



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Treasury Guidelines
Preparation of the
Estimates of National Expenditure
2014

November 2013

This document is available at: www.treasury.gov.za/publications/guidelines

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Introduction

The Estimates of National Expenditure (ENE) is the explanatory memorandum to the Appropriation Bill. It provides comprehensive information on how institutions plan to spend their budgets over the medium term and what they have achieved with previous allocations, and as such provides information on the attainment of value for money. The Appropriation Bill, when enacted, provides the legal instrument for the appropriation of funds for the first year of the Medium Term Expenditure Framework (MTEF) period. This information in the ENE is used by Parliament and the public to assist them in exercising effective oversight. Information in the ENE is informed by the strategic and annual performance plan, and the annual report of an institution.

It is essential that officials from the Finance, Planning and other Divisions within institutions work collaboratively to compile the ENE.

These 2014 ENE guidelines provide instructions on how to complete your chapter. The chapter format of the 2014 publication is similar to the 2013 ENE chapter format. Ideally the aim, mandate, strategic goals and programme purposes should remain unchanged from those published in the 2013 ENE.

The guidelines are divided into two parts:

- Completing the vote chapter; and
- Completing the public entities section.

Deadlines

ENE chapters must be submitted in the format set out in these guidelines. The completed chapter must be accompanied by a separate covering letter signed by the Accounting Officer. This letter must also state the name and contact details of **officials that will be available to deal with ENE related queries during December 2013 and early January 2014.**

National Treasury distributes ENE guidelines to departments, constitutional institutions and public entities	8 November 2013
National Treasury provides information sessions for departments, constitutional institutions and public entities	13-15 November 2013
Allocation letters with Cabinet approved allocations issued	22 November 2013
Departments, constitutional institutions and public entities submit: - revised database, including Appropriation Bill inputs - first draft ENE chapter - public entities annual report (those which have not yet submitted)	6 December 2013
Departments, constitutional institutions and public entities submit: - final database - second draft ENE chapters	6 January 2014
Departments sign off chapters and the Appropriation Bill	11 February 2014
Budget tabled in Parliament	26 February 2014

Contact persons at National Treasury

For clarity and assistance, contact:

Your relevant Public Finance representative at the National Treasury for general enquiries regarding the completion of the chapter.

Database:

Refer to the contact person listed on the cover page of your database template.

Numbers style

Institutions should present numbers in the text as follows:

- Use a full stop to separate a number from the decimal number denoting the fraction of the number.
- Numbers should be rounded off to the first decimal place.
- Use a space to separate thousands.

Examples

R75 000 (75 thousand rand)

R10.2 billion (10 billion and 200 million rand)

Notes on the database

There is only one database for purposes of both the MTEF decision making and the ENE publication processes. As such, institutions have already completed the database for the MTEF process. The databases sent to departments should now be updated to ensure alignment to the allocation letters which will be distributed towards the end of November 2013. Institutions should ensure that all relevant sheets have been appropriately completed. Publication tables will be extracted from the database and inserted into the chapters by the National Treasury.

Institutions must budget for **wage costs** based on the new inflation projection assumptions as stated in the 2013 Medium Term Budget Policy Statement. The inflation projections have been revised as follows: 6.0 per cent in 2013/14, 5.5 per cent in 2014/15, 5.4 per cent in 2015/16 and in 2016/17. Institutions are reminded that the approved baseline budget limits the maximum number of personnel that can be appointed. Departmental databases should reflect the full costing of personnel, including the annual inflation-related adjustment, overtime allowances, performance bonuses, progression payments, promotion payments and other benefits. Personnel related costs should be prepared in line with the personnel expenditure ceiling for the 2013 MTEF period, and in line with the 2014 Medium Term Expenditure Framework (MTEF) Guidelines for Costing and Budgeting for Compensation of Employees, available at www.treasury.gov.za/publications/guidelines. The outcomes of discussions within function groups on amendments to personnel resources should also be reflected in costing of personnel budgets.

Where applicable, **lower level expenditure information** pertaining to service delivery sites (for example: expenditