies and accounts</i>	83 609	-	-	83 609	83 609	-	100.0%	79 752	79 752	
Departmental agencies (non-business entities)	83 609	-	-	83 609	83 609	-	100.0%	79 752	79 752	
Total	83 609	-	-	83 609	83 609	-	100.0%	79 752	79 752	

APPROPRIATION STATEMENT - PROGRAMME 8:

CIVIL TECHNICAL SUPPORT AND DEVELOPMENT FINANCE – CONTINUED



for the year ended 31 March 2016

SUB-PROGRAMME: 8.5: INFRASTRUCTURE DEVELOPMENT SUPPORT	2015/16							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
Current payments	104 891	-	(12 000)	92 891	92 423	468	99.5%	111 145	72 693
Goods and services	104 891	-	(12 000)	92 891	92 423	468	99.5%	111 145	72 693
Consultants: Business and advisory services	104 891	-	(12 000)	92 891	92 423	468	99.5%	111 145	72 693
Transfers and subsidies	124 465	-	-	124 465	124 465	-	100.0%	104 425	104 425
Provinces and municipalities	124 465	-	-	124 465	124 465	-	100.0%	104 425	104 425
Municipal bank accounts	124 465	-	-	124 465	124 465	-	100.0%	104 425	104 425
Total	229 356	-	(12 000)	217 356	216 888	468	99.8%	215 570	177 118

APPROPRIATION STATEMENT - PROGRAMME 9:

REVENUE ADMINISTRATION

for the year ended 31 March 2016

PROGRAMME 9: REVENUE ADMINISTRATION PER SUB PROGRAMME									
	2015/16					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
1. South African Revenue Service	9 334 439	-	-	9 334 439	9 334 439	-	100.0%	9 440 321	9 440 321
Total	9 334 439	-	-	9 334 439	9 334 439	-	100.0%	9 440 321	9 440 321

PROGRAMME 9: REVENUE ADMINISTRATION PER ECONOMIC CLASSIFICATION									
	2015/16					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
Transfers and subsidies	9 334 439	-	-	9 334 439	9 334 439	-	100.0%	9 440 321	9 440 321
Departmental agencies and accounts	9 334 439	-	-	9 334 439	9 334 439	-	100.0%	9 440 321	9 440 321
Departmental agencies (non-business entities)	9 334 439	-	-	9 334 439	9 334 439	-	100.0%	9 440 321	9 440 321
Total	9 334 439	-	-	9 334 439	9 334 439	-	100.0%	9 440 321	9 440 321

SUB-PROGRAMME: 9.1: SOUTH AFRICAN REVENUE SERVICE									
	2015/16					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									
Transfers and subsidies	9 334 439	-	-	9 334 439	9 334 439	-	100.0%	9 440 321	9 440 321
Departmental agencies and accounts	9 334 439	-	-	9 334 439	9 334 439	-	100.0%	9 440 321	9 440 321
Departmental agencies (non-business entities)	9 334 439	-	-	9 334 439	9 334 439	-	100.0%	9 440 321	9 440 321
Total	9 334 439	-	-	9 334 439	9 334 439	-	100.0%	9 440 321	9 440 321

**APPROPRIATION STATEMENT - PROGRAMME 10:
FINANCIAL INTELLIGENCE
AND STATE SECURITY**



for the year ended 31 March 2016

PROGRAMME 10: FINANCIAL INTELLIGENCE AND STATE SECURITY PER SUB PROGRAMME									
2015/16									
	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.	239 488	-	-	239 488	239 488	-	100.0%	198 080	198 080
2.	4 322 574	-	-	4 322 574	4 322 574	-	100.0%	4 168 170	4 168 170
Total	4 562 062	-	-	4 562 062	4 562 062	-	100.0%	4 366 250	4 366 250

PROGRAMME 10: FINANCIAL INTELLIGENCE AND STATE SECURITY PER ECONOMIC CLASSIFICATION									
2015/16									
	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 subsidiaries	4 562 062	-	-	4 562 062	4 562 062	-	100.0%	4 366 250	4 366 250
<i>Departmental agencies and accounts</i>	4 562 062	-	-	4 562 062	4 562 062	-	100.0%	4 366 250	4 366 250
Departmental agencies (non-business entities)	4 562 062	-	-	4 562 062	4 562 062	-	100.0%	4 366 250	4 366 250
Total	4 562 062	-	-	4 562 062	4 562 062	-	100.0%	4 366 250	4 366 250

APPROPRIATION STATEMENT - PROGRAMME 10:
FINANCIAL INTELLIGENCE AND STATE SECURITY – CONTINUED

for the year ended 31 March 2016

SUB-PROGRAMME: 10.1: FINANCIAL INTELLIGENCE CENTRE	2015/16							2014/15		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure	R'000
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Transfers and subsidies	239 488	-	-	239 488	239 488	-	100.0%	198 080	198 080	198 080
Departmental agencies and accounts	239 488	-	-	239 488	239 488	-	100.0%	198 080	198 080	198 080
Departmental agencies (non-business entities)	239 488	-	-	239 488	239 488	-	100.0%	198 080	198 080	198 080
Total	239 488	-	-	239 488	239 488	-	100.0%	198 080	198 080	198 080

SUB-PROGRAMME: 10.2: SECRET SERVICES	2015/16							2014/15		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure	R'000
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Transfers and subsidies	4 322 574	-	-	4 322 574	4 322 574	-	100.0%	4 168 170	4 168 170	4 168 170
Departmental agencies and accounts	4 322 574	-	-	4 322 574	4 322 574	-	100.0%	4 168 170	4 168 170	4 168 170
Departmental agencies (non-business entities)	4 322 574	-	-	4 322 574	4 322 574	-	100.0%	4 168 170	4 168 170	4 168 170
Total	4 322 574	-	-	4 322 574	4 322 574	-	100.0%	4 168 170	4 168 170	4 168 170

NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2016

1. Detail of transfers and subsidies as per Appropriation Act (after Virement):

Detail of these transactions can be viewed in the note on Transfers and subsidies disclosure notes and Annexure 1 (A-F) to the Annual Financial Statements.

2. Detail of specifically and exclusively appropriated amounts voted (after Virement):

Detail of these transactions can be viewed in note 1 (Annual Appropriation) to the Annual Financial Statements.

3. Detail on payments for financial assets

Detail of these transactions per programme can be viewed in the note on Payments for financial assets to the Annual Financial Statements.

4. Explanation of material variances from amounts voted

Per programme	Final appropriation	Actual expenditure	Variance	Variance as a % of final appropriation
	R'000	R'000	R'000	%
Programme 1: Administration	386 645	375 582	11 063	2.9%
Underspending of R9.3 million was on capital assets due to ICT related equipment i.e. telecom and servers that were not delivered on time by the service providers as agreed. The amount will be part of the roll-over request for 2016/17 financial year. The remaining R1.7 million was a saving on goods and services as a result of the effective cost containment measures on various items such as administration fees, advertising, computer services as well as training and development.				
Programme 2: Economic Policy Tax Financial Reg. and Research	132 730	131 290	1 440	1.1%
Savings were generated on the cost effective use of consultants. Cost containment measures on operating expenditure on items such as printing of publications as well as delays in replacing obsolete equipment also generated savings.				
Programme 3: Public Finance and Budget Management	268 889	262 577	6 312	2.3%
Underspending of R3.7 million on consultancy services was due to the municipal standard chart of account project that is still in progress. The project will be completed in the next financial year and a rollover was requested. The remaining R2.6 million relates to, amongst others, savings on travel costs and training as well as obsolete equipment that was not replaced as a result of effective implementation of the cost containment measures.				
Programme 4: Asset and Liability Management	3 265 171	3 264 294	877	0.0%
Saving of R488 000 was generated on goods and services on various items such as computer services and venues and facilities as a result of implementation of the cost containment measures. Underspending of R376 000 on capital assets was due to delays in finalisation of the new Back Office system. The remaining R13 000 was underspent on compensation of employees and transfers to households.				

NOTES TO THE APPROPRIATION STATEMENT – CONTINUED

for the year ended 31 March 2016

Per programme	Final appropriation	Actual expenditure	Variance	Variance as a % of final appropriation
	R'000	R'000	R'000	%
Programme 5: Financial Accounting and Supply Chain Management Systems	783 753	774 494	9 259	1.2%
R7.4 million savings were generated on goods and services under various items such as consultancy, computer services, consumables, administrative fees, travelling and training costs due to effective implementation of the cost containment measures. R1.8 million saving on capital assets was due to cost effective procurement of equipment in the newly capacitated OCPO.				
Programme 6: International Financial Relations	3 547 662	3 546 134	1 528	0.0%
Savings were generated on various items under goods and services such as hiring of venues and operating payments on printing and publications as a result of effective implementation of the cost containment measures.				
Programme 7: Civil and Military Pensions Contributions to Funds and Other Benefits	3 967 741	3 967 698	43	0.0%
The expenditure on the programme was on par with the budgeted amount.				
Programme 8: Technical Support and Development Finance	2 755 969	2 472 246	283 723	10.3%
Under-expenditure was partly due to funds that were withheld in the NDPG (R23.4 million) due to a number of municipalities which were not complying with the DoRA and NDPG framework. Under-spending of R247.3 million on the Jobs Fund was due to various factors that resulted in the inability to disburse funds to projects. Some of these factors included slow-down in project implementation on account of external factors beyond the control of the projects, such as the current drought. Other factors include projects' failure to meet Grant Agreement obligations and / or disbursement panel conditions imposed on the projects. Savings were generated on use of consultants in the Urban Development and Support sub-programme (R12.5 million) and Infrastructure Development Support (R468 000).				
Programme 9: Revenue Administration	9 334 439	9 334 439	-	0.0%
The expenditure on the programme was on par with the budgeted amount.				
Programme 10: Financial Intelligence and State Security	4 562 062	4 562 062	-	0.0%
The expenditure on the programme was on par with the budgeted amount.				
Total per programme	29 005 061	28 690 816	314 245	98.9%

NOTES TO THE APPROPRIATION STATEMENT – CONTINUED

for the year ended 31 March 2016

Per economic classification	Final appropriation	Actual expenditure	Variance	Variance as a % of final appropriation
	R'000	R'000	R'000	%
Current payments	1 878 989	1 825 908	53 081	2.8%
Compensation of employees	733 012	732 742	270	0.0%
Goods and services	1 145 977	1 093 166	52 811	4.6%
Transfers and subsidies	21 234 215	20 985 425	248 790	1.2%
Provinces and municipalities	1 435 256	1 411 831	23 425	1.6%
Departmental agencies and accounts	15 041 883	14 816 595	225 288	1.5%
Public corporations and private enterprises	11 384	11 384	-	-
Foreign governments and international organisations	831 309	831 304	5	-
Households	3 914 383	3 914 311	72	-
Payments for capital assets	45 853	33 210	12 643	27.6%
Buildings and other fixed structures	440	-	440	100.0%
Machinery and equipment	45 413	33 210	12 203	26.9%
Payments for financial assets	5 846 004	5 846 273	-269	-
Total per economic classification	29 005 061	28 690 816	314 245	1.1%

Savings were generated on good and services due to effective implementation of the cost containment measures. Transfers and subsidies underspent due to funds that were withheld for projects in NDPG and Jobs Funds as a result of non-compliance with the relevant frameworks by the municipalities and Job Fund Partners that could not meet the disbursement conditions as a result of changes in economic conditions. Saving on capital assets were due to non-replacement of obsolete equipment and under-expenditure was due to delays in delivery of ICT related equipment by service providers.

<i>Local Gov. Fin Man Grant</i>	452 491	452 491	-	-
<i>Infrastructure Skills Dev, Grant</i>	124 465	124 465	-	-
<i>Neighbourhood Dev. Partners Grant</i>	607 000	583 575	23 425	3.9%
<i>Integrated Cities Develop Grant</i>	251 300	251 300	-	-
Total	1 435 256	1 411 831	23 425	2.0%

Variance on the NDPG was due to municipalities requesting lesser amounts than budgeted for and funds that were withheld due to non-compliance with DORA and NDPG Framework.



STATEMENT OF FINANCIAL PERFORMANCE

as at 31 March 2016

	Note	2015/16 R'000	2014/15 R'000
REVENUE			
Annual appropriation	1	29 005 061	26 703 923
Departmental revenue	2	5 602 331	5 599 130
Aid assistance	Annex 1G	92 598	93 748
TOTAL REVENUE		34 699 990	32 396 801
EXPENDITURE			
Current expenditure		1 894 188	1 609 033
Compensation of employees	4	732 742	671 461
Goods and services	5	1 091 437	856 821
Aid assistance	Annex 1G	70 009	80 751
Transfers and subsidies		20 985 425	21 256 229
Transfers and subsidies	7	20 985 425	21 256 215
Aid Assistance	Annex 1G	-	14
Expenditure for capital assets		34 939	21 844
Tangible capital assets	8	34 939	21 844
Payment for financial assets	6	5 846 273	3 376 258
TOTAL EXPENDITURE		28 760 825	26 263 364
SURPLUS FOR THE YEAR		5 939 165	6 133 437
Reconciliation of net surplus for the year			
Voted funds		314 245	521 392
Annual appropriation		290 820	521 392
Conditional grants		23 425	-
Departmental revenue	2	5 602 331	5 599 130
Aid assistance	3	22 589	12 915
SURPLUS FOR THE YEAR		5 939 165	6 133 437

STATEMENT OF FINANCIAL POSITION

for the year ended 31 March 2016

	Note	2015/16 R'000	2014/15 R'000
POSITION			
ASSETS			
Current assets		1 726 298	2 038 768
Cash and cash equivalents	9	350 362	578 172
Prepayments and advances	10	6 202	228
Receivables	11	14 432	7 199
Loans	13	1 355 302	1 453 169
Non-current assets		14 582 721	75 744 539
Investments	12	13 409 714	13 409 714
Receivables	11	13 440	15 691
Loans	13	1 159 567	62 319 134
TOTAL ASSETS		16 309 019	77 783 307
LIABILITIES			
Current liabilities		383 724	600 588
Voted funds to be surrendered to the Revenue Fund	14	314 245	521 392
Departmental revenue to be surrendered to the Revenue Fund	15	9 022	29 283
Payables	16	37 868	36 998
Aid assistance repayable	3	22 589	12 915
TOTAL LIABILITIES		383 724	600 588
NET ASSETS		15 925 295	77 182 719
Represented by:			
Capitalisation reserve		13 409 714	13 409 714
Recoverable revenue		2 515 581	63 773 005
TOTAL		15 925 295	77 182 719



STATEMENT OF CHANGES IN NET ASSETS

for the year ended 31 March 2016

	Note	2015/16 R'000	2014/15 R'000
Net assets			
Capitalisation reserves			
Opening balance	Annex 2A	13 409 714	400 956
Movement in equity	Annex 2A	-	13 008 758
Closing balance		<u>13 409 714</u>	<u>13 409 714</u>
Recoverable revenue			
Opening balance		63 773 005	65 030 695
Transfers:		(61 257 424)	(1 257 690)
Loans written off	13	(60 000 000)	-
Loans recovered (included in departmental receipts)	13	(1 453 169)	(1 551 292)
Debts/loans raised		195 745	293 602
Closing balance		<u>2 515 581</u>	<u>63 773 005</u>
TOTAL		<u>15 925 295</u>	<u>77 182 719</u>

CASH FLOW STATEMENT

for the year ended 31 March 2016

	Note	2015/16 R'000	2014/15 R'000
Cash flow			
Cash flows from operating activities			
Receipts		34 436 968	32 191 023
Annual appropriated funds received	1	29 005 061	26 703 923
Departmental revenue received	2	962 095	1 018 564
Interest received	2.2	4 377 214	4 374 788
Aid assistance received	3	92 598	93 748
Net increase /(decrease) in working capital		(10 086)	21 991
Surrendered to Revenue Fund		(6 143 984)	(6 285 004)
Surrendered to RDP Fund/Donor	3	(12 915)	(40 706)
Current payments		(1 894 188)	(1 609 033)
Payments for financial assets	6	(5 846 273)	(3 376 258)
Transfers and subsidies paid	7	(20 985 425)	(21 256 229)
Net cash flow from operating activities	17	(455 903)	(354 216)
Cash flows from investing activities			
Payments for capital assets	8	(34 939)	(21 844)
Proceeds from sale of capital assets	2	17	-
Increase/decrease in loans	13	61 257 434	1 257 435
Increase/decrease in investments	12	-	(13 008 758)
Net cash flows from investing activities		61 222 512	(11 773 167)
Cash flows from financing activities			
Dividend received	2.2	263 005	205 778
Increase/decrease in net assets		(61 257 424)	11 751 068
Net cash flows from financing activities		(60 994 419)	11 956 846
Net increase/(decrease) in cash and cash equivalents		(227 810)	(170 537)
Cash and cash equivalents at beginning of period		578 172	748 709
Cash and cash equivalents at end of period	9 & 18	350 362	578 172



ACCOUNTING POLICIES

for the year ended 31 March 2016

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. Management has concluded that the financial statements present fairly the department's primary and secondary information.

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 spot exchange rates prevailing at the date of payment / receipt and end March 2016 for disclosure purposes.

ACCOUNTING POLICIES – CONTINUED



for the year ended 31 March 2016

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 – CONTINUED

for the year ended 31 March 2016

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.

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 or in case of transfers and subsidies when they are due and payable.

Accrued expenditure payable is measured at cost.

ACCOUNTING POLICIES – CONTINUED



for the year ended 31 March 2016

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.

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.

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.



ACCOUNTING POLICIES – CONTINUED

for the year ended 31 March 2016

Bank overdrafts are shown separately on the face of the statement of financial position as a current liability.

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. Prepayments are expensed when contractual obligations have been met or goods received or services rendered as agreed.

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 FINANCIAL ASSETS

14.1 Financial assets

A financial asset is recognised initially at its cost plus transaction costs that are directly attributable to the acquisition or issue of the financial asset.

At the reporting date a department shall measure its financial assets at cost less amounts already settled or written-off except for recognised loans and receivables which are measured at cost plus accrued interest where interest is charged less amounts already settled or written-off.

14.2 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.

ACCOUNTING POLICIES – CONTINUED

for the year ended 31 March 2016

15 PAYABLES

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

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 reliably 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.

ACCOUNTING POLICIES – CONTINUED

for the year ended 31 March 2016

Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project.

Where the cost of intangible assets cannot be determined reliably 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 PROVISIONS AND CONTINGENCIES

17.1 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.

17.2 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

17.3 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

17.4 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

ACCOUNTING POLICIES – CONTINUED

for the year ended 31 March 2016

18 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.

19 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.

20 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.

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.

21 CHANGES IN ACCOUNTING POLICIES ACCOUNTING ESTIMATES AND ERRORS

Changes in accounting policies that are effected by management have been applied retrospectively in accordance with Modified Cash Standard (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.

ACCOUNTING POLICIES – CONTINUED

for the year ended 31 March 2016

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.

22 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.

23 AGENT-PRINCIPAL ARRANGEMENTS

The department is party to a principal-agent arrangement for administrative services rendered on behalf of the National Treasury with respect to Programme 7 Civil and Military Pensions, Contributions to Funds and Other Benefits by the Government Pension Administration Agency, as well as implementation of the Jobs Fund administered by the Government Technical Advisory Centre. In terms of these two arrangements the department is the principal and is responsible for providing funding for both programmes. All related revenues, expenditures, assets and liabilities have been recognised or recorded in terms of the relevant policies listed herein. Additional disclosures have been provided in the notes to the financial statements where appropriate.

24 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.

25 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.

26 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 within the Minister's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length.

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the department. The number of individuals and their full compensation is recorded in the notes to the financial statements.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS



for the year ended 31 March 2016

1. ANNUAL APPROPRIATION

	2015/16		2014/15	
	Final Appropriation R'000	Actual Funds Received R'000	Final Appropriation R'000	Actual Funds received R'000
Administration	386 645	386 645	372 382	372 382
Economic Policy Tax Financial Regulation and Research	132 730	132 730	134 358	134 358
Public Finance and Budget Management	268 889	268 889	259 877	259 877
Asset and Liability Management	3 265 171	3 265 171	3 343 372	3 343 372
Financial Accounting and Supply Chain Management Systems	783 753	783 753	770 035	770 035
International Financial Relations	3 547 662	3 547 662	1 199 717	1 199 717
Civil and Military Pensions Contribution to Funds and Other benefits	3 967 741	3 967 741	3 730 971	3 730 971
Technical Support and Development Finance	2 755 969	2 755 969	3 086 640	3 086 640
Revenue Administration	9 334 439	9 334 439	9 440 321	9 440 321
Financial Intelligence and State Security	4 562 062	4 562 062	4 366 250	4 366 250
Total	29 005 061	29 005 061	26 703 923	26 703 923

	Note	2015/16 R'000	2014/15 R'000
Conditional Grants			
Total grants received		1 435 256	1 399 742

It should be noted that the Conditional grants are included in the amounts per the Annual Appropriation in Note 1 above. For detailed information on conditional grants refer to note 38.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS – CONTINUED

for the year ended 31 March 2016

	Note	2015/16 R'000	2014/15 R'000
2. DEPARTMENTAL REVENUE			
Sales of goods and services other than capital assets	2.1	38 639	65 791
Interest dividends and rent on land	2.2	4 640 219	4 580 566
Sales of capital assets	2.3	17	-
Transactions in financial assets and liabilities	2.4	923 456	952 773
Departmental revenue collected		5 602 331	5 599 130

2.1 Sales of goods and services other than capital assets

Sales of goods and services produced by the department	38 619	65 752
Sales by market establishment	103	100
Administrative fees	5	1
Other sales	38 511	65 651
Sales of scrap waste and other used current goods	20	39
Total	38 639	65 791

Current year other sales amount includes fees collected from government providing guarantees for contracts to other entities R35.9 million (2014/15: R65.2 million), revenue flowing from the withdrawal of old coins and selling of metal by the Reserve Bank R2.1 million and other receipts R639 000 (2014/15: R451 000).

2.2 Interest, dividends and rent on land

Interest	4 377 214	4 374 788
Dividends	263 005	205 778
Total	4 640 219	4 580 566

Current year interest amount includes interest from interest-bearing financial instruments, such as tax and loan accounts R1.9 billion (2014/15: R2 billion) and foreign currency deposits R1.8 billion (2014/15: R1.6 billion) relating to the National Revenue Fund that is controlled and managed by the National Treasury, as well as the interest receivable on the Gautrain loan R613.2 million (2014/15: R711 million).

2.3 Sales of capital assets

Machinery and equipment	17	-
Total	17	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS – CONTINUED



for the year ended 31 March 2016

	Note	2015/16 R'000	2014/15 R'000
2.4 Transactions in financial assets and liabilities			
Loans and advances		840 000	840 000
Receivables		550	658
Other receipts including Recoverable Revenue		82 906	112 115
Total		923 456	952 773

3. AID ASSISTANCE

3.1 Aid assistance received in cash from RDP

Foreign			
Opening balance		12 915	40 706
Transferred from statement of financial performance		22 589	12 915
Paid during the year		(12 915)	(40 706)
Closing balance		22 589	12 915

Refer to annexure 1G for more information on Aid Assistance.

3.2 Analysis by source

Aid assistance from RDP		12 915
Closing balance		12 915

3.3 Analysis of balance

Aid assistance repayable		22 589	12 915
Closing balance		22 589	12 915



NOTES TO THE ANNUAL FINANCIAL STATEMENTS – CONTINUED

for the year ended 31 March 2016

	Note	2015/16 R'000	2014/15 R'000
4. COMPENSATION OF EMPLOYEES			
4.1 Salaries and Wages			
Basic salary		485 768	439 113
Performance award		21 517	25 631
Service Based		586	184
Compensative/circumstantial		2 530	3 504
Other non-pensionable allowances		149 389	138 122
Total		659 790	606 554
<p>“Compensative/circumstantial” refers to payments and allowances to employees as compensation for cost as a result of operational or job requirements and other non-pensionable allowances refer to all other non-pensionable allowances not separately provided for. Examples include acting allowances and internships.</p>			
4.2 Social contributions			
Employer contributions			
Pension		58 661	52 812
Medical		14 210	12 021
Bargaining council		81	74
Total		72 952	64 907
Total compensation of employees		732 742	671 461
Average number of employees		1 232	1 217

NOTES TO THE ANNUAL FINANCIAL STATEMENTS – CONTINUED



for the year ended 31 March 2016

	Note	2015/16 R'000	2014/15 R'000
5. Goods and services			
Administrative fees		3 510	3 110
Advertising		6 344	1 871
Minor Assets	5.1	523	1 880
Bursaries (employees)		4 802	4 230
Catering		1 098	1 225
Communication		6 247	4 450
Computer services	5.2	368 743	420 591
Consultants business and advisory services		505 356	218 091
Legal services		12 126	12 667
Contractors		2 414	2 381
Agency and support /outsourced services		11 052	9 833
Entertainment		121	121
Audit cost – external	5.3	11 819	15 299
Fleet services		1 350	1 086
Consumables	5.4	12 920	14 847
Operating leases		52 928	61 966
Property payments	5.5	23 057	21 389
Rental and hiring		10	-
Travel and subsistence	5.6	45 209	43 077
Venues and facilities		10 404	6 689
Training and staff development		5 132	6 490
Other operating expenditure	5.7	6 272	5 528
Total		1 091 437	856 821

Increase in advertising costs was due to the advertisement of new supply chain management initiatives introduced by the newly established OCPO such as the Central Supplier Database, new transversal contracts etc. Increase in consultancy and advisory services relates to the consulting and advisory services provided by the new Government Technical Advisory Centre (GTAC).

5.1 Minor Assets

Machinery and equipment	523	1 880
Total	523	1 880

NOTES TO THE ANNUAL FINANCIAL STATEMENTS – CONTINUED

for the year ended 31 March 2016

	Note	2015/16 R'000	2014/15 R'000
5.2 Computer services			
SITA computer services		35 400	35 023
External computer service providers		333 343	385 568
Total		368 743	420 591

External computer service providers relate to the information technology services provided by service providers on the development and maintenance of the Integrated Financial Management System (R102.6 million), legacy systems (R197.1 million) and other departmental systems (R33.6 million). These costs include license agreements obtained for the use of the relevant software, system development costs relating to programming, training on application systems and implementation, maintenance and support, and post implementation support.

5.3 Audit cost – External

Regularity audits	11 819	14 964
Forensic investigations	-	335
Total	11 819	15 299

5.4 Consumables

	2 194	3 459
Consumables supplies		
Clothing material and accessories	13	-
Household supplies	1 414	2 034
Building material and supplies	38	392
Communication accessories	2	6
IT consumables	685	793
Other consumables	42	234
Stationery printing and office supplies	10 726	11 388
Total	12 920	14 847

5.5 Property payments

Municipal services	21 494	20 010
Property management fees	1 075	1 010
Other (Pest control, fumigation etc.)	488	369
Total	23 057	21 389

NOTES TO THE ANNUAL FINANCIAL STATEMENTS – CONTINUED



for the year ended 31 March 2016

	Note	2015/16 R'000	2014/15 R'000
5.6 Travel and subsistence			
Local		23 581	24 557
Foreign		21 628	18 520
Total		45 209	43 077

5.7 Other operating expenditure

Professional bodies membership and subscription fees		5 135	4 604
Resettlement costs		296	369
Other (Courier services, publications etc.)		841	555
Total		6 272	5 528

6. PAYMENT FOR FINANCIAL ASSETS

Purchase of equity		2 671 991	374 806
Extension of loans for policy purposes		3 174 013	3 000 000
Debts written off	6.1	269	1 443
Forex losses	6.2	-	9
Total		5 846 273	3 376 258

Purchase of equity current year amount relates to payments made to the New Development Bank (BRICS) R2.2 billion, African Development Bank R340 million (2014/15: R298 million) and World Bank R33.1 million (2014/15: R76 million). Extension of loans for policy purposes, current year amount relates to payments made for the recapitalisation of the Post Bank R174 million and Development Bank of Southern Africa (DBSA) R3 billion (2014/15: R2.5 billion).

6.1 Debts written off

Settlement of claim against the Department		-	1 278
Civil and military pension (bad debts)		-	-
Staff debts written-off		-	-
Losses and damages		269	165
Total		269	1 443

5.2 Forex losses

Civil special and military pensions		-	9
Total		-	9

NOTES TO THE ANNUAL FINANCIAL STATEMENTS – CONTINUED

for the year ended 31 March 2016

	Note	2015/16 R'000	2014/15 R'000
7. TRANSFERS AND SUBSIDIES			
Municipalities and Provinces	<i>Note 38</i>	1 411 831	1 398 953
Departmental agencies and accounts	<i>Annex 1B</i>	14 816 595	14 115 137
Public corporations and private enterprises	<i>Annex 1D</i>	11 384	1 274 456
Foreign governments and international organisations	<i>Annex 1E</i>	831 304	790 549
Households	<i>Annex 1F</i>	3 914 311	3 677 119
Total		20 985 425	21 256 214

The decrease in transfers made to public corporations is due to discontinuation of the transfer payment made to the Development Bank of Southern Africa (DBSA) as a result of relocation of services that were funded and implemented through the DBSA to the newly established GTAC (for more details on the movements refer to annexure 1D).

8. EXPENDITURE FOR CAPITAL ASSETS

Tangible assets

Building and other fixed structures	-	363
Machinery and equipment	34 939	21 481
Total	34 939	21 844

8.1 Analysis of funds utilised to acquire capital assets – 2015/16

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets			
Building and other fixed structures	-	-	-
Machinery and equipment	34 939	-	34 939
Total	34 939	-	34 939

8.2 Analysis of funds utilised to acquire capital assets – 2014/15

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets			
Building and other fixed structures	363	-	363
Machinery and equipment	21 413	68	21 481
Total	21 776	68	21 844

NOTES TO THE ANNUAL FINANCIAL STATEMENTS – CONTINUED

for the year ended 31 March 2016

	Note	2015/16 R'000	2014/15 R'000
8.3 Finance lease included in capital expenditure			
Machinery and equipment		1 832	1 652
Total		1 832	1 652

9 CASH AND CASH EQUIVALENTS

Consolidated Paymaster General Account		329 148	573 072
Cash on hand		23	23
Cash with commercial banks (Local)		21 191	5 077
Total		350 362	578 172

10 PREPAYMENTS AND ADVANCES

Travel and subsistence		4	9
Prepayments		-	97
Advances paid	10.1	6 198	122
Total		6 202	228

10.1 Advances paid

Public entities	Annex 5A	5 855	122
Other institutions		343	-
Total		6 198	122

NOTES TO THE ANNUAL FINANCIAL STATEMENTS – CONTINUED

for the year ended 31 March 2016

11 RECEIVABLES

	Note	2015/16			2014/15		
		R'000	R'000	R'000	R'000	R'000	R'000
		Current	Non-current	Total	Current	Non-current	Total
Claims recoverable	11.1	3 493	1 614	5 107	1 647	1 509	3 156
Recoverable expenditure	11.2	335	391	726	205	946	1 151
Staff debt	11.3	638	907	1 545	441	875	1 316
Other debtors	11.4	9 966	10 528	20 494	4 906	12 361	17 267
Total		14 432	13 440	27 872	7 199	15 691	22 890

	Note	2015/16 R'000	2014/15 R'000
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11.1 Claims recoverable

National departments	4 251	2 359
Provincial departments	40	21
Foreign governments	816	776
Households and non-profit institutions	-	-
Total	5 107	3 156

11.2 Recoverable expenditure

Disallowance damages and losses	474	563
Disallowance miscellaneous	215	561
Private telephones	37	27
Total	726	1 151

11.3 Staff debt

Departmental Debt	1 545	1 316
Total	1 545	1 316

NOTES TO THE ANNUAL FINANCIAL STATEMENTS – CONTINUED



for the year ended 31 March 2016

	Note	2015/16 R'000	2014/15 R'000
11.4 Other debtors			
Value Added Tax (SARS)		1 429	1 769
Amounts owed by other departments – Civil and Military Pensions		2 420	1 702
Outstanding debt – Civil and Military Pensions		29	24
Disallowance – Civil and Military Pensions		5 282	5 124
Disallowance – Special Pensions		11 334	8 648
Total		20 494	17 267

12 INVESTMENTS

Non-Current (non-current shares)			
Development Bank of Southern Africa	<i>Annex 2A</i>	200 000	200 000
Public Investment Corporation Limited	<i>Annex 2A</i>	1	1
Land Bank	<i>Annex 2A</i>	200 955	200 955
South African Airways	<i>Annex 2A</i>	13 008 758	13 008 758
Total		13 409 714	13 409 714
Analysis of non-current investments			
Opening balance		13 409 714	400 956
Non-cash movement		-	13 008 758
Closing balance		13 409 714	13 409 714

12.1 Impairment of investment

Estimate of impairment of investment	13 008 758	13 008 758
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Based on the Modified Cash Standard, the impairment value was not revised as at the reporting date and remains the same as the prior year due to financial difficulties experienced by SAA. However, the present value of the expected future cash flows was calculated at R18.8 billion. The impairment is limited to the total value of the investment.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS – CONTINUED

for the year ended 31 March 2016

	Note	2015/16 R'000	2014/15 R'000
13 LOANS			
Public corporations		2 514 869	63 772 303
- Current		1 355 302	1 453 169
- Non-current		1 159 567	62 319 134
Total		2 514 869	63 772 303
Analysis of balance			
Opening balance		63 772 303	65 029 738
New issues		195 735	293 602
Amount paid		(1 453 169)	(1 551 037)
Written off		(60 000 000)	-
Closing balance		2 514 869	63 772 303

The Eskom loan amount of R60 billion was derecognised in line with the requirements of the Modified Cash Standard due to the amendment of the Eskom Subordinated Loan Special Appropriation Act (2008/9 – 2010/11) 2008, that was promulgated on 6 July 2015 in the Government Gazette no. 38973 which allows for the conversion to equity of the R60 billion loan to Eskom. The balance of R2.5 billion is the outstanding amount on the Gautrain loan and is made up of the current portion (R1.3 billion) payable in April 2016 and non-current portion (R1.2 billion) which is the last instalment payable in April 2017. New issues amount of R195.7 million is current year accrued interest on the Gautrain loan.

14 VOTED FUNDS TO BE SURRENDERED TO THE REVENUE FUND

Opening balance		521 392	125 209
Transfer from statement of financial performance		314 245	521 392
Paid during the year		(521 392)	(125 209)
Closing balance		314 245	521 392

15 DEPARTMENTAL REVENUE TO BE SURRENDERED TO THE REVENUE FUND

Opening balance		29 283	589 948
Transfer from Statement of Financial Performance		5 602 331	5 599 130
Paid during the year		(5 622 592)	(6 159 795)
Closing balance		9 022	29 283

NOTES TO THE ANNUAL FINANCIAL STATEMENTS – CONTINUED



for the year ended 31 March 2016

	Note	2015/16 R'000	2014/15 R'000
16 PAYABLES – CURRENT			
Advances received	16.1	13 060	21 532
Clearing accounts	16.2	268	168
Other payables	16.3	24 540	15 298
Total		37 868	36 998

16.1 Advances received

National departments	Annex 5B	12 340	21 216
Provincial departments	Annex 5B	35	65
Other institutions	Annex 5B	685	251
Total		13 060	21 532

16.2 Clearing accounts

Income tax (PAYE)		182	135
Persal Reversal Account		85	22
Pension Fund		1	11
Total		268	168

16.3 Other payables

Civil and military pensions		17 014	7 637
Special pensions		7 526	7 661
Total other pension		24 540	15 298

NOTES TO THE ANNUAL FINANCIAL STATEMENTS – CONTINUED

for the year ended 31 March 2016

	Note	2015/16 R'000	2014/15 R'000
17 NET CASH FLOW AVAILABLE FROM OPERATING ACTIVITIES			
Net surplus as per Statement of Financial Performance		5 939 165	6 133 437
Add back non cash/cash movements not deemed operating activities		(6 395 068)	(6 487 653)
Decrease/(increase) in receivables – current		(4 982)	(1 179)
Increase in prepayments and advances		(5 974)	1 466
Increase/(decrease) in payables – current		870	21 704
Proceeds from sale of capital assets		(17)	-
Expenditure on capital assets		34 939	21 844
Surrenders to Revenue Fund		(6 143 984)	(6 285 004)
Surrenders to RDP Fund/Donor		(12 915)	(40 706)
Dividend received		(263 005)	(205 778)
Net cash flow (utilised)/generated by operating activities		(455 903)	(354 216)

18 RECONCILIATION OF CASH AND CASH EQUIVALENTS FOR CASH FLOW PURPOSES

Consolidated Paymaster General account		329 148	573 072
Cash on hand		23	23
Cash with commercial banks (local)		21 191	5 077
Total		350 362	578 172

19 CONTINGENT LIABILITIES

Other guarantees	Annex3A	24 053 694	14 651 377
Claims against the department	Annex3B	2 106 040	2 103 047
Other contingent liabilities	Annex3B	512 466	519 151
Total		26 672 200	17 273 575

Uncertainties relating to the amounts disclosed or timing of the outflow could not be disclosed due to the inherent risks on the events and circumstances underlying these amounts which are unfavourable to the department. The total amount on other guarantees is made up of capital amount R 23 894 299 and interest R 159 395. For further details on contingent liabilities refer to annexures 3A and 3B.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS – CONTINUED



for the year ended 31 March 2016

	Note	2015/16 R'000	2014/15 R'000
20 COMMITMENTS			
Current expenditure			
Approved and contracted		7 576 470	8 365 878
Approved and not yet contracted		3 128	17 199
Total		7 579 598	8 383 077

The approved and contracted commitments are made up of the supply chain management related contracts i.e. goods and services of R3.9 billion (2014/15: R4.2 billion) and the Non-Statutory Forces commitment i.e. transfer payment of R3.6 billion (2014/15: R4.1 billion). The non-current portion i.e. longer than a year commitment is R5.9 billion, and the current portion is R1.6 billion.

21 ACCRUALS

Listed by economic classification

	30 Days	30+ Days	Total	Total
Goods and services	8 629	359	8 988	28 046
Transfers and subsidies	3 369	17 894	21 263	16 353
Capital assets	46	23	69	-
Total	12 044	18 276	30 320	44 399

Listed by programme level

Administration	3 527	6 381
Economic Policy Tax Financial Regulation and Research	954	468
Public Finance and Budget Management	1 062	947
Asset and Liability Management	857	599
Financial Accounting and Supply Chain Management Systems	1 121	19 115
International Financial Relations	1 539	538
Civil and Military Pensions Contributions to Funds and Other Benefits	21 260	16 274
Technical Support and Development Finance	-	77
Total	30 320	44 399

NOTES TO THE ANNUAL FINANCIAL STATEMENTS – CONTINUED

for the year ended 31 March 2016

	Note	2015/16 R'000	2014/15 R'000
22 EMPLOYEE BENEFITS			
Leave entitlement		22 813	22 226
Service bonus (thirteenth cheque)		15 108	13 331
Performance awards		10 995	10 335
Capped leave commitments		12 842	14 218
Long service awards		418	201
Total		62 176	60 311

At this stage the department is not able to reliably measure the long term portion of the long service awards due to complexities on the calculations involved and significant internal system limitations to assist with the calculations.

23 LEASE COMMITMENTS

23.1 Operating leases commitments

2015/16	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	53 609	2 181	55 790
Later than 1 year and not later than 5 years	15 435	2 010	17 445
Total lease commitments	69 044	4 191	73 235

2014/15	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total 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
Total	119 099	4 187	123 286

23.2 Finance leases commitments

2015/16	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	1 289	1 289
Later than 1 year and not later than 5 years	-	380	380
Total lease commitments	-	1 669	1 669

NOTES TO THE ANNUAL FINANCIAL STATEMENTS – CONTINUED

for the year ended 31 March 2016

	Note	2015/16 R'000	2014/15 R'000
2014/15			
		Buildings and other fixed structures R'000	Machinery and equipment R'000
Not later than 1 year	-	1 406	1 406
Later than 1 year and not later than 5 years	-	412	412
Total	-	1 818	1 818

24 RECEIVABLES FOR DEPARTMENTAL REVENUE

Sales of goods and services other than capital assets	-	12
Interest dividends and rent on land	204 916	278 879
Transactions in financial assets and liabilities	40	12 279
Total	204 956	291 170

24.1 Analysis of receivables for departmental revenue

Opening balance	291 170	235 458
Less: Amount received	(291 170)	(235 458)
Add: Amount recognised	204 956	291 170
Total	204 956	291 170

25 IRREGULAR EXPENDITURE

Reconciliation of irregular expenditure

Opening balance	-	-
Add: Irregular expenditure – relating to current year	-	-
Less: Amounts condoned	-	-
Irregular expenditure awaiting condonation	-	-

26 FRUITLESS AND WASTEFUL EXPENDITURE

Opening balance	-	-
Fruitless and wasteful expenditure –relating to prior year	-	-
Fruitless and wasteful expenditure –relating to current year	-	-
Less: Amounts Condoned	-	-
Fruitless and wasteful expenditure awaiting condonation	-	-



NOTES TO THE ANNUAL FINANCIAL STATEMENTS – CONTINUED

for the year ended 31 March 2016

	Note	2015/16 R'000	2014/15 R'000
27 KEY MANAGEMENT PERSONNEL			
	<i>No. of Individuals</i>		
Political office bearers	4	4 416	4 183
Officials:			
Level 15 to 16	12	16 045	16 915
Level 14	71	70 348	70 872
Total		90 809	91 970

28 IMPAIRMENT

Ex-Employee debtors	480	482
Other debtors (Material Losses)	48 690	37 073
Departmental losses	391	79
Investments	13 008 758	13 008 758
Total	13 058 319	13 046 392

29 PROVISIONS

Military Pension	10 981	12 811
Injury on duty	59 780	51 641
Military Medical benefits	2 076	967
Post-Retirement Medical benefits	1 900	761
Admin Expense Claim	5 054	4 544
Special Pension	24 838	29 357
Adam Smith International Claim	250	250
SA Smit claim	14	14
Total	104 893	100 345

NOTES TO THE ANNUAL FINANCIAL STATEMENTS – CONTINUED

for the year ended 31 March 2016

29.1 Reconciliation of movement in provisions – 2015/16

	Military and Special Pensions	Injury on Duty and Admin Expense	Military Medical Benefits and claims	Post-retirement Medical Benefits	Total provisions
	R'000	R'000	R'000	R'000	R'000
Opening balance	30 324	56 185	13 075	761	100 345
Provisions raised	29 591	44 632	11 333	19 237	104 793
Settlement of provision	(21 488)	(31 388)	(10 886)	(18 997)	(82 759)
Unused amounts reversed	(1 615)	(4 597)	(2 276)	(8 998)	(17 486)
Closing balance	36 812	64 832	11 246	(7 997)	104 893

Reconciliation of movement in provisions – 2014/15

	Military and Special Pensions	Injury on Duty and Admin Expense	Military Medical Benefits and claims	Post-retirement Medical Benefits	Total provisions
	R'000	R'000	R'000	R'000	R'000
Opening balance	53 986	67 733	8 910	3 536 831	3 667 460
Provisions raised	39 331	51 650	13 374	5 266	109 621
Unused amounts reversed	(55 938)	(54 779)	(6 383)	(2 735 774)	(2 852 874)
Settlement of provision	(7 055)	(8 419)	(2 826)	(805 559)	(823 859)
Closing balance	30 324	56 185	13 075	761	100 345

30 NON-ADJUSTING EVENTS AFTER THE REPORTING DATE

	Note	2015/16 R'000	2014/15 R'000
Subsequent to year-end, supply chain management processes on IFMS related services were concluded and a contract was awarded.		461,000	-
Legal claim against the department received after year-end		33,134	-
Total		494,134	-



NOTES TO THE ANNUAL FINANCIAL STATEMENTS – CONTINUED

for the year ended 31 March 2016

31. RELATED PARTIES

31.1 Related parties falling under the Ministry of Finance Portfolio

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. Government Employee Pension Fund (GPEF)
11. Independent Regulatory Board for Auditors (IRBA)
12. Financial Advisory Intermediary Services (FAIS) Ombudsman
13. Office of the Pension Fund Adjudicator (OPFA)
14. The Co-operative Banks Development Agency (CBDA)
15. Government Pensions Administration Agency (GPAA)
16. Government Technical Advisory Centre (GTAC)
17. South African Airways (SAA)
18. Office of the Tax Ombud (OTO)

31.2 Related Party in-kind goods and services provided

Name	Nature	Space Occupied	2015/16	2014/15
Financial		(m2)	R'000	R'000
CBDA	Office space occupied	718	2 090	872
Government Technical Advisory Centre (GTAC)	Office space occupied	3 410	10 251	2 109
Department of Public Works	Building Occupied (40 Church Square)		5 118	4 451
TOTAL			17 459	7 432

Office space occupied by CBDA 718 m2 (2014/15: 656m2) and GTAC 3 410 m2 (2014/15: 1 406m2) at National Treasury office building without paying rental and municipal services.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS – CONTINUED



for the year ended 31 March 2016

	Note	2015/16 R'000	2014/15 R'000
31.3 Related party transactions			
Expenditure made to GTAC			
ECFF			
Transfer and subsidies		-	28 300
MFIP (II)			
Goods and services: Consultancy services		121 455	98 788
NDP			
Goods and services: Consultancy services		25 895	30 000
Total		147 350	157 088

Total balances of receivables and payables that arose from related party transactions

Receivables from GTAC	-	146
Payables to GTAC	-	640
Total	-	786

Guarantees issued to related parties

South African Airways	14 393 764	8 418 814
Land Bank	5 304 378	2 097 749
Development Bank of Southern Africa	4 355 552	4 134 814
Total	24 053 694	14 651 377

32. MOVABLE TANGIBLE CAPITAL ASSETS

Movement in movable tangible capital assets per asset register for the year ended 31 March 2016

	Opening balance	Current Year adjustments to prior year balances	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
Machinery and equipment	123 834	(2)	34 360	(5 972)	152 220
Transport assets	4 279	-	1 148	-	5 427
Computer equipment	60 931	(319)	25 403	(4 507)	81 508
Furniture and office equipment	18 783	(105)	453	(726)	18 405
Other machinery and equipment	39 841	422	7 356	(739)	46 880
Total movable tangible assets	123 834	(2)	34 360	(5 972)	152 220

NOTES TO THE ANNUAL FINANCIAL STATEMENTS – CONTINUED

for the year ended 31 March 2016

32.1 Additions

Additions to movable tangible capital assets per asset register for the year ended 31 March 2016

	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
Description					
Transport assets		1 148	-	-	1 148
Computer equipment	25 298	105	-	-	25 403
Furniture and office equipment	453	-	-	-	453
Other machinery and equipment	9 188	-	(1 832)	-	7 356
Total additions of movable tangible capital assets	34 939	1 253	(1 832)	-	34 360

Movable tangible capital assets under investigation

	Number	Value R'(000)
Machinery and equipment	96	1 633

32.2 Disposals

Disposals of movable tangible capital assets per asset register for the year ended 31 March 2016

	Assets Sold	Transfer out or destroyed or scrapped	Total Disposals	Cash received actual
	R'000	R'000	R'000	R'000
Description				
Transport assets	-	-	-	-
Computer equipment	-	(4 507)	(4 507)	-
Furniture and office equipment	-	(726)	(726)	-
Other machinery and equipment	(17)	(722)	(739)	17
Total Disposal of movable tangible capital assets	(17)	(5 955)	(5 972)	17

NOTES TO THE ANNUAL FINANCIAL STATEMENTS – CONTINUED

for the year ended 31 March 2016

32.3 Movement for 2014/15

Movement in the 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
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
Total movable tangible assets	110 326	-	19 888	(6 380)	123 834

33. MINOR ASSETS

Movement in minor assets per the asset register for the year ended 31 March 2016

	Intangible Assets	Heritage Assets	Machinery and equipment	Biological assets	Closing balance
	R'000	R'000	R'000	R'000	R'000
Opening balance	-	-	33 570	-	33 570
Current year adjustment to prior year balances	-	-	-	-	-
Additions	-	-	523	-	523
Disposal	-	-	(1 164)	-	(1 164)
TOTAL	-	-	32 929	-	32 929
			Machinery and equipment		Total
Number of minor assets at cost				22	22
Total number of minor assets				22	22

NOTES TO THE ANNUAL FINANCIAL STATEMENTS – CONTINUED

for the year ended 31 March 2016

Assets Minor assets under investigation included in the asset register	Number	Amount (R'000)
Machinery and equipment	305	517

Movement in minor assets per the asset register for the year ended 31 March 2015

	Intangible Assets R'000	Heritage Assets R'000	Machinery and equipment R'000	Biological assets R'000	Closing balance R'000
Opening balance	-	-	32 801	-	32 801
Additions	-	-	1 970	-	1 970
Disposal	-	-	(1 201)	-	(1 201)
TOTAL	-	-	33 570	-	33 570

	Machinery and equipment	Total
Number of minor assets at cost	23	23
Total number of minor assets	23	23

34. MOVABLE ASSETS WRITTEN OFF

Movable Assets written off for the year ended 31 March 2016

	Intangible assets R'000	Heritage assets R'000	Specialised military assets R'000	Machinery and equipment R'000	Closing balance R'000
Assets written off	-	-	-	6 529	6 529
TOTAL	-	-	-	6 529	6 529

Movable Assets written off for the year ended 31 March 2015

	Intangible assets R'000	Heritage assets R'000	Specialised military assets R'000	Machinery and equipment R'000	Closing balance R'000
Assets written off	-	-	-	1 201	1 201
TOTAL	-	-	-	1 201	1 201

NOTES TO THE ANNUAL FINANCIAL STATEMENTS – CONTINUED

for the year ended 31 March 2016

35. INTANGIBLE CAPITAL ASSETS

Movement in Intangible Capital Assets per the asset register for the year ended 31 March 2016

	Opening Balance	Current year adjustments to prior year balances	Additions	Disposals	Closing balance
	R'	R'	R'	R'	R'
Computer Software	4	-	-	-	4
TOTAL	4	-	-	-	4

35.1 Additions

Additions to Intangible capital assets per asset register for the year ended 31 March 2016

	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
Description					
Computer Software	-	-	-	-	-
Total additions of Intangible capital assets	-	-	-	-	-

35.2 Disposals

Disposals of Intangible capital assets per asset register for the year ended 31 March 2016

	Assets Sold	Transfer out or destroyed or scrapped	Total Disposals	Cash received actual
	R'000	R'000	R'000	R'000
Description				
Computer Software	-	-	-	-
Total Disposal of Intangible capital assets	-	-	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS – CONTINUED

for the year ended 31 March 2016

35.3 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'	R'	R'	R'	R'
Computer Software	4	-	-	-	4
TOTAL	4	-	-	-	4

36. IMMOVABLE TANGIBLE CAPITAL ASSETS

Movement in Immovable Tangible Capital Assets per the asset register for the year ended 31 March 2016

	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	951	-	118	(7)	1 062
TOTAL	951	-	118	(7)	1 062

36.1 Additions

Additions to Immovable Tangible capital assets per asset register for the year ended 31 March 2016

	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
Description					
Other Fixed Structures	-	-	118	-	118
Total additions of Immovable Tangible capital assets	-	-	118	-	118

NOTES TO THE ANNUAL FINANCIAL STATEMENTS – CONTINUED



for the year ended 31 March 2016

36.2 Disposals

Disposals of Immovable Tangible capital assets per asset register for the year ended 31 March 2016

Description	Assets Sold R'000	Transfer out or destroyed or scrapped R'000	Total Disposals R'000	Cash received actual R'000
Other Fixed Structures	-	(7)	-	-
Total Disposal of Immovable Tangible capital assets	-	(7)	-	-

36.3 Immovable Tangible Capital Assets

Movement in Immovable Tangible Capital Assets per the asset register for the year ended 31 March 2016

Description	Opening Balance R'000	Current year adjustments to prior year balances R'000	Additions R'000	Disposals R'000	Closing balance R'000
Other fixed Structures	615	-	362	(26)	951
TOTAL	615	-	362	(26)	951



NOTES TO THE ANNUAL FINANCIAL STATEMENTS – CONTINUED

for the year ended 31 March 2016

	Note	2015/16 R'000	2014/15 R'000
37. AGENT-PRINCIPAL ARRANGEMENTS			
37.1 Department acting as the principal			
Government Pension Administration Agency (GPAA)		3 967 698	3 730 935
Development Bank of Southern Africa (DBSA)		-	1 241 431
Government Technical Advisory Centre (GTAC)		693 000	-
Total		4 660 698	4 972 366

The department is party to a principal-agent arrangement with the Government Pensions Administration Agency which render administrative services on behalf of the National Treasury with respect to Post-Retirement Medical subsidies, Military Pensions, Injury on Duty, Special Pensions and other pensions in relation to Judges, former State Presidents, Magistrates and Parliamentary Office Bearers and other administration as agreed between the Parties and specified in the Administration Agreement. In addition, National Treasury allocated R9 billion to the Employment Creation Facilitation Fund for the Jobs Fund and the DBSA was appointed as the implementing agent for implementation, management and administration of the Jobs Fund. The agreement was terminated on 30 September 2014 and GTAC took over as implementing agent of the Jobs Fund to the instructed suppliers after beginning 01 April 2015. The prior year amount of R1.2 billion for the DBSA was restated in line with the Modified Cash Standard and relates to the principal/ agency relationship that existed in the prior year but was terminated in September 2014, as a result it was omitted at the reporting date.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS – CONTINUED

for the year ended 31 March 2016

38. STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES

NAME OF CONDITIONAL GRANT	GRANT ALLOCATION (2015/16)							SPENT (2015/16)			2014/15	
	Division of Revenue Act	Rollovers	DORA Adjustments	Other Adjustments	Total Available	Amount received by department	Amount spent by department	Under / overspending	% 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	
<i>Local Government Financial Management Grant</i>	452 491	-	-	-	452 491	452 491	452 491		100%	449 138	449 138	
<i>Neighbourhood Development Partners Grant</i>	607 000	-	-	-	607 000	607 000	583 575	23 425	96%	591 179	590 390	
<i>Infrastructure Skills Development Grant</i>	124 465	-	-	-	124 465	124 465	124 465		100%	104 425	104 425	
<i>Integrated Cities Development Grant</i>	251 300	-	-	-	251 300	251 300	251 300		100%	255 000	255 000	
Total conditional grants to municipalities	1 435 256	-	-	-	1 435 256	1 435 256	1 411 831	23 425	98%	1 399 742	1 398 953	

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

– CONTINUED

for the year ended 31 March 2016

38.1 STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES

38.1.1 INTEGRATED CITIES DEVELOPMENT GRANT

NAME OF MUNICIPALITY	GRANT ALLOCATION (2015/16)				TRANSFER (2015/16)		
	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
Buffalo City	5 605	-	-	5 605	5 605	-	-
Nelson Mandela Bay	5 708	-	-	5 708	5 708	-	-
Mangaung	10 157	-	-	10 157	10 157	-	-
Ekurhuleni	43 194	-	-	43 194	43 194	-	-
City of Johannesburg	49 327	-	-	49 327	49 327	-	-
City of Tshwane	39 702	-	-	39 702	39 702	-	-
Ethekewini	46 781	-	-	46 781	46 781	-	-
City of Cape Town	50 826	-	-	50 826	50 826	-	-
Total	251 300	-	-	251 300	251 300	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS – CONTINUED

for the year ended 31 March 2016

38.1.2 NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT

NAME OF MUNICIPALITY	GRANT ALLOCATION (2015/16)				TRANSFER (2015/16)		
	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
Buffalo City Local Municipality	20 000	-	(20 000)	-	-	-	-
Amatole District Municipality	20 000	-	(8 688)	11 312	11 312	-	-
City of Cape Town Metropolitan Municipality	60 000	-	(15 690)	44 310	44 310	-	-
City of Johannesburg Metropolitan Municipality	60 000	-	-	60 000	60 000	-	-
City of Tshwane Metropolitan Municipality	100 000	-	(37 381)	62 619	62 619	-	-
Ekurhuleni Metropolitan Municipality	20 000	-	-	20 000	20 000	-	-
Emfuleni Municipality	10 000	-	(10 000)	-	-	-	-
eThekweni Metropolitan Municipality	70 000	-	(16 190)	53 810	53 810	-	-
Greater Tubatse	5 000	-	-	5 000	5 000	-	-
KwaDukuza Local Municipality	15 507	-	(8 507)	7 000	7 000	-	-
Mandeni Municipality	9 623	-	-	9 623	9 623	-	-
Mangaung Municipality	20 000	-	44 776	64 776	53 776	-	-
Matlosana Local Municipality	25 000	-	1 987	26 987	26 987	-	-
Mbombela Local Municipality	20 000	-	45 829	65 829	65 829	-	-
Mogale City Municipality	40 260	-	19 970	60 230	60 230	-	-
Msunduzi Local Municipality	20 000	-	11 577	31 577	31 577	-	-
Subtotal carried forward	515 390	-	7 683	523 073	512 073	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS – CONTINUED

for the year ended 31 March 2016

38.1 STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES (CONT'D)

38.1.2 NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT (CONT'D)

NAME OF MUNICIPALITY	GRANT ALLOCATION (2015/16)				TRANSFER (2015/16)		
	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
Subtotal brought forward	515 390	-	7 683	523 073	512 073	-	-
Ndwedwe Local Municipality	14 610	-	-	14 610	14 610	-	-
Nelson Mandela Metropolitan Municipality	20 000	-	(20 000)	-	-	-	-
Newcastle Local Municipality	22 000	-	(7 984)	14 016	10 000	-	-
Polokwane Local Municipality	20 000	-	11 072	31 072	31 072	-	-
Rustenburg Local Municipality	5 000	-	(5 000)	-	-	-	-
Sol Plaatje Local Municipality	5 000	-	(4 180)	820	820	-	-
Emalahleni/ Witbank Municipality	5 000	-	8 409	13 409	5 000	-	-
West Rand District Municipality	-	-	10 000	10 000	10 000	-	-
Total	607 000	-	607 000		583 575	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS – CONTINUED

for the year ended 31 March 2016

38.1.3 INFRASTRUCTURE DEVELOPMENT GRANT

NAME OF MUNICIPALITY	GRANT ALLOCATION (2015/16)				TRANSFER (2015/16)			Re-allocation by The National Treasury or National Department
	Division of Revenue Act	Rollovers	Adjustments	Total Available	Actual Transfer	Funds Withheld	R'000	
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Buffalo City	8 500	-	-	8 500	8 500	-	-	-
Nelson Mandela Bay	9 000	-	-	9 000	9 000	-	-	-
Lukanji	2 800	-	-	2 800	2 800	-	-	-
King Sabata Dalindyebo	3 200	-	-	3 200	3 200	-	-	-
Alfred Nzo District Municipality	3 000	-	-	3 000	3 000	-	-	-
City of Johannesburg	7 700	-	-	7 700	7 700	-	-	-
Westonaria	3 000	-	-	3 000	3 000	-	-	-
eThekweni	24 739	-	-	24 739	24 739	-	-	-
uMhlathuze	7 500	-	-	7 500	7 500	-	-	-
Polokwane	5 000	-	-	5 000	5 000	-	-	-
Govan Mbeki	26 000	-	-	26 000	26 000	-	-	-
Gert Sibande District Municipality	7 000	-	-	7 000	7 000	-	-	-
Sol Plaatjie	3 500	-	-	3 500	3 500	-	-	-
John Taolo Gaetsewe District Municipality	3 000	-	-	3 000	3 000	-	-	-
City of Cape Town	7 526	-	-	7 526	7 526	-	-	-
George	3 000	-	-	3 000	3 000	-	-	-
Total	124 465	-	-	124 465	124 465	-	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS – CONTINUED

for the year ended 31 March 2016

38.1 STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES (CONT'D)

38.1.4 LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT

NAME OF MUNICIPALITY	GRANT ALLOCATION (2015/16)				TRANSFER (2015/16)			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 R'000	R'000	
!Kai! Garib	1 875	-	-	1 875	1 875	-	-	
!kheis	1 875	-	-	1 875	1 875	-	-	
//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	1 325	-	-	1 325	1 325	-	-	
Amahathi	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	1 675	-	-	1 675	1 675	-	-	
Baviaans	1 600	-	-	1 600	1 600	-	-	
Beaufort West	1 600	-	-	1 600	1 600	-	-	
Bela Bela	1 600	-	-	1 600	1 600	-	-	
Bergrivier	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	-	-	
Subtotal carried forward	28 800	-	-	28 800	28 800	-	-	

NOTES TO THE ANNUAL FINANCIAL STATEMENTS – CONTINUED

for the year ended 31 March 2016

38.1.4 LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT (CONT'D)

NAME OF MUNICIPALITY	GRANT ALLOCATION (2015/16)				TRANSFER (2015/16)			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 R'000	R'000	
Subtotal brought forward	28 800	-	-	28 800	28 800	-	-	
Bojanala Platinum District Municipality	1 875	-	-	1 875	1 875	-	-	
Breede Valley	1 875	-	-	1 875	1 875	-	-	
Buffalo City	1 600	-	-	1 600	1 600	-	-	
Bushbuckridge	1 600	-	-	1 600	1 600	-	-	
Cacadu District Municipality	1 800	-	-	1 800	1 800	-	-	
Camdeboo	1 600	-	-	1 600	1 600	-	-	
Cape Agulhas	1 325	-	-	1 325	1 325	-	-	
Cape Winelands District Municipality	1 600	-	-	1 600	1 600	-	-	
Capricorn District Municipality	1 500	-	-	1 500	1 500	-	-	
Cederberg	1 250	-	-	1 250	1 250	-	-	
Central Karoo District Municipality	1 675	-	-	1 675	1 675	-	-	
Chris Hani District Municipality	1 600	-	-	1 600	1 600	-	-	
City of Cape Town	1 600	-	-	1 600	1 600	-	-	
City of Johannesburg	1 600	-	-	1 600	1 600	-	-	
City of Matlosana	1 450	-	-	1 450	1 450	-	-	
City of Tshwane	1 450	-	-	1 450	1 450	-	-	
Dannhauser	1 800	-	-	1 800	1 800	-	-	
Dhlabeng	1 600	-	-	1 600	1 600	-	-	
Dikgatlong	1 875	-	-	1 875	1 875	-	-	
Dipaleseng	1 875	-	-	1 875	1 875	-	-	
Subtotal carried forward	59 450	-	-	59 450	59 450	-	-	

NOTES TO THE ANNUAL FINANCIAL STATEMENTS – CONTINUED

for the year ended 31 March 2016

38.1 STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES (CONT'D)

38.1.4 LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT (CONT'D)

NAME OF MUNICIPALITY	GRANT ALLOCATION (2015/16)				TRANSFER (2015/16)		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 R'000	
Balance brought forward	59 450	-	-	59 450	59 450	-	-
Ditsobotla	1 675	-	-	1 675	1 675	-	-
Dr JS Moroka	1 600	-	-	1 600	1 600	-	-
Dr Kenneth Kaunda District Municipality	1 250	-	-	1 250	1 250	-	-
Dr Ruth Segomotsi Mompati 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	1 050	-	-	1 050	1 050	-	-
Elias Motsoaledi	1 600	-	-	1 600	1 600	-	-
Elundini	1 600	-	-	1 600	1 600	-	-
EMadlangeni	1 800	-	-	1 800	1 800	-	-
Emakhazeni	1 800	-	-	1 800	1 800	-	-
Emalahleni (Ec)	1 875	-	-	1 875	1 875	-	-
Emalahleni (MP)	1 675	-	-	1 675	1 675	-	-
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	-	-
Subtotal carried forward	90 475	-	-	90 475	90 475	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS – CONTINUED

for the year ended 31 March 2016

38.1.4 LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT (CONT'D)

NAME OF MUNICIPALITY	GRANT ALLOCATION (2015/16)				TRANSFER (2015/16)		
	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
Balance brought forward	90 475	-	-	90 475	90 475	-	-
Ephraim Mogale	1 675	-	-	1 675	1 675	-	-
eThekweni	1 050	-	-	1 050	1 050	-	-
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	1 875	-	-	1 875	1 875	-	-
Ga-Segwanyane	1 675	-	-	1 675	1 675	-	-
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	-	-
Great Kei	1 875	-	-	1 875	1 875	-	-
Greater Giyani	1 675	-	-	1 675	1 675	-	-
Greater Kokstad	1 700	-	-	1 700	1 700	-	-
Greater Letaba	1 675	-	-	1 675	1 675	-	-
Greater Taung	1 875	-	-	1 875	1 875	-	-
Greater Tzaneen	1 675	-	-	1 675	1 675	-	-
Greater Tzaneen	1 675	-	-	1 675	1 675	-	-
Hantam	1 800	-	-	1 800	1 800	-	-
Subtotal carried forward	122 700	-	-	122 700	122 700	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS – CONTINUED

for the year ended 31 March 2016

38.1 STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES (CONT'D)

38.1.4 LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT (CONT'D)

NAME OF MUNICIPALITY	GRANT ALLOCATION (2015/16)				TRANSFER (2015/16)		
	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
Balance brought forward	1 222 700	-	-	1 222 700	1 222 700	-	-
Harry Gwala District Municipality	1 250	-	-	1 250	1 250	-	-
Hessequa	1 450	-	-	1 450	1 450	-	-
Hibiscus Coast	1 600	-	-	1 600	1 600	-	-
Hiabisa	1 800	-	-	1 800	1 800	-	-
Ikwezi	1 875	-	-	1 875	1 875	-	-
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	1 675	-	-	1 675	1 675	-	-
Inxuba Yethemba	1 675	-	-	1 675	1 675	-	-
Joe Gqabi District Municipality	1 250	-	-	1 250	1 250	-	-
Joe Morolong	1 675	-	-	1 675	1 675	-	-
John Taolo Gaetsewe District Municipality	1 250	-	-	1 250	1 250	-	-
Jozini	1 800	-	-	1 800	1 800	-	-
Kamiesberg	2 616	-	-	2 616	2 616	-	-
Kannaland	1 875	-	-	1 875	1 875	-	-
Kareeberg	1 675	-	-	1 675	1 675	-	-
Subtotal carried forward	1 582 216	-	-	1 582 216	1 582 216	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS – CONTINUED

for the year ended 31 March 2016

38.1.4 LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT (CONT'D)

NAME OF MUNICIPALITY	GRANT ALLOCATION (2015/16)					TRANSFER (2015/16)		
	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	
Balance brought forward	1 58 216	-	-	1 58 216	1 58 216	-	-	
Karoo Hoogland	1 800	-	-	1 800	1 800	-	-	
Kgatelopele	1 875	-	-	1 875	1 875	-	-	
Kgetlengrivier	1 875	-	-	1 875	1 875	-	-	
Khai-Ma	1 800	-	-	1 800	1 800	-	-	
King Sabata Dalindyebo	1 675	-	-	1 675	1 675	-	-	
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	-	-	
Lekwa-Teemane	1 675	-	-	1 675	1 675	-	-	
Lepelle-Nkumpi	1 675	-	-	1 675	1 675	-	-	
Lephalale	1 600	-	-	1 600	1 600	-	-	
Subtotal carried forward	1 88 141	-	-	1 88 141	1 88 141	-	-	

NOTES TO THE ANNUAL FINANCIAL STATEMENTS – CONTINUED

for the year ended 31 March 2016

38.1 STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES (CONT'D)

38.1.4 LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT (CONT'D)

NAME OF MUNICIPALITY	GRANT ALLOCATION (2015/16)				TRANSFER (2015/16)		
	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
Balance brought forward	188 141	-	-	188 141	188 141	-	-
Lesedi	1 450	-	-	1 450	1 450	-	-
Letsemeng	1 800	-	-	1 800	1 800	-	-
Lukhanji	1 675	-	-	1 675	1 675	-	-
Madibeng	1 600	-	-	1 600	1 600	-	-
Mafikeng	1 675	-	-	1 675	1 675	-	-
Mafube	1 875	-	-	1 875	1 875	-	-
Magareng	1 800	-	-	1 800	1 800	-	-
Makana	1 675	-	-	1 675	1 675	-	-
Makhado	1 600	-	-	1 600	1 600	-	-
Makhuduthamaga	1 600	-	-	1 600	1 600	-	-
Maletswai	1 800	-	-	1 800	1 800	-	-
Maluti-a-Phofung	1 675	-	-	1 675	1 675	-	-
Mamusa	1 875	-	-	1 875	1 875	-	-
Mandeni	1 800	-	-	1 800	1 800	-	-
Mangaung	1 300	-	-	1 300	1 300	-	-
Mantsopa	1 675	-	-	1 675	1 675	-	-
Maphumulo	1 800	-	-	1 800	1 800	-	-
Maquassi Hills	1 675	-	-	1 675	1 675	-	-
Maruleng	1 800	-	-	1 800	1 800	-	-
Masilonyana	1 800	-	-	1 800	1 800	-	-
Subtotal carried forward	222 091	-	-	222 091	222 091	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS – CONTINUED

for the year ended 31 March 2016

38.1.4 LOCAL GOVERNMENT FINANCIAL MANAGEMENT GrAnt (CONT'D)

NAME OF MUNICIPALITY	GRANT ALLOCATION (2015/16)				TRANSFER (2015/16)			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 R'000	R'000	
Balance brought forward	222 091	-	-	222 091	222 091	-	-	
Matielele	1 600	-	-	1 600	1 600	-	-	
Matjhabeng	1 675	-	-	1 675	1 675	-	-	
Matzikama	1 450	-	-	1 450	1 450	-	-	
Mbhashe	1 600	-	-	1 600	1 600	-	-	
Mbizana	1 675	-	-	1 675	1 675	-	-	
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	1 875	-	-	1 875	1 875	-	-	
Midvaal	1 450	-	-	1 450	1 450	-	-	
Mier	1 875	-	-	1 875	1 875	-	-	
Mkhambathini	1 800	-	-	1 800	1 800	-	-	
Mkhondo	1 675	-	-	1 675	1 675	-	-	
Mnquma	1 600	-	-	1 600	1 600	-	-	
Modimolle	1 675	-	-	1 675	1 675	-	-	
Mogalakwena	1 600	-	-	1 600	1 600	-	-	
Mogale City	1 450	-	-	1 450	1 450	-	-	
Subtotal carried forward	251 691	-	-	251 691	251 691	-	-	



NOTES TO THE ANNUAL FINANCIAL STATEMENTS – CONTINUED

for the year ended 31 March 2016

38.1 STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES (CONT'D)

38.1.4 LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT (CONT'D)

NAME OF MUNICIPALITY	GRANT ALLOCATION (2015/16)				TRANSFER (2015/16)		
	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
Balance brought forward	251 691	-	-	251 691	251 691	-	-
Mohokare	1 800	-	-	1 800	1 800	-	-
Molemole	1 600	-	-	1 600	1 600	-	-
Mookgopong	1 800	-	-	1 800	1 800	-	-
Mopani District Municipality	1 325	-	-	1 325	1 325	-	-
Moghaka	1 675	-	-	1 675	1 675	-	-
Moretele	1 675	-	-	1 675	1 675	-	-
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	1 675	-	-	1 675	1 675	-	-
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	1 875	-	-	1 875	1 875	-	-
Nala	1 875	-	-	1 875	1 875	-	-
Naledi (FS)	1 875	-	-	1 875	1 875	-	-
Naledi (NW)	1 600	-	-	1 600	1 600	-	-
Subtotal carried forward	284 116	-	-	284 116	284 116	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS – CONTINUED

for the year ended 31 March 2016

38.1.4 LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT (CONT'D)

NAME OF MUNICIPALITY	GRANT ALLOCATION (2015/16)			TRANSFER (2015/16)			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 R'000	
Balance brought forward	284 116	-	-	284 116	284 116	-	-
Nama Khoi	1 675	-	-	1 675	1 675	-	-
Namakwa District Municipality	1 250	-	-	1 250	1 250	-	-
Ndlambe	1 800	-	-	1 800	1 800	-	-
Ndwedwe	1 800	-	-	1 800	1 800	-	-
Nelson Mandela	1 050	-	-	1 050	1 050	-	-
Newcastle	1 600	-	-	1 600	1 600	-	-
Ngaka Modiri Molema District Municipality	1 325	-	-	1 325	1 325	-	-
Ngqushwa	1 875	-	-	1 875	1 875	-	-
Ngquza Hill	1 600	-	-	1 600	1 600	-	-
Ngwathe	1 675	-	-	1 675	1 675	-	-
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	-	-
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	-	-
Subtotal carried forward	315 016	-	-	315 016	315 016	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS – CONTINUED

for the year ended 31 March 2016

38.1 STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES (CONT'D)

38.1.4 LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT (CONT'D)

NAME OF MUNICIPALITY	GRANT ALLOCATION (2015/16)				TRANSFER (2015/16)			Re-allocation by The National Treasury or National Department
	Division of Revenue Act	Rollovers	Adjustments	Total Available	Actual Transfer	Funds Withheld	R'000	
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Balance brought forward	3 15 016	-	-	3 15 016	3 15 016	-	-	-
NW397	1 800	-	-	1 800	1 800	-	-	-
Nxuba	1 600	-	-	1 600	1 600	-	-	-
Nyandeni	1 575	-	-	1 575	1 575	-	-	-
O.R. Tambo District Municipality	1 800	-	-	1 800	1 800	-	-	-
Okhahlamba	1 450	-	-	1 450	1 450	-	-	-
Oudtshoorn	1 250	-	-	1 250	1 250	-	-	-
Overberg District Municipality	1 450	-	-	1 450	1 450	-	-	-
Overstrand	1 675	-	-	1 675	1 675	-	-	-
Phokwane	1 875	-	-	1 875	1 875	-	-	-
Phumelela	1 600	-	-	1 600	1 600	-	-	-
Pixley Ka Seme(MP)	1 250	-	-	1 250	1 250	-	-	-
Pixley Ka Seme District Municipality	1 875	-	-	1 875	1 875	-	-	-
Polokwane	1 800	-	-	1 800	1 800	-	-	-
Port St Johns	1 600	-	-	1 600	1 600	-	-	-
Prince Albert	1 675	-	-	1 675	1 675	-	-	-
Ramotshere Moiloa	1 450	-	-	1 450	1 450	-	-	-
Randfontein	1 800	-	-	1 800	1 800	-	-	-
Subtotal carried forward	3 40 741	-	-	3 40 741	3 40 741	-	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS – CONTINUED

for the year ended 31 March 2016

38.1.4 LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT (CONT'D)

NAME OF MUNICIPALITY	GRANT ALLOCATION (2015/16)				TRANSFER (2015/16)		
	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
Balance brought forward	340 741	-	-	340 741	340 741	-	-
Ratlou	1 800	-	-	1 800	1 800	-	-
Renosterberg	1 875	-	-	1 875	1 875	-	-
Richmond	1 800	-	-	1 800	1 800	-	-
Richtersveld	1 800	-	-	1 800	1 800	-	-
Rustenburg	1 600	-	-	1 600	1 600	-	-
Sakhisizwe	1 600	-	-	1 600	1 600	-	-
Saldanha Bay	1 450	-	-	1 450	1 450	-	-
Sedibeng District Municipality	1 250	-	-	1 250	1 250	-	-
Sekhukhune District Municipality	1 250	-	-	1 250	1 250	-	-
Senqu	1 250	-	-	1 250	1 250	-	-
Setsoto	1 600	-	-	1 600	1 600	-	-
Siyancuma	1 600	-	-	1 600	1 600	-	-
Siyathemba	1 875	-	-	1 875	1 875	-	-
Sol Plaatje	1 875	-	-	1 875	1 875	-	-
Stellenbosch	1 600	-	-	1 600	1 600	-	-
Steve Tshwete	1 450	-	-	1 450	1 450	-	-
Sundays River Valley	1 600	-	-	1 600	1 600	-	-
Swartland	1 875	-	-	1 875	1 875	-	-
Subtotal carried forward	371 341	-	-	371 341	371 341	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS – CONTINUED

for the year ended 31 March 2016

38.1 STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES (CONT'D)

38.1.4 LOCAL GOVERNMENT FINANCIAL MANAGEMENT Grant (CONT'D)

NAME OF MUNICIPALITY	GRANT ALLOCATION (2015/16)				TRANSFER (2015/16)		
	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
Balance brought forward	371 341	-	-	371 341	371 341	-	-
Swellendam	1 600	-	-	1 600	1 600	-	-
Thaba Chweu	1 675	-	-	1 675	1 675	-	-
Thabazimbi	1 675	-	-	1 675	1 675	-	-
Thabo Mofutsanyana District Municipality	1 250	-	-	1 250	1 250	-	-
The Big 5 False Bay	1 800	-	-	1 800	1 800	-	-
Theewaterskloof	1 600	-	-	1 600	1 600	-	-
Thembelihle	1 875	-	-	1 875	1 875	-	-
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	1 875	-	-	1 875	1 875	-	-
Tsolwana	1 800	-	-	1 800	1 800	-	-
Tswaing	1 875	-	-	1 875	1 875	-	-
Tswelopele	1 800	-	-	1 800	1 800	-	-
Ubuhebezwe	1 800	-	-	1 800	1 800	-	-
Ubuntu	1 800	-	-	1 800	1 800	-	-
Subtotal carried forward	400 366	-	-	400 366	400 366	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS – CONTINUED



for the year ended 31 March 2016

38.1.4 LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT (CONT'D)

NAME OF MUNICIPALITY	GRANT ALLOCATION (2015/16)				TRANSFER (2015/16)			Re-allocation by The National Treasury or National Department
	Division of Revenue Act	Rollovers	Adjustments	Total Available	Actual Transfer	Funds Withheld		
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	
Balance brought forward	400 366	-	-	400 366	400 366	-	-	
Ugu District Municipality	1 325	-	-	1 325	1 325	-	-	
Ulundi	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	-	-	
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	-	-	
Umninyathi District Municipality	1 250	-	-	1 250	1 250	-	-	
Umzumbi	1 800	-	-	1 800	1 800	-	-	
Subtotal carried forward	431 041	-	-	431 041	431 041	-	-	

NOTES TO THE ANNUAL FINANCIAL STATEMENTS – CONTINUED

for the year ended 31 March 2016

38.1 STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES (CONT'D)

38.1.4 LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT (CONT'D)

NAME OF MUNICIPALITY	GRANT ALLOCATION (2015/16)				TRANSFER (2015/16)			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 R'000	R'000	
Balance brought forward	431 041	-	-	431 041	431 041	-	-	
uPhongolo	1 800	-	-	1 800	1 800	-	-	
Uthukela District Municipality	1 325	-	-	1 325	1 325	-	-	
uThungulu District Municipality	1 250	-	-	1 250	1 250	-	-	
Ventersdorp	1 875	-	-	1 875	1 875	-	-	
Vhembe District Municipality	1 325	-	-	1 325	1 325	-	-	
Victor Khanye	1 600	-	-	1 600	1 600	-	-	
Vulamehlo	1 875	-	-	1 875	1 875	-	-	
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	-	-	
Xhariep District Municipality	1 250	-	-	1 250	1 250	-	-	
Z.F Mgcawu District	1 250	-	-	1 250	1 250	-	-	
Zululand District Municipality	1 250	-	-	1 250	1 250	-	-	
Total	452 491	-	-	452 491	452 491	-	-	

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS – CONTINUED

for the year ended 31 March 2016

ANNEXURE 1A

STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES: INTEGRATED CITIES DEVELOPMENT GRANT

NAME OF MUNICIPALITY	GRANT ALLOCATION (2015/16)			TRANSFER (2015/16)			SPENT (2014/15)			2014/15	
	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	Division of Revenue Act
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
Buffalo City	5 605			5 605	5 605			5 605	-	0%	0
Nelson Mandela Bay	5 708			5 708	5 708			5 708	629	11%	4 133
Mangaung	10 157			10 157	10 157			10 157	2 452	24%	5 596
Ekurhuleni	43 194			43 194	43 194			43 194	6 011	14%	40 323
City of Johannesburg	49 327			49 327	49 327			49 327	11 792	24%	50 497
City of Tshwane	39 702			39 702	39 702			39 702	1 751	4%	44 659
Ethekewini	46 781			46 781	46 781			46 781	32 676	70%	52 621
City of Cape Town	50 826			50 826	50 826			50 826	26 861	53%	57 171
Total	251 300	-	-	251 300	251 300	-	-	251 300	82 172	33%	255 000



ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS – CONTINUED

for the year ended 31 March 2016

ANNEXURE 1A (CONTINUED)

STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES: NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT

NAME OF MUNICIPALITY	GRANT ALLOCATION (2015/16)					TRANSFER (2015/16)			SPENT (2014/15)			2014/15
	Division of Revenue Act	Roll-overs	Adjustments	Total Available	Actual Transfer	Funds With-held	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	
Buffalo City Local Municipality	20 000		(20 000)	-							5 000	
Amatole District Municipality	20 000		(8 688)	11 312	11 312			11 312	6 376	56%	11 257	
City of Cape Town Metropolitan Municipality	60 000		(15 690)	44 310	44 310			44 310	19 432	44%	30 784	
City of Johannesburg Metropolitan Municipality	60 000			60 000	60 000			60 000	17 695	29%	48 461	
City of Tshwane Metropolitan Municipality	100 000		(37 381)	62 619	62 619			62 619	62 619	100%	175 000	
Ekurhuleni Metropolitan Municipality	20 000		-	20 000	20 000			20 000	3 769	19%	-	
Emfuleni Municipality	10 000		(10 000)	-							5 000	
Emnambithi/Ladysmith Municipality				-							17 903	
eThekweni Metropolitan Municipality	70 000		(16 190)	53 810	53 810			53 810	14 352	27%	34 255	
Greater Taung Local Municipality				-							9 288	
Greater Tzaneen	5 000			5 000	5 000			5 000	3 261	65%	10 000	
Greater Tzaneen Local Municipality				-							21 951	
KwaDukuza Local Municipality	15 507		(8 507)	7 000	7 000			7 000	5 513	79%	3 585	
Mandeni Municipality	9 623		-	9 623	9 623			9 623	9 623	100%	14 288	
Mangaung Municipality	20 000		44 776	64 776	53 776			53 776	8 637	16%	5 000	
Matlosana Local Municipality	25 000		1 987	26 987	26 987			26 987	13 042	48%	19 000	
Subtotal carried forward	435 130	-	(69 693)	365 437	354 437	-	-	354 437	164 319	46%	410 772	

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS – CONTINUED

for the year ended 31 March 2016

STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES: NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT (CONTINUED)

NAME OF MUNICIPALITY	GRANT ALLOCATION (2015/16)				TRANSFER (2015/16)			SPENT (2014/15)			2014/15
	Division of Revenue Act	Roll-overs	Adjustments	Total Available	Actual Transfer	Funds With-held	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	435 130		(69 693)	365 437	354 437		-	354 437	164 319	46%	410 772
Matzikama Local Municipality				-							311
Mbombela Local Municipality	20 000		45 829	65 829	65 829			65 829	18 693	28%	10 000
Mogale City Municipality	40 260		19 970	60 230	60 230			60 230	41 030	68%	30 210
Msunduzi Local Municipality	20 000		11 577	31 577	31 577			31 577	9 273	29%	29 500
Ndwedwe Local Municipality	14 610			14 610	14 610			14 610	8 150	56%	11 000
Nelson Mandela Metropolitan Municipality	20 000		(20 000)	-							9 000
Newcastle Local Municipality	22 000		(7 984)	14 016	10 000			10 000	7 078	71%	19 776
Nongoma Local Municipality				-							9 876
Polokwane Local Municipality	20 000		11 072	31 072	31 072			31 072	20 318	65%	10 000
Ramotshere Moiboa Local Municipality				-							3 869
Rustenburg Local Municipality	5 000		(5 000)	-							-
Sedibeng District Municipality				-							1 365
Sol Plaatje Local Municipality	5 000		(4 180)	820	820			820		0%	-
Thulamela Local Municipality				-							15 000
Umtshezi Local Municipality				-							14 500
Umzimkhulu				-							16 000
Emalaheni/Witbank Municipality	5 000		8 409	13 409	5 000			5 000	2 036	41%	
West Rand District Municipality			10 000	10 000	10 000			10 000	7 824	78%	
Total	607 000		-	607 000	583 575		-	583 575	259 703	45%	591 179



ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS – CONTINUED

for the year ended 31 March 2016

ANNEXURE 1A (CONTINUED)

STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES: INFRASTRUCTURE SKILLS DEVELOPMENT GRANT

NAME OF MUNICIPALITY	GRANT ALLOCATION (2015/16)				TRANSFER (2015/16)			SPENT (2014/15)		2014/15	
	Division of Revenue Act	Roll-overs	Adjustments	Total Available	Actual Transfer	Funds With-held	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
Buffalo City	8 500			8 500	8 500			8 500	3 850	45%	5 500
Nelson Mandela Bay	9 000			9 000	9 000			9 000	6 245	69%	8 000
Lukaniji	2 800			2 800	2 800			2 800	2 111	75%	2 200
King Sabata Dalindyebo	3 200			3 200	3 200			3 200	2 316	72%	3 000
Alfred Nzo District Municipality	3 000			3 000	3 000			3 000	2 894	96%	3 000
City of Johannesburg	7 700			7 700	7 700			7 700	620	8%	1 000
Westonaria	3 000			3 000	3 000			3 000	2 124	71%	2 000
eThekweni	24 739			24 739	24 739			24 739	21 132	85%	26 925
uMhlatuze	7 500			7 500	7 500			7 500	3 377	45%	8 000
Polokwane	5 000			5 000	5 000			5 000	2 130	43%	3 000
Govan Mbeki	26 000			26 000	26 000			26 000	9 056	35%	26 000
Gert Sibande District Municipality	7 000			7 000	7 000			7 000	3 778	54%	3 000
Sol Plaatje	3 500			3 500	3 500			3 500	2 450	70%	2 500
John Taolo Gaetsewe District Municipality	3 000			3 000	3 000			3 000	1 801	60%	2 500
Ditsobotla				-							2 500
City of Cape Town	7 526			7 526	7 526			7 526	5 383	72%	2 300
George	3 000			3 000	3 000			3 000	1 873	62%	3 000
Total	124 465	-	-	124 465	124 465	-	-	124 465	71 140	57%	104 425

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS – CONTINUED

for the year ended 31 March 2016

STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES: LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT

NAME OF MUNICIPALITY	GRANT ALLOCATION (2015/16)				TRANSFER (2015/16)		SPENT (2015/16)		2014/15	
	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
Ikai! Garib	1 875	-	-	1 875	1 875		1 875	1 843	98%	1 800
!Ykheis	1 875	-	-	1 875	1 875		1 600	1 256	79%	1 800
//Kharahais	1 600	-	-	1 600	1 600		1 600	1 557	97%	1 600
Abaqulusi	1 600	-	-	1 600	1 600		1 800	1 516	84%	1 600
Aganang	1 800	-	-	1 800	1 800		1 600	840	53%	1 800
Albert Luthuli	1 600	-	-	1 600	1 600		1 325	755	57%	1 600
Alfred Nzo	1 325	-	-	1 325	1 325		1 600	1 585	99%	1 250
Amahlati	1 600	-	-	1 600	1 600		1 500	1 275	85%	1 600
Amajuba	1 500	-	-	1 500	1 500		1 250	495	40%	1 500
Amatole	1 250	-	-	1 250	1 250		1 675	1 280	76%	1 250
Ba-Phalaborwa	1 675	-	-	1 675	1 675		1 600	1 566	98%	1 600
Baviaans	1 600	-	-	1 600	1 600		1 600	1 415	88%	1 600
Beaufort West	1 600	-	-	1 600	1 600		1 600	606	38%	1 600
Bela-Bela	1 600	-	-	1 600	1 600		1 450	817	56%	1 600
Bergivier	1 450	-	-	1 450	1 450		1 450	785	54%	1 450
Bitou	1 450	-	-	1 450	1 450		1 800	1 037	58%	1 450
Blouberg	1 800	-	-	1 800	1 800		1 600	1 326	83%	1 800
Blue Crane Route	1 600	-	-	1 600	1 600		1 875	1 843	98%	1 600
Subtotal carried forward	28 800	-	-	28 800	28 800	-	28 800	21 477	75%	28 500

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS – CONTINUED

for the year ended 31 March 2016

ANNEXURE 1A (CONTINUED)

STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES: LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT (CONTINUED)

NAME OF MUNICIPALITY	GRANT ALLOCATION (2015/16)				TRANSFER (2015/16)			SPENT (2015/16)		2014/15	
	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	28 800	-	-	28 800	28 800		28 800	21 477	75%	28 500	
Bojanala Platinum	1 250	-	-	1 250	1 250		1 250	807	65%	1 250	
Dr. Ruth Segomotsi Mompati District	1 450	-	-	1 450	1 450		1 450	692	48%	1 450	
Langerberg	1 300	-	-	1 300	1 300		1 300	475	37%	1 500	
Breede Valley	1 675	-	-	1 675	1 675		1 675	1 131	68%	1 600	
Buffalo City	-	-	-	-	-		-	-	-	1 250	
Bushbuckridge	1 800	-	-	1 800	1 800		1 800	1 706	95%	1 800	
Cacadu	1 450	-	-	1 450	1 450		1 450	1 249	86%	1 450	
Camdeboo	1 250	-	-	1 250	1 250		1 250	877	70%	1 250	
Cape Agulhas	1 250	-	-	1 250	1 250		1 250	229	18%	1 250	
Cape Town	1 450	-	-	1 450	1 450		1 450	730	50%	1 450	
Cape Winelands	1 250	-	-	1 250	1 250		1 250	1 193	95%	1 250	
Capricorn	1 500	-	-	1 500	1 500		1 500	751	50%	1 500	
Cederberg	1 050	-	-	1 050	1 050		1 050	776	74%	1 250	
Central Karoo	1 050	-	-	1 050	1 050		1 050	792	75%	1 250	
Chris Hani	1 675	-	-	1 675	1 675		1 675	1 013	60%	1 600	
Dannhauser	4 175	-	-	4 175	4 175		4 175	2 127	51%	5 000	
Delmas	1 800	-	-	1 800	1 800		1 800	1 800	100%	1 800	
Dihlabeng	1 600	-	-	1 600	1 600		1 600	903	56%	1 600	
Dikgatlong	1 875	-	-	1 875	1 875		1 875	1 544	82%	1 800	
Dipaleseng	1 800	-	-	1 800	1 800		1 800	1 191	66%	1 800	
Subtotal carried forward	59 450	-	-	59 450	59 450		59 450	41 463	70%	61 600	

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS – CONTINUED

for the year ended 31 March 2016

STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES: LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT (CONTINUED)

NAME OF MUNICIPALITY	GRANT ALLOCATION (2015/16)				TRANSFER (2015/16)		SPENT (2015/16)		2014/15	
	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	59 450	-	-	59 450	59 450		59 450	41 463	70%	61 600
Ditsobotla	1 675	-	-	1 675	1 675	-	1 675	300	18%	1 600
Dr JS Moroka	1 600	-	-	1 600	1 600	-	1 600	1 560	98%	1 600
Dr Kenneth Kaunda	1 250	-	-	1 250	1 250	-	1 250	1 249	100%	1 250
Dr Ruth Segomotsi Mompoti	1 250	-	-	1 250	1 250	-	1 250	953	76%	1 250
Drakenstein	1 450	-	-	1 450	1 450	-	1 450	1 338	92%	1 450
Eden District Municipality	1 250	-	-	1 250	1 250	-	1 250	562	45%	1 250
eDumbe	1 800	-	-	1 800	1 800	-	1 800	1 510	84%	1 800
Ehlanzeni	1 500	-	-	1 500	1 500	-	1 500	1 431	95%	1 500
Ekurhuleni	1 050	-	-	1 050	1 050	-	1 050	1 050	100%	1 250
Elias Motsoaledi	1 600	-	-	1 600	1 600	-	1 600	1 204	75%	1 600
Elundini	1 600	-	-	1 600	1 600	-	1 600	555	35%	1 600
EMadlangeni	1 800	-	-	1 800	1 800	-	1 800	944	52%	1 800
Emakhazeni	1 800	-	-	1 800	1 800	-	1 800	494	27%	1 800
Emalaheni (Ec)	1 875	-	-	1 875	1 875	-	1 875	1 310	70%	1 800
Emalaheni (MP)	1 675	-	-	1 675	1 675	-	1 675	1 000	60%	1 600
Emfuleni	1 450	-	-	1 450	1 450	-	1 450	676	47%	1 450
Emnambethi/Ladysmith	1 600	-	-	1 600	1 600	-	1 600	782	49%	1 600
Emthanjeni	1 600	-	-	1 600	1 600	-	1 600	1 254	78%	1 600
Endumeni	1 600	-	-	1 600	1 600	-	1 600	944	59%	1 600
Engcobo	1 600	-	-	1 600	1 600	-	1 600	1 589	99%	1 600
Subtotal carried forward	90 475	-	-	90 475	90 475		90 475	62 168	69%	92 600

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS – CONTINUED

for the year ended 31 March 2016

ANNEXURE 1A (CONTINUED)

STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES: LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT (CONTINUED)

NAME OF MUNICIPALITY	GRANT ALLOCATION (2015/16)			TRANSFER (2015/16)			SPENT (2015/16)			2014/15	
	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	90 475	-	-	90 475	90 475		90 475	62 168	69%	92 600	
Ephraim Mogale	1 675	-	-	1 675	1 675	-	1 675	1 105	66%	1 600	
eThekweni	1 050	-	-	1 050	1 050	-	1 050	1 050	100%	1 250	
Ezingolweni	1 800	-	-	1 800	1 800	-	1 800	1 101	61%	1 800	
Fetakgomo	1 800	-	-	1 800	1 800	-	1 800	1 298	72%	1 800	
Fezile Dabi	1 250	-	-	1 250	1 250	-	1 250	672	54%	1 250	
Frances Baard	1 250	-	-	1 250	1 250	-	1 250	536	43%	1 250	
Gamagara	1 600	-	-	1 600	1 600	-	1 600	735	46%	1 600	
Gariep	1 875	-	-	1 875	1 875	-	1 875	1 146	61%	1 800	
Ga-Segwanyane	1 675	-	-	1 675	1 675	-	1 675	1 199	72%	1 600	
George	1 450	-	-	1 450	1 450	-	1 450	914	63%	1 450	
Gert Sibande	1 250	-	-	1 250	1 250	-	1 250	1 250	100%	1 250	
Govan Mbeki	1 600	-	-	1 600	1 600	-	1 600	852	53%	1 600	
Great Kei	1 875	-	-	1 875	1 875	-	1 875	1 373	73%	1 800	
Greater Giyani	1 675	-	-	1 675	1 675	-	1 675	1 466	88%	1 600	
Greater Kokstad	1 700	-	-	1 700	1 700	-	1 700	354	21%	1 700	
Greater Letaba	1 675	-	-	1 675	1 675	-	1 675	966	58%	1 600	
Greater Taung	1 875	-	-	1 875	1 875	-	1 875	762	41%	1 800	
Greater Tubatse	1 675	-	-	1 675	1 675	-	1 675	1 005	60%	1 600	
Greater Tzaneen	1 675	-	-	1 675	1 675	-	1 675	1 098	66%	1 600	
Hantam	1 800	-	-	1 800	1 800	-	1 800	899	50%	1 800	
Subtotal carried forward	122 700	-	-	122 700	122 700		122 700	81 949	67%	124 350	

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS – CONTINUED

for the year ended 31 March 2016

STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES: LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT (CONTINUED)

NAME OF MUNICIPALITY	GRANT ALLOCATION (2015/16)				TRANSFER (2015/16)			SPENT (2015/16)		2014/15	
	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	122 700	-	-	122 700	122 700		122 700	81 949	67%	124 350	
Harry Gwala	1 250	-	-	1 250	1 250	-	1 250	368	29%	1 250	
Hessequa	1 450	-	-	1 450	1 450	-	1 450	1 450	100%	1 450	
Hibiscus Coast	1 600	-	-	1 600	1 600	-	1 600	1 133	71%	1 600	
Hlabisa	1 800	-	-	1 800	1 800	-	1 800	1 427	79%	1 800	
Ikwezi	1 875	-	-	1 875	1 875	-	1 875	763	41%	1 800	
ilembe District Municipality	1 250	-	-	1 250	1 250	-	1 250	1 042	83%	1 250	
Imbabazane	1 800	-	-	1 800	1 800	-	1 800	1 237	69%	1 800	
Impendle	1 800	-	-	1 800	1 800	-	1 800	1 385	77%	1 800	
Indaka	1 800	-	-	1 800	1 800	-	1 800	1 310	73%	1 800	
Ingwe	1 800	-	-	1 800	1 800	-	1 800	1 339	74%	1 800	
Inkwanca	1 800	-	-	1 800	1 800	-	1 800	1 800	100%	1 800	
Intsika Yethu	1 675	-	-	1 675	1 675	-	1 675	1 311	78%	1 600	
Inxuba Yethemba	1 675	-	-	1 675	1 675	-	1 675	1 674	100%	1 600	
Joe Gqabi	1 250	-	-	1 250	1 250	-	1 250	627	50%	1 250	
Joe Morolong	1 675	-	-	1 675	1 675	-	1 675	500	30%	1 600	
John Taolo Gaetsewe	1 250	-	-	1 250	1 250	-	1 250	1 079	86%	1 250	
Jozini	1 800	-	-	1 800	1 800	-	1 800	926	51%	1 800	
Kamiesberg	2 616	-	-	2 616	2 616	-	2 616	1 750	67%	1 800	
Kannaland	1 875	-	-	1 875	1 875	-	1 875	1 038	55%	1 600	
Kareeberg	1 675	-	-	1 675	1 675	-	1 675	1 675	100%	1 800	
Subtotal carried forward	158 216	-	-	158 216	158 216		158 216	106 591	67%	156 800	

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS – CONTINUED

for the year ended 31 March 2016

ANNEXURE 1A (CONTINUED)

STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES: LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT (CONTINUED)

NAME OF MUNICIPALITY	GRANT ALLOCATION (2015/16)				TRANSFER (2015/16)			SPENT (2015/16)		2014/15	
	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	158 216	-	-	158 216	158 216		158 216	106 591	67%	156 800	
Karoo Hoogland	1 800	-	-	1 800	1 800	-	1 800	1 775	99%	1 800	
Kgatelopele	1 875	-	-	1 875	1 875	-	1 875	563	30%	1 800	
Kgetlengrivier	1 875	-	-	1 875	1 875	-	1 875	1 736	93%	1 800	
Khai-Ma	1 800	-	-	1 800	1 800	-	1 800	1 165	65%	1 800	
King Sabata Dalindyebo	1 675	-	-	1 675	1 675	-	1 675	1 057	63%	1 600	
Knysna	1 450	-	-	1 450	1 450	-	1 450	588	41%	1 450	
Kopanong	1 600	-	-	1 600	1 600	-	1 600	1 312	82%	1 600	
Kouga	1 600	-	-	1 600	1 600	-	1 600	213	13%	1 600	
Kou-kamma	1 800	-	-	1 800	1 800	-	1 800	835	46%	1 800	
Kwa Sani	1 800	-	-	1 800	1 800	-	1 800	1 733	96%	1 800	
KwaDukuza	1 700	-	-	1 700	1 700	-	1 700	1 194	70%	1 700	
Laingsburg	1 700	-	-	1 700	1 700	-	1 700	1 566	92%	1 700	
Langeberg	1 450	-	-	1 450	1 450	-	1 450	1 450	100%	1 450	
Lejweleputswa District Municipality	1 250	-	-	1 250	1 250	-	1 250	898	72%	1 250	
Lekwa	1 600	-	-	1 600	1 600	-	1 600	1 205	75%	1 600	
Lekwa-Teemane	1 675	-	-	1 675	1 675	-	1 675	1 385	83%	1 600	
Lepelle-Nkumpi	1 675	-	-	1 675	1 675	-	1 675	907	54%	1 600	
Lephalale	1 600	-	-	1 600	1 600	-	1 600	1 338	84%	1 600	
Lesedi	1 450	-	-	1 450	1 450	-	1 450	1 150	79%	1 450	
Subtotal carried forward	189 591	-	-	189 591	189 591		189 591	128 661	68%	187 800	

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS – CONTINUED

for the year ended 31 March 2016

STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES: LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT (CONTINUED)

NAME OF MUNICIPALITY	GRANT ALLOCATION (2015/16)			TRANSFER (2015/16)			SPENT (2015/16)		2014/15	
	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	189 591	-	-	189 591	189 591		189 591	128 661	68%	187 800
Letsemeng	1 800	-	-	1 800	1 800	-	1 800	1 484	82%	1 800
Lukhanji	1 675	-	-	1 675	1 675	-	1 675	639	38%	1 600
Madibeng	1 600	-	-	1 600	1 600	-	1 600	746	47%	1 600
Mafikeng	1 675	-	-	1 675	1 675	-	1 675	1 623	97%	1 600
Mafube	1 875	-	-	1 875	1 875	-	1 875	724	39%	1 800
Magareng	1 800	-	-	1 800	1 800	-	1 800	1 297	72%	1 800
Makana	1 675	-	-	1 675	1 675	-	1 675	1 348	80%	1 600
Makhado	1 600	-	-	1 600	1 600	-	1 600	930	58%	1 600
Makhuduthamaga	1 600	-	-	1 600	1 600	-	1 600	1 443	90%	1 600
Maletswai	1 800	-	-	1 800	1 800	-	1 800	1 291	72%	1 800
Maluti-a-Phofung	1 675	-	-	1 675	1 675	-	1 675	1 324	79%	1 600
Mamusa	1 875	-	-	1 875	1 875	-	1 875	1 666	89%	1 800
Mandeni	1 800	-	-	1 800	1 800	-	1 800	1 226	68%	1 800
Mangaung	1 300	-	-	1 300	1 300	-	1 300	1 300	100%	1 500
Mantsopa	1 675	-	-	1 675	1 675	-	1 675	814	49%	1 600
Maphumulo	1 800	-	-	1 800	1 800	-	1 800	1 351	75%	1 800
Maquassi Hills	1 675	-	-	1 675	1 675	-	1 675	1 657	99%	1 600
Maruleng	1 800	-	-	1 800	1 800	-	1 800	1 409	78%	1 800
Masilonyana	1 800	-	-	1 800	1 800	-	1 800	1 641	91%	1 800
Matatiele	1 600	-	-	1 600	1 600	-	1 600	534	33%	1 600
Subtotal carried forward	223 691	-	-	223 691	223 691		223 691	153 108	68%	221 500

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS – CONTINUED

for the year ended 31 March 2016

ANNEXURE 1A (CONTINUED)

STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES: LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT (CONTINUED)

NAME OF MUNICIPALITY	GRANT ALLOCATION (2015/16)				TRANSFER (2015/16)		SPENT (2015/16)		2014/15	
	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	223 691	-	-	223 691	223 691	-	223 691	153 108	68%	221 500
Matjhabeng	1 675	-	-	1 675	1 675	-	1 675	1 675	100%	1 600
Matzikama	1 450	-	-	1 450	1 450	-	1 450	1 202	83%	1 450
Mbhashe	1 600	-	-	1 600	1 600	-	1 600	663	41%	1 600
Mbizana	1 675	-	-	1 675	1 675	-	1 675	589	35%	1 600
Mbombela	1 600	-	-	1 600	1 600	-	1 600	454	28%	1 600
Merarong City	1 600	-	-	1 600	1 600	-	1 600	1 066	67%	1 600
Metsimaholo	1 600	-	-	1 600	1 600	-	1 600	971	61%	1 600
Mfobozi	1 800	-	-	1 800	1 800	-	1 800	1 705	95%	1 800
Mhlontlo	1 875	-	-	1 875	1 875	-	1 875	677	36%	1 800
Midvaal	1 450	-	-	1 450	1 450	-	1 450	1 276	88%	1 450
Mier	1 875	-	-	1 875	1 875	-	1 875	1 383	74%	1 800
Mkhambathini	1 800	-	-	1 800	1 800	-	1 800	1 078	60%	1 800
Mkhondo	1 675	-	-	1 675	1 675	-	1 675	1 529	91%	1 600
Mnquma	1 600	-	-	1 600	1 600	-	1 600	1 509	94%	1 600
Modimolle	1 675	-	-	1 675	1 675	-	1 675	553	33%	1 600
Mogalakwena	1 600	-	-	1 600	1 600	-	1 600	1 435	90%	1 600
Mogale City	1 450	-	-	1 450	1 450	-	1 450	1 273	88%	1 450
Mohokare	1 800	-	-	1 800	1 800	-	1 800	660	37%	1 800
Subtotal carried forward	253 491	-	-	253 491	253 491	-	253 491	172 806	68%	250 850

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS – CONTINUED

for the year ended 31 March 2016

STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES: LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT (CONTINUED)

NAME OF MUNICIPALITY	GRANT ALLOCATION (2015/16)				TRANSFER (2015/16)			SPENT (2015/16)		2014/15	
	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	253 491	-	-	253 491	253 491		253 491	172 806	68%	250 850	
Molemole	1 600	-	-	1 600	1 600	-	1 600	641	40%	1 600	
Mookgopong	1 800	-	-	1 800	1 800	-	1 800	1 582	88%	1 800	
Mopani District Municipality	1 325	-	-	1 325	1 325	-	1 325	695	52%	1 250	
Moqhaka	1 675	-	-	1 675	1 675	-	1 675	1 392	83%	1 600	
Moretele	1 675	-	-	1 675	1 675	-	1 675	1 613	96%	1 600	
Moses Kotane	1 600	-	-	1 600	1 600	-	1 600	778	49%	1 600	
Mossel Bay	1 450	-	-	1 450	1 450	-	1 450	1 258	87%	1 450	
Mpofana	1 800	-	-	1 800	1 800	-	1 800	1 499	83%	1 800	
Msinga	1 800	-	-	1 800	1 800	-	1 800	1 800	100%	1 800	
Msukaligwa	1 675	-	-	1 675	1 675	-	1 675	1 091	65%	1 600	
Msunduzi	1 600	-	-	1 600	1 600	-	1 600	1 320	83%	1 600	
Mthonjaneni	1 800	-	-	1 800	1 800	-	1 800	1 350	75%	1 800	
Mtubatuba	1 800	-	-	1 800	1 800	-	1 800	1 320	73%	1 800	
Musina	1 800	-	-	1 800	1 800	-	1 800	1 069	59%	1 800	
Mutale	1 875	-	-	1 875	1 875	-	1 875	586	31%	1 800	
Nala	1 875	-	-	1 875	1 875	-	1 875	1 410	75%	1 800	
Naledi (FS)	1 875	-	-	1 875	1 875	-	1 875	1 189	63%	1 800	
Naledi (NW)	1 600	-	-	1 600	1 600	-	1 600	734	46%	1 600	
Nama Khoi	1 675	-	-	1 675	1 675	-	1 675	1 043	62%	1 600	
Subtotal carried forward	285 791	-	-	285 791	285 791		285 791	195 176	68%	282 550	

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS – CONTINUED

for the year ended 31 March 2016

ANNEXURE 1A (CONTINUED)

STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES: LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT (CONTINUED)

NAME OF MUNICIPALITY	GRANT ALLOCATION (2015/16)				TRANSFER (2015/16)			SPENT (2015/16)			2014/15	
	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	
Balance brought forward	285 791	-	-	285 791	285 791	-	285 791	195 176	68%	282 550		
Namakwa District Municipality	1 250	-	-	1 250	1 250	-	1 250	1 134	91%	1 250		
Ndlambe	1 800	-	-	1 800	1 800	-	1 800	1 800	100%	1 800		
Ndwedwe	1 800	-	-	1 800	1 800	-	1 800	1 800	100%	1 800		
Neelson Mandela	1 050	-	-	1 050	1 050	-	1 050	640	61%	1 250		
Newcastle	1 600	-	-	1 600	1 600	-	1 600	345	22%	1 600		
Ngaka Modiri Molema District Municipality	1 325	-	-	1 325	1 325	-	1 325	1 264	95%	1 250		
Ngqushwa	1 875	-	-	1 875	1 875	-	1 875	1 590	85%	1 800		
Ngquza Hill	1 600	-	-	1 600	1 600	-	1 600	1 600	100%	1 600		
Ngwathe	1 675	-	-	1 675	1 675	-	1 675	798	48%	1 600		
Nkandla	1 800	-	-	1 800	1 800	-	1 800	1 296	72%	1 800		
Nkangala District Municipality	1 250	-	-	1 250	1 250	-	1 250	1 204	96%	1 250		
Nketoana	1 600	-	-	1 600	1 600	-	1 600	1 600	100%	1 600		
Nkomazi	1 600	-	-	1 600	1 600	-	1 600	896	56%	1 600		
Nkonkobe	1 800	-	-	1 800	1 800	-	1 800	1 396	78%	1 800		
Nongoma	1 800	-	-	1 800	1 800	-	1 800	1 630	91%	1 800		
Nquthu	1 800	-	-	1 800	1 800	-	1 800	1 471	82%	1 800		
Ntabankulu	1 800	-	-	1 800	1 800	-	1 800	801	45%	1 800		
Ntambanana	1 800	-	-	1 800	1 800	-	1 800	883	49%	1 800		
NW397	-	-	-	-	-	-	1 250	1 134	91%	2 588		
Subtotal carried forward	315 016	-	-	315 016	315 016		315 016	217 324	69%	314 338		

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS – CONTINUED

for the year ended 31 March 2016

STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES: LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT (CONTINUED)

NAME OF MUNICIPALITY	GRANT ALLOCATION (2015/16)				TRANSFER (2015/16)		SPENT (2015/16)		2014/15	
	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	315 016	-	-	315 016	315 016	-	315 016	217 324	69%	314 338
Nxuba	1 800	-	-	1 800	1 800	-	1 800	1 568	87%	1 800
Nyandeni	1 600	-	-	1 600	1 600	-	1 600	1 053	66%	1 600
O.R. Tambo District Municipality	1 575	-	-	1 575	1 575	-	1 575	834	53%	1 500
Okhahlamba	1 800	-	-	1 800	1 800	-	1 800	650	36%	1 800
Oudtshoorn	1 450	-	-	1 450	1 450	-	1 450	1 068	74%	1 450
Overberg District Municipality	1 250	-	-	1 250	1 250	-	1 250	1 050	84%	1 250
Overstrand	1 450	-	-	1 450	1 450	-	1 450	371	26%	1 450
Phokwane	1 675	-	-	1 675	1 675	-	1 675	800	48%	1 600
Phumelela	1 875	-	-	1 875	1 875	-	1 875	668	36%	1 800
Pixley Ka Seme(MP)	1 600	-	-	1 600	1 600	-	1 600	1 517	95%	1 600
Pixley Ka Seme District Municipality	1 250	-	-	1 250	1 250	-	1 250	832	67%	1 250
Polokwane	1 875	-	-	1 875	1 875	-	1 875	1 122	60%	1 800
Port St Johns	1 800	-	-	1 800	1 800	-	1 800	829	46%	1 800
Prince Albert	1 600	-	-	1 600	1 600	-	1 600	1 308	82%	1 600
Ramotshere Moiloa	1 675	-	-	1 675	1 675	-	1 675	1 363	81%	1 600
Randfontein	1 450	-	-	1 450	1 450	-	1 450	587	40%	1 450
Ratlou	1 800	-	-	1 800	1 800	-	1 800	954	53%	1 800
Subtotal carried forward	342 541	-	-	342 541	342 541	-	342 541	233 898	68%	341 488

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS – CONTINUED

for the year ended 31 March 2016

ANNEXURE 1A (CONTINUED)

STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES: LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT (CONTINUED)

NAME OF MUNICIPALITY	GRANT ALLOCATION (2015/16)			TRANSFER (2015/16)			SPENT (2015/16)			2014/15	
	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	342 541	-	-	342 541	342 541		342 541	233 898	68%	341 488	
Renosterberg	1 875	-	-	1 875	1 875	-	1 875	792	42%	1 800	
Richmond	1 800	-	-	1 800	1 800	-	1 800	1 576	88%	1 800	
Richtersveld	1 800	-	-	1 800	1 800	-	1 800	1 184	66%	1 800	
Rustenburg	1 600	-	-	1 600	1 600	-	1 600	435	27%	1 600	
Sakhisizwe	1 600	-	-	1 600	1 600	-	1 600	1 600	100%	1 600	
Saldanha Bay	1 450	-	-	1 450	1 450	-	1 450	672	46%	1 450	
Sedibeng District Municipality	1 250	-	-	1 250	1 250	-	1 250	1 113	89%	1 250	
Sekhukhune District Municipality	1 250	-	-	1 250	1 250	-	1 250	974	78%	1 250	
Senqu	1 250	-	-	1 250	1 250	-	1 250	640	51%	1 600	
Setsoho	1 600	-	-	1 600	1 600	-	1 600	618	39%	1 600	
Siyancuma	1 600	-	-	1 600	1 600	-	1 600	1 082	68%	1 800	
Siyathemba	1 875	-	-	1 875	1 875	-	1 875	924	49%	1 800	
Sol Plaatje	1 875	-	-	1 875	1 875	-	1 875	1 744	93%	1 600	
Stellenbosch	1 600	-	-	1 600	1 600	-	1 600	952	60%	1 450	
Steve Tshwete	1 450	-	-	1 450	1 450	-	1 450	910	63%	1 600	
Sundays River Valley	1 600	-	-	1 600	1 600	-	1 600	891	56%	1 800	
Swartland	1 875	-	-	1 875	1 875	-	1 875	1 011	54%	1 450	
Swellendam	1 450	-	-	1 450	1 450	-	1 450	1 218	84%	1 600	
Subtotal carried forward	372 941	-	-	372 941	372 941		372 941	253 170	68%	370 338	

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS – CONTINUED

for the year ended 31 March 2016

STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES: LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT (CONTINUED)

NAME OF MUNICIPALITY	GRANT ALLOCATION (2015/16)				TRANSFER (2015/16)		SPENT (2015/16)		2014/15	
	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	372 941	-	-	372 941	372 941		372 941	253 170	68%	370 338
Thaba Chweu	1 675	-	-	1 675	1 675	-	1 675	620	37%	1 600
Thabazimbi	1 675	-	-	1 675	1 675	-	1 675	821	49%	1 600
Thabo Mofutsanyana District Municipality	1 250	-	-	1 250	1 250	-	1 250	479	38%	1 250
The Big 5 False Bay	1 800	-	-	1 800	1 800	-	1 800	1 746	97%	1 800
Theewaterskloof	1 600	-	-	1 600	1 600	-	1 600	764	48%	1 600
Thembellihle	1 875	-	-	1 875	1 875	-	1 875	1 234	66%	1 800
Thembisile	1 600	-	-	1 600	1 600	-	1 600	951	59%	1 600
Thulamela	1 600	-	-	1 600	1 600	-	1 600	1 428	89%	1 600
Tokwe	1 600	-	-	1 600	1 600	-	1 600	1 600	100%	1 600
Tokologo	1 800	-	-	1 800	1 800	-	1 800	904	50%	1 800
Tsantsabane	1 875	-	-	1 875	1 875	-	1 875	1 353	72%	1 800
Tsolwana	1 800	-	-	1 800	1 800	-	1 800	434	24%	1 800
Tswaing	1 875	-	-	1 875	1 875	-	1 875	549	29%	1 800
Tswelopele	1 800	-	-	1 800	1 800	-	1 800	970	54%	1 800
Ubhlebezwe	1 800	-	-	1 800	1 800	-	1 800	663	37%	1 800
Ubuntu	1 800	-	-	1 800	1 800	-	1 800	1 706	95%	1 800
Ugu District Municipality	1 325	-	-	1 325	1 325	-	1 325	791	60%	1 250
Subtotal carried forward	404 741	-	-	404 741	404 741		404 741	272 337	67%	398 638

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS – CONTINUED

for the year ended 31 March 2016

ANNEXURE 1A (CONTINUED)

STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES: LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT (CONTINUED)

NAME OF MUNICIPALITY	GRANT ALLOCATION (2015/16)			TRANSFER (2015/16)			SPENT (2015/16)			2014/15	
	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	404 741	-	-	404 741	404 741	-	404 741	272 337	67%	398 638	
Ulundi	1 700	-	-	1 700	1 700	-	1 700	1 646	97%	1 700	
uMdoni	1 800	-	-	1 800	1 800	-	1 800	1 149	64%	1 800	
uMgungundlovu	1 250	-	-	1 250	1 250	-	1 250	560	45%	1 250	
Umhlabuyalingana	1 800	-	-	1 800	1 800	-	1 800	1 184	66%	1 800	
uMhlatuze	1 600	-	-	1 600	1 600	-	1 600	950	59%	1 600	
Umjindi	1 600	-	-	1 600	1 600	-	1 600	1 006	63%	1 600	
Umkhanyakude District Municipality	1 250	-	-	1 250	1 250	-	1 250	589	47%	1 250	
uMlalazi	1 600	-	-	1 600	1 600	-	1 600	1 137	71%	1 600	
uMngeni	1 600	-	-	1 600	1 600	-	1 600	1 497	94%	1 600	
uMshwathi	1 800	-	-	1 800	1 800	-	1 800	1 204	67%	1 800	
Umsobomvu	1 800	-	-	1 800	1 800	-	1 800	1 459	81%	1 800	
Umtshezi	1 600	-	-	1 600	1 600	-	1 600	1 481	93%	1 600	
uMuziwabantu	1 800	-	-	1 800	1 800	-	1 800	1 389	77%	1 800	
Umvoti	1 700	-	-	1 700	1 700	-	1 700	1 430	84%	1 700	
Umqimkhulu	1 800	-	-	1 800	1 800	-	1 800	1 800	100%	1 800	
Umqimvubu	1 600	-	-	1 600	1 600	-	1 600	1 328	83%	1 600	
Umqinyathi	1 250	-	-	1 250	1 250	-	1 250	774	62%	1 250	
Umqumbe	1 800	-	-	1 800	1 800	-	1 800	1 073	60%	1 800	
uPhongolo	1 800	-	-	1 800	1 800	-	1 800	1 506	84%	1 800	
Subtotal carried forward	435 891	-	-	435 891	435 891	-	435 891	295 499	68%	429 788	

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS – CONTINUED

for the year ended 31 March 2016

STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES: LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT (CONTINUED)

NAME OF MUNICIPALITY	GRANT ALLOCATION (2015/16)				TRANSFER (2015/16)		SPENT (2015/16)		2014/15	
	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	435 891	-	-	435 891	435 891	-	435 891	295 499	68%	429 788
Uthukela District Municipality	1 325	-	-	1 325	1 325	-	1 325	1 293	98%	1 250
uThungulu District Municipality	1 250	-	-	1 250	1 250	-	1 250	870	70%	1 250
Ventersdorp	1 875	-	-	1 875	1 875	-	1 875	1 746	93%	1 800
Vhembe District Municipality	1 325	-	-	1 325	1 325	-	1 325	529	40%	1 250
Victor Khanye	1 600	-	-	1 600	1 600	-	1 600	1 380	86%	1 600
Vulamehlo	1 875	-	-	1 875	1 875	-	1 875	605	32%	1 800
Waterberg District Municipality	1 250	-	-	1 250	1 250	-	1 250	578	46%	1 250
West Coast District Municipality	1 250	-	-	1 250	1 250	-	1 250	1 222	98%	1 250
West Rand District Municipality	1 250	-	-	1 250	1 250	-	1 250	1 250	100%	1 250
Westonaria	1 450	-	-	1 450	1 450	-	1 450	337	23%	1 450
Witzenberg	1 450	-	-	1 450	1 450	-	1 450	1 141	79%	1 450
Xhariep District Municipality	1 250	-	-	1 250	1 250	-	1 250	667	53%	1 250
Z.F. Mgcawu District	1 250	-	-	1 250	1 250	-	1 250	834	67%	1 250
Zululand District Municipality	1 250	-	-	1 250	1 250	-	1 250	1 250	100%	1 250
Total	452 491	-	-	452 491	452 491		452 491	307 047	68%	449 138

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS – CONTINUED

for the year ended 31 March 2016

ANNEXURE 1B

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENT/ AGENCY/ ACCOUNT	TRANSFER ALLOCATION (2015/16)				TRANSFER (2015/16)		2014/15	
	Adjusted Appropriation	Rollovers	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act	
	R'000	R'000	R'000	R'000	R'000	%	R'000	
Skills Development Levy	2 074		(223)	1 851	1 850	100%	2 343	
TV Licences	16			16	9	56%	15	
Cooperative Banking Development Agency	16 176		1 165	17 341	17 341	100%	16 838	
Financial and Fiscal Commission	40 556		600	41 156	41 156	100%	44 488	
Accounting Standards Board	10 174		1 100	11 274	11 274	100%	10 250	
Independent Regulatory Board for Auditors	29 999			29 999	29 999	100%	34 577	
Audit Statutory Bodies	41 856			41 856	41 856	100%	41 218	
Government Technical Advisory Centre (NDPG)	-			-	-		58 300	
Government Technical Advisory Centre	83 609			83 609	83 609	100%	79 752	
Government Technical Advisory Centre (ECFF)	1 218 731		(300 500)	918 231	693 000	75%	91 682	
South African Revenue Service	9 434 439		(100 000)	9 334 439	9 334 439	100%	9 440 321	
Financial Intelligence Centre	234 488		5 000	239 488	239 488	100%	198 080	
Secret Services	4 308 317		14 257	4 322 574	4 322 574	100%	4 168 170	
Total transfers to departmental agencies	15 420 435	-	(378 601)	15 041 834	14 816 595	99%	14 186 034	

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS – CONTINUED

for the year ended 31 March 2016

ANNEXURE 1C

STATEMENT OF TRANSFERS TO HIGHER EDUCATION INSTITUTIONS

UNIVERSITY/TECHNIKON	TRANSFER ALLOCATION (2015/16)				TRANSFER (2015/16)			2014/15	
	Adjusted Appropriation R'000	Rollovers R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	Amount not transferred R'000	% of Available funds Transferred	Appropriation Act R'000	
University of Cape Town	-	-	-	-	-	-	-	5 800	
Total transfers to Universities and Technikons								5 800	

ANNEXURE 1D

STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION (2015/16)				TRANSFER (2015/16)			2014/15	
	Adjusted Appropriation Act R'000	Rollovers R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred	Capital R'000	Current R'000	Appropriation Act R'000
Public Corporations									
Economic Research of Southern Africa	11 384			11 384	11 384	100%			10 780
Development Bank of Southern Africa (MFP)									98 788
Development Bank of Southern Africa (ECFF)									1 241 431
Total	11 384			11 384	11 384	100%			1 350 999

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS – CONTINUED

for the year ended 31 March 2016

ANNEXURE 1E

STATEMENT OF TRANSFERS TO FOREIGN GOVERNMENT AND INTERNATIONAL ORGANISATIONS

FOREIGN GOVERNMENT/ INTERNATIONAL ORGANISATION	TRANSFER ALLOCATION (2015/16)				TRANSFER (2015/16)		2014/15
	Adjusted Appropriation Act	Rollovers	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfer							
Commonwealth Fund for Technical Cooperation	12 500	-	2 998	15 498	15 498	100%	5 290
International Funding Facility for Immunisation	653 444	-	59 053	712 497	712 496	100%	11 000
Common Monetary Area Compensation	90 660	-	-	90 660	90 660	100%	640 835
World Bank Group (International Development Association)	-	-	-	-	-	-	90 660
African Development Bank and African Development Fund	959	-	-	959	958	100%	17 619
African Regional Technical Assistance Centre for Southern Africa	-	-	1 001	1 001	1 000	100%	350
Infrastructure Consortium for Africa	1 474	-	360	1 834	1 834	100%	1 000
Collaborative African Budget Reform Initiative	1 000	-	243	1 243	1 242	100%	1 409
African Institute for Economic Development and Planning	10 000	-	(10 000)	-	-	-	799
African Export Import Bank	2 322	-	(239)	2 083	2 082	100%	5 992
African Risk Capacity	5 533	-	1	5 534	5 534	100%	2 219
Total	777 892	-	53 417	831 309	831 304	100%	777 173

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS – CONTINUED

for the year ended 31 March 2016

ANNEXURE 1F STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION (2015/16)				TRANSFER (2015/16)		2014/15
	Adjusted Appropriation Act R'000	Rollovers R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred %	Appropriation Act R'000
Transfers							
Other Benefits	132 322		(29 341)	102 981	102 962	100%	170 816
Injury on Duty	550 172		(35 307)	514 865	514 865	100%	532 950
Government Contribution to Medical Schemes	28 255		(25 376)	2 879	2 879	100%	1 562 659
Special Pensions	175 697		(9 495)	166 202	166 202	100%	460 460
Military Pensions Ex-Service Men	472 325		(32 523)	439 802	439 801	100%	27 597
SA Citizen Force	1 805 689		303 963	2 109 652	2 109 613	100%	146 790
Non-Statutory Forces	737 300		(162 288)	575 012	575 000	100%	737 300
Service Benefits Leave Gratuity	144		1 451	1 595	1 595	100%	692
Social assistance (bursaries)	1 566		(171)	1 395	1 394	100%	1 568
Total	3 903 470	-	10 913	3 914 383	3 914 311	100%	3 640 832

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS – CONTINUED

for the year ended 31 March 2016

ANNEXURE 1G

STATEMENT OF AID ASSISTANCE RECEIVED

NAME OF DONOR	PURPOSE	OPENING BALANCE	REVENUE	EXPENDITURE	SURRENDERED TO RDP	CLOSING BALANCE
		01 April 2015	R'000	R'000	R'000	31 March 2016
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	-	1 809	1 324	-	485
Capacity Building for Public Finance Management Programme	Develop public financial management capacity of national provincial and local government	2 599	27 132	18 826	2 599	8 306
Technical and Management Support (TMS)	Strengthening capacity of national and provincial departments and agencies to combating poverty and inequality	(2 337)	11 007	5 947	(2 337)	5 060
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 Africans and halving poverty and unemployment.	6 095	26 095	23 235	6 095	2 860
PFMA ASS IN PROV PEFA METH African Fiscal Forum (GA)	Measure the progress made with regards to Public Finance Management (PFM) improvement, informing and guiding the Government's PFM capacity development programme in coordination with the donor community.	5 233	5 233	3 698	5 233	1 535
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.	(145)	-	141	(145)	(141)
SCOA for Municipal Project	To finance the standard charts of accounts project in municipalities.	294	14 294	12 253	294	2 041
One Stop Border Post Policy (GA)	Develop a national policy on one stop border posts for South Africa.	1 014	2 859	2 859	1 014	-
Gen Adv & Policy Supp Ser Prog	Support for institutional transformation and improvement processes in the public sector	-	-	-	-	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS – CONTINUED



for the year ended 31 March 2016

NAME OF DONOR	PURPOSE	OPENING BALANCE	REVENUE	EXPENDITURE	SURRENDERED TO RDP	CLOSING BALANCE
		01 April 2015				31 March 2016
		R'000	R'000	R'000	R'000	R'000
Scholarship Programme	Belgium contribution towards the completion of masters and postgraduate degrees in development finance	164	219	219	164	-
THE BELG TECHNICAL COOP (BTC)	Belgium contribution towards the research in development finance	-	130	-	-	130
BUDGET OFF DATA ANALY PROJECT	Support for budget data analysis for improvement of budgeting processes in the public sector	-	3 700	1 399	-	2 301
JICADGIS PROJECT	Establish and operationalise a management information system (knowledge management information system for ODA (DCMIS)	-	120	108	-	12
		-	-	-	-	-
Subtotal foreign aid assistance received in cash		12 917	92 598	70 009	12 917	22 589

The total amount received from the RDP Fund is R94,960 million of which R92,598 million was recognised as revenue in the financial statements and the remaining R2,362 million was used to settle the over-expenditure from the prior year.

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS – CONTINUED

for the year ended 31 March 2016

ANNEXURE 1G (CONTINUED)

STATEMENT OF AID ASSISTANCE RECEIVED (CONTINUED)

NAME OF DONOR	PURPOSE	OPENING BALANCE	REVENUE	EXPENDITURE	SURRENDERED TO RDP	CLOSING BALANCE
		01 April 2015 R'000	R'000	R'000	R'000	31 March 2016 R'000
Subtotal foreign aid assistance received in cash		12 917	92 598	70 009	12 917	22 589
Received in kind						
Technical Assistance for International Development Cooperation	To support SA coordination management monitoring and reporting efforts on all ODA and future development cooperation	-	195	195		
Expert for ODA Sector Oversight Support	To provide overall support to the IDCs knowledge management strategy through its revision and development of new approaches to fulfil the key areas of implementation.		217	217		
M&E Expert for ODA Implementation	To support the monitoring and evaluation efforts of South Africa specifically the National Treasury; IDC and support the coordination management and reporting of ODA and development cooperation support to SA at international national provincial and local government levels.		234	234		
Japan International Cooperation Agency	Training		1 100	1 100		
UNI-UWIDER	the ICTD and Uni-Wider Symposium on taxation and revenue mobilisation in developing countries from 12 march to 16 march 2016 Finland Wian Boonzaaier		35	35		
UNI-UWIDER	Travel costs for 2 officials to Ethiopia to attend the UNI-Wider ICTD workshop and annual meeting from 8-12 February 2016		15	15		
IMF	Attendance costs of one official for the Africa South Technical Assistance center course on high frequency indicators held in Mauritius on 7-11 December 2015		20	20		
IMF	Attendance costs of one official for the course on Macroeconomic Forecasting in Mauritius 29 June - 10 July 2015		18	18		

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS – CONTINUED



for the year ended 31 March 2016

NAME OF DONOR	PURPOSE	OPENING BALANCE	REVENUE	EXPENDITURE	SURRENDERED TO RDP	CLOSING BALANCE
		01 April 2015				31 March 2016
		R'000	R'000	R'000	R'000	R'000
IMF	Travel for staff of the fiscal policy unit and the Economic Policy unit to attend the International Monetary Fund's training on macroeconomic diagnostics from 22 March to 1 April 2015 in Mauritius.		19	19		
UNI-UWIDER	Attendance costs of one official for the inception workshop on food security impacts of industrial crop expansion in sub-saharan Africa (ficesa) in London United Kingdom from 27-29 may 2015		36	36		
Total Local and Foreign Aid Assistance Received		12 917	94 487	71 898	12 917	22 589



ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS – CONTINUED

for the year ended 31 March 2016

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 2015/16	% Held 2014/15	Number of shares held		Cost of investment		Net Asset value of investment		Profit/(Loss) for the year		Losses guaran- teed
				2015/16*	2014/15	R'000	2015/16*	2014/15	R'000	2015/16*	2014/15	
National/provincial public entities												
Accounting Standards Board	Schedule 3A	-	-	-	-	-	-	123	197	(74)	(160)	No
Cooperative Banks Development Agency	Schedule 3A	-	-	-	-	-	-	3 938	2 213	1 480	(719)	No
Development Bank of Southern Africa	Schedule 2	100	100	20 000	20 000	200 000	200 000	29 000 000	23 682 685	1 000 000	1 214 141	No
FAIS Ombudsman	Schedule 3A	-	-	-	-	-	-	9 157	2 893	6 265	1 582	No
Financial and Fiscal Commission	Schedule 1	-	-	-	-	-	-	1 138	982	156	244	No
Financial Intelligence Centre	Schedule 3A	-	-	-	-	-	-	86 591	86 612	(34)	(852)	No
Financial Services Board	Schedule 3A	-	-	-	-	-	-	359 652	245 503	115 113	61 184	No
Government Pensions Administration Agency	Schedule 3A	-	-	-	-	-	-	238 647	279 943	(41 297)	113 009	No

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS – CONTINUED

for the year ended 31 March 2016

NAME OF PUBLIC ENTITY	State Entity's PFMA Schedule type	% Held 2015/16	% Held 2014/15	Number of shares held		Cost of investment		Net Asset value of investment		Profit/(Loss) for the year		Losses guaranteed
				R'000		R'000		R'000		R'000		
				2015/16*	2014/15	2015/16*	2014/15	2015/16*	2014/15	2015/16*	2014/15	
Independent Regulatory Board for Auditors	Schedule 3A	-	-	-	-	-	-	49 358	52 754	(11 233)	7 482	No
Government Technical Advisory Centre	Schedule 3A	-	-	-	-	-	-	816 869	816 869	282 800	220 698	No
LAND Bank	Schedule 2	100	100	1	200 955	200 955	200 955	9 455 385	7 617 762	106 526	292 358	No
Office of the Pension Funds Adjudicator	Schedule 3A	-	-	-	-	-	-	8 242	8 649	(270)	(2 159)	No
Public Investment Corporation Ltd	Schedule 3B	100	100	1	1	1	1	1 681 244	1 295 704	398 479	347 563	No
Sasria SOC Ltd	Schedule 3B	100	100	1	-	-	-	5 372 208	5 051 622	834 140	610 684	No
South African Airways SOC Ltd	Schedule 2	100	100	13008758	13008758	13008758	13008758	(10 073 000)	(8 015 000)	(1 775 000)	(4 388 000)	No
South African Revenue Service	Schedule 3A	-	-	-	-	-	-	4 432 593	4 568 590	(203 314)	381 335	No
Total Investment				13 028 761	13 028 761	13 409 714	13 409 714	41 355 554	35 697 978	713 737	(1 141 610)	

*The 2015/16 amounts disclosed in this schedule are preliminary figures and unaudited.



ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS – CONTINUED

for the year ended 31 March 2016

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	
		2015/16*	2014/15	2015/16*	2014/15	2015/16*	2014/15	2015/16*	2014/15
Accounting Standards Board	Determine standards of generally recognised accounting practice	-	-	123	197	55	90	349	679
Co-operative Banks Development Agency	Establish a regulatory framework for co-operative banks	-	-	3 938	2 213	3 469	548	6 507	4 330
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	29 000 000	23 682 685	890 500	227 880	129 000	811 755
FAIS Ombudsman	Handling complaints in terms of the Financial Advisory and Intermediary Services Act (2002)	-	-	9 157	2 893	8 933	688	1 979	1 891
Financial and Fiscal Commission	Assist and maintain fiscal the balance between fiscal decentralisation and the unitary state	-	-	1 138	982	948	-	1 560	1 749
Financial Intelligence Centre	Assist in the identification of unlawful activities, and combating of money laundering activities, financing of terrorism and related activities	-	-	86 591	86 612	266	923	18 764	21 960
Financial Services Board	To oversee the South African non-banking financial services industry in the public interest	-	-	359 652	245 503	45 164	23 801	50 594	55 130
Government Advisory Technical centre	Assist organs of state in building their capacity for efficient, effective and transparent financial management.	-	-	816 869	816 869	1 361	13 567	120 688	120 464

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS – CONTINUED

for the year ended 31 March 2016

Name of Public Entity	Nature of business	Cost of investment		Net Asset value of Investment		Amounts owing to Entities		Amounts owing by entities	
		2015/16*	2014/15	2015/16*	2014/15	2015/16*	2014/15	2015/16*	2014/15
Government Pensions Administration Agency	Government Employees Pension Fund in terms of the Government Employees Pension (GEP) Act (1996)	-	-	238 647	279 943	23 574	-	63 307	67 706
Independent Regulatory Board for Auditors	Registration of public accountants and auditors and for the regulation of the training of public accountants and auditors				49 358	52 754	3 372	3 981	5 693
LAND Bank	Facilitate access to ownership of land for the development of farming enterprises and agricultural processes for the historically disadvantaged people	200 955	200 955	200 955	9 455 385	7 617 762	40 068 359	174 084	647 720
Office of the Pension Funds Adjudicator	The adjudicator's office investigates and determines complaints of abuse of power, maladministration, disposes of fact or law and employer dereliction of duty in respect of retirement pension funds.				8 242	8 649	2 218	2 140	3 638
Public Investment Corporation Ltd	Invests funds on behalf of the South African public sector	1	1	1	1 681 244	1 295 704	112 326	154 125	46 131
Sasria SOC Ltd	Special Risk Insurance	-	-	-	5 372 208	5 051 622	127 819	256 850	77 529
South African Airways SOC Ltd	South African Airways is South Africa's national air carrier, which operates a full service network in the international region and domestic routes	13 008 758	13 008 758	13 008 758	(10 073 000)	(8 015 000)	7 564 000	6 389 000	17 609 000
South African Revenue Service	Efficient and effective collection of revenue				4 432 593	4 568 590	95 091	72 505	604 205
Total Investments		13 409 714	13 409 714	13 409 714	41 355 554	35 697 978	48 947 455	7 320 182	20 079 580

*The 2015/16 amounts disclosed in this schedule are preliminary figures and unaudited.

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS – CONTINUED

for the year ended 31 March 2016

ANNEXURE 3A

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2016 – LOCAL

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2015	Guarantees draw downs during the year	Guarantees repayments/cancelled/reduced/released during the year	Revaluations	Closing balance 31 March 2016	Guaranteed interest for year ended 31 March 2016	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 Bophuthatswana Regional Authority	118 697	71 338	-	4 548	-	66 790	31 338	
Land and Agricultural Development Bank of South Africa	Consolidation of debt	100 000	92 728	-	-	-	92 728	-	
Land and Agricultural Development Bank of South Africa	Financial sustainability	1 500 000	1 500 000	-	-	-	1 500 000	-	
Land and Agricultural Development Bank of South Africa	Financial sustainability	4 000 000	-	2 700 000	-	-	2 700 000		
South African Airways	Going concern 1	1 600 000	1 600 000	-	50 000		1 550 000	4 584	
South African Airways	Going concern 2	5 006 000	4 995 000				4 995 000	48 093	
South African Airways	Going concern 3	6 488 000	450 000	6 000 000			6 450 000	46 087	
South African Airways	SAA recapitalisation	1 300 000	1 300 000				1 300 000	-	
South African Reserve Bank	African Bank Limited	3 000 000					-		
		23 112 697	10 009 066	8 700 000	54 548	-	18 654 518	130 102	

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS – CONTINUED

for the year ended 31 March 2016

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2016 – FOREIGN

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2015	Guarantees draw downs during the year	Guarantees repayments/cancelled/reduced/released during the year	Revaluations	Closing balance 31 March 2016	Guaranteed interest for year ended 31 March 2016	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	1 473 210	426 188	-	147 321	89 436	368 303	1 502	
Development Bank of Southern Africa	Agence Francaise de Developpement	255 886	30 764	-	19 684	8 604	19 684	293	
Development Bank of Southern Africa	Eurobonds	8 470 000	2 531 240	206 182	-	-	2 737 422	10 875	
Development Bank of Southern Africa	European Investment Bank	839 251	17 700	-	21 414	3 714	(0)	-	
Development Bank of Southern Africa	European Investment Bank	1 342 801	190 074	-	91 985	39 888	137 977	67	
Development Bank of Southern Africa	Kreditanstalt fur Wiederaufbau	490 736	249 270	-	24 537	69 709	294 442	1 459	
Development Bank of Southern Africa	Kreditanstalt fur Wiederaufbau	244 588	157 687	-	12 229	44 098	189 556	958	
Development Bank of Southern Africa	Kreditanstalt fur Wiederaufbau	210 409	160 416	-	10 239	44 873	195 050	986	
Development Bank of Southern Africa	Kreditanstalt fur Wiederaufbau	214 551	123 022	-	10 474	34 405	146 953	743	
Development Bank of Southern Africa	Kreditanstalt fur Wiederaufbau	231 375	126 567	-	11 569	35 396	150 394	760	
Land and Agricultural Development Bank of South Africa	African Development Bank	1 000 000	500 000	500 000	-	-	1 000 000	11 650	
	Subtotal	14 772 807	4 512 928	706 182	349 452	370 123	5 239 781	29 293	
Total financial guarantees	Total	37 885 504	14 521 994	9 406 182	404 000	370 123	23 894 299	159 395	

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS – CONTINUED

for the year ended 31 March 2016

ANNEXURE 3B

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2016

Nature of Liability	Opening Balance 1 April 2015	Liabilities incurred during the year	Liabilities paid/ cancelled/ reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing Balance 31 March 2016
	R'000	R'000	R'000	R'000	R'000
Claims against the department					
Compensation claim	3 500				3 500
Contract cancellation claims	5 065		(565)		4 500
Alexcor claims	119 000				119 000
Unlawful use of photograph claim	500				500
Xia Xu claim	292	65			357
Callcom claim	2 400				2 400
VMA Court Records claim	50				50
Medihelp claim	9 997				9 997
Transnet Second Benefit Fund claim	1 963 000				1 963 000
Gratuity payment claim	479				479
Payment of damages claim	2 257				2 257
Severance package claim	7		(7)		-
Military Pension	333 402	50 295	39 372		344 325
Injury on duty	5 757	815	4 361		2 211
Special Pension	179 991	11 680	25 742		165 929
Total other contingent liabilities	519 151	62 790	69 475	-	512 466
Total contingent liabilities	2 625 698	62 855	70 047	-	2 618 506

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS – CONTINUED

for the year ended 31 March 2016

ANNEXURE 4

CLAIMS RECOVERABLE

The National Treasury	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	2015/16	2014/15	2015/16	2014/15	2015/16	2014/15
	R'000	R'000	R'000	R'000	R'000	R'000
Department						
Gauteng	19	-	-	-	19	-
Western Cape	-	-	21	21	21	21
National Departments	3 110	582	1 141	1 777	4 251	2 359
Foreign government	-	-	816	776	816	776
Total claims recoverable	3 129	582	1 978	2 574	5 107	3 156

ANNEXURE 5A

INTER-ENTITY ADVANCES PAID

Description	Confirmed balance		Unconfirmed balance		Total	
	2015/16	2014/15	2015/16	2014/15	2015/16	2014/15
	R'000	R'000	R'000	R'000	R'000	R'000
National Department						
DIRCO	-	-	-	122	-	122
Public Entities						
Government Pension Administration Agency	-	-	5 855	-	5 855	-
Other institution						
Foreign Post Office	-	-	50	-	50	-
SA Post Office	-	-	293	-	293	-
Total claims payable	-	-	6 198	122	6 198	122

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS – CONTINUED

for the year ended 31 March 2016

ANNEXURE 5B

INTER-ENTITY ADVANCES RECEIVED

Description	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	2015/16 R'000	2014/15 R'000	2015/16 R'000	2014/15 R'000	2015/16 R'000	2014/15 R'000
Department/ Province/Entity						
Health	-	-	12 340	12 216	12 340	12 216
Public Enterprises	-	-	-	9 000	-	9 000
Free State	-	-	35	65	35	65
Belgium	-	-	59	70	59	70
Intern - Jonathan Daven	-	-	12	12	12	12
Unspent Demarcation Mun	-	-	-	169	-	169
Common Wealth	-	-	5	-	5	-
Wings	-	-	525	-	525	-
Wings forex	-	-	84	-	84	-
Total claims payable	-	-	13 060	21 532	13 060	21 532

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PART
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ABBREVIATIONS AND ACRONYMS



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

ABBREVIATIONS AND ACRONYMS

ACTT	Anti-corruption Task Team
ADF	African Development Fund
ADP	Audit development programme
AENE	Adjusted Estimates of National Expenditure
AfDB	African Development Bank
AFS	Annual financial statement
AGM	Annual General Meeting
AGOA	African Growth and Opportunity Act
AGSA	Auditor-General of South Africa
AIPF	Associated Institutions Pension Fund
ALM	Asset and liability management
ARC	African Risk Capacity
ART	Anti-retroviral treatment
ASB	Accounting Standards Board
AU	African Union
Autopax	Autopax Passenger Services
BAC	Bid Adjudication Committee
BAS	Basic accounting system
BASA	Banking Association of South Africa
B-BBEE	Broad-based black economic empowerment
BCM	Business Continuity Management
BEC	Bid Evaluation Committee
BEPP	Built Environment Performance Plan
BMA	Border Management Agency
bn	Billion
BPA	Benefits Payment Automation
BR	Budget Review
BRICS	Brazil, Russia, India, China and South Africa
BRRR	Budget Review and Recommendation Report
CA	Chartered Accountant
CAA	Chartered Accountants Academy
CBDA	Co-operative Banks Development Agency
CCRED	Centre for Competition, Regulation and Economic Development
CDS	Capacity Development Strategy
CEF	Central Energy Fund
CEO	Chief Executive Officer
CFI	Co-operative Financial Institution

CFO	Chief Financial Officer
CGE	Computable General Equilibrium
CGICTPF	Corporate Governance of ICT Policy Framework
CIT	Corporate income tax
CLO	Customer Liaison Officer
CMA	Common Monetary Area
CoC	Code of Conduct
COLA	Cost-of-living adjustment
CPI	Consumer Price Index
CPO	Chief Procurement Officer
CRM	Customer relationship management
CS	Corporate Services
CSD	Central Supplier Database
CSP	City Support Programme
DBSA	Development Bank of Southern Africa
DCS	Department of Community Safety
DEA	Department of Environmental Affairs
DFI	Development finance institution
DG	Director-General
DIRCO	Department of International Relations and Cooperation
DM	Deputy Minister
DMTN	Domestic Medium-term Note
DoE	Department of Energy
DoRA	Division of Revenue Act
DPME	Department of Planning, Monitoring and Evaluation
DPSA	Department of Public Service and Administration
DSBD	Department of Small Business Development
DSD	Department of Social Development
DSGE	Dynamic Stochastic General Equilibrium
dti	Department of Trade and Industry
DTPS	Department of Telecommunications and Postal Services
EC	Eastern Cape
ECD	Early childhood development
ECM	Enterprise content management
EM	Emerging Markets

ABBREVIATIONS AND ACRONYMS – CONTINUED

ENE	Estimates of National Expenditure	GPW	Government Printing Works
EP	Economic Policy	GRAP	Generally recognised accounting practice
ERM	Enterprise risk management	GTAC	Government Technical Advisory Centre
ERP	Enterprise resource planning	HCD	Human capital development
ERSA	Economic Research Southern Africa	HOA	Home owners' allowance
ETD	Education, training and development	HPV	Human papilloma virus
EU	European Union	HR	Human resources
EW	Employee wellness	IA	Internal audit
EXCO	Executive Committee	IAM	Identity access management
FAC	Finance and Audit Committee	IBRD	International Bank for Reconstruction and Development
FAIS Ombud	Office of the Ombud for Financial Services Providers	ICBA	Inter-Central Bank Agreement
FANRPAN	Food, Agriculture and Natural Resources Policy Analysis Network	ICDG	Integrated City Development Grant
FFC	Financial and Fiscal Commission	ICF	Integrated consultative forum
FIC	Financial Intelligence Centre	ICT	Information and communications technology
FIP	Finance and Investment Protocol	IDC	International Development Corporation
Fitch	Fitch Ratings	IDIP	Infrastructure Delivery Improvement Programme
FLC	Fiscal Liability Committee	IDM	Infrastructure delivery management
FM	Facilities management	IDMS	Infrastructure delivery management system
FMCBG	Finance Ministers and Central Bank Governors	IDP	Integrated development plan
FMCMM	Financial Management Capability Maturity Model	IEP	Integrated energy plan
FMG	Financial Management Grant	IFMS	Integrated financial management system
FOSAD	Forum of South African Directors-General	IGR	Intergovernmental relations
FSB	Financial Services Board	IIA	Institute of Internal Auditors
FSCA	Financial Sector Conduct Authority	IIPSA	Infrastructure Investment For South Africa
FSR	Financial Sector Regulation	ILM	Integrated learning matrix
FTE	Full time equivalent	IMC	Inter-Ministerial Committee
FY	Financial year	IMF	International Monetary Fund
G20	The Group of Twenty Finance Ministers and Central Bank Governors	INSET	In-service training
G8	Group of Eight Industrialised Nations	IPID	Independent Police Investigative Directorate
GBS	General budget support	IPP	Independent power producer
GDP	Gross Domestic Product	IRBA	Independent Regulatory Board for Auditors
GEPF	Government Employees' Pension Fund	IREP	International and regional economic policy
GFS	Government Finance Statistics	IRP	Integrated resource plan
GHG	Greenhouse gas	ISDG	Infrastructure Skills Development Grant
GP	Gauteng Province	ISQC	International Standard on Quality Control
GPA	Government Pensions Administration Agency		

ABBREVIATIONS AND ACRONYMS – CONTINUED

JSE	Johannesburg Stock Exchange
KM	Knowledge management
KRI	Key risk indicator
Land Bank	Land and Agricultural Development Bank of South Africa
LED	Local economic development
LGSETA	Local Government Sector Education and Training Authority
LSSA	Land Systems South Africa
LTSM	Learning and teaching materials
LTTS	Long-term turnaround strategy
m	Million
MBBE	Municipal Budget and Benchmark Engagement
MBRR	Municipal Budget Reporting Regulations
MCWAP	Mokolo and Crocodile River Water Augmentation Project
MDB	Multilateral development bank
MEC	Member of the Executive Council
MFIP	Municipal Finance Improvement Programme
MFMA	Municipal Finance Management Act
MGE	Mzansi Golden Economy Strategy
MIG	Municipal Infrastructure Grant
MinComBud	Ministers' Committee on the Budget
MINTECH	Ministerial Technical Committee
Moody's	Moody's Investors Service
MoU	Memorandum of Understanding
MPAT	Management performance assessment tool
MPC	Monetary Policy Committee
MTBPS	Medium-term Budget Policy Statement
MTEC	Medium-term Expenditure Committee
MTEF	Medium-term Expenditure Framework
MTR	Mid-term review
MTREF	Medium-Term Revenue and Expenditure Framework
MTSF	Medium-term Strategic Framework
MW	Mega-watt
NAWONGO	National Welfare Organisations and NGOs
NCOP	National Council of Provinces

NDP	National Development Plan
NDP	Neighbourhood development partnership
NEF	National Empowerment Fund
NGO	Non-governmental organisation
NHI	National Health Insurance
NHLS	National Health Laboratory Service
NMOS	National Macro Organisation of the State
NPO	Non-profit organisation
NRF	National Revenue Fund
NSG	National School of Government
NT	National Treasury
NW	North West
OAG	Office of the Accountant General
OCPO	Office of the Chief Procurement Officer
ODA	Official development assistance
ODI	Overseas Development Institute
OECD	Organisation for Economic Co-operation Development
OPFA	Office of the Pension Fund Adjudicator
OPIC	Overseas Private Investment Corporation
OSM	Original software manufacturer
OTO	Office of the Tax Ombud
PAIA	Promotion of Access to Information
PAYE	Pay as you earn
PBMR	Pebble Bed Modular Reactor
PE	Public entity
PEFA	Public Expenditure and Financial Accountability
PEMPAL	Public Expenditure Management Peer Assisted Learning
PEOU	Public Entity Oversight Unit
PERSAL	Personnel and Salary System
PFM	Public finance management
PFMA	Public Finance Management Act
PFS	Public Finance Statistics
PIC	Public Investment Corporation
PIDA	Programme for Infrastructural Development in Africa
PIT	Personal income tax
PMI	Purchasing Managers' Index

ABBREVIATIONS AND ACRONYMS – CONTINUED

PPI	Producer Price Index	SAPO	South African Post Office
PPP	Public-private partnership	SAPS	South African Police Service
PPPFA	Preferential Procurement Policy Framework Act	SAQA	South African Qualifications Authority
PRASA	Passenger Rail Agency of South Africa	SARB	South African Reserve Bank
PRS	Price referencing system	SARS	South African Revenue Service
PSC	Public Service Commission	SASCO	South African Standard Classification of Occupations
PSCBC	Public Service Co-ordinating Bargaining Council	SASRIA	South African Special Risks Insurance Association
PSO	Parliamentary Service Office	SAX	South African Express
PSR	Public Sector Regulations	SBD	Standard Bidding Document
R&I	Ratings and Investment Information, Inc.	SBS	Sector budget support
RCA	Registered Candidate Auditors	SCI	Selective capital increase
RDI	Research, development and innovation	SCM	Supply chain management
RDP	Reconstruction and Development Programme	SCOA	Standard chart of accounts
RFI	Request for information	SCoA	Standing Committee on Appropriations
RFP	Request for proposals	SCoF	Standing Committee on Finance
RMC	Risk Management Committee	SCOPA	Standing Committee on Public Accounts
Rosatom	Rosatomb State Atomic Energy Corporation	SCOPI	Standing Committee Operational Procedures for Instruments
ROSC	Report on Observance of Standards and Codes	SCPR	Standing Committee Procedural Rules
RSF	Revenue sharing formula	SDIP	Service Delivery Improvement Plan
S&P	Standard & Poor's	SDR	Strategic development review
SA	South Africa	SeCoA	Selection Committee on Accounts
SAA	South African Airways	SeCoF	Select Committee on Finance
SAAT	South African Airways Technical	SEE	Supported employment enterprise
SACU	Southern African Customs Union	SEIAS	Socio-Economic Impact Assessment
SADC	Southern African Development Community	SEP	Strategic equity partner
SAIA	South African Insurance Association	SITA	State Information Technology Agency
SAICA	South African Institute of Chartered Accountants	SLA	Service level agreement
SAIPA	South African Institute of Professional Accountants	SME	Small medium enterprise
SAIT	South African Institute of Tax Professionals	SMME	Small, medium and micro enterprise
SALGA	South African Local Government Association	SMS	Senior Management Service
SAM	Social Accounting Matrix	SO	Strategic objective
SANRAL	South African National Roads Agency Limited	SOC	State owned company
		SOE	State-owned entity
		SOERG	State-owned Entities Remuneration Guide
		SOP	Standard operating procedure
		SP&S	Strategic Projects and Support



ABBREVIATIONS AND ACRONYMS – CONTINUED

SPF	Strategic Procurement Framework
SQL	Structured Query Language
SSA	State Security Agency
Stats SA	Statistics South Africa
SWIFT	Society for Worldwide Interbank Financial Telecommunication
TA	Technical assistant
TAA	Tax Administration Act
TCF	Treating Customers Fairly
TCTA	Trans Caledon Tunnel Authority
TDCA	Trade, Development and Cooperation Agreement
TEPF	Temporary Employees Pension Fund
TFR	Transnet Freight Rail
Tifi	Trade, industry, finance and investment
TLAB	Taxation Laws Amendment Bill

tr	Trillion
UIF	Unemployment Insurance Fund
UNECA	United Nations Economic Commission for Africa
UNICEF	United Nations Children's Fund
US	United States Agency for International Development
USA	United States of America
VAT	ValueAdded Tax
VSP	Voluntary Severance Package
WB	Water board
WB	World Bank
WEF	World Economic Forum
WHO	World Health Organisation
WISA	Water Institute of Southern Africa

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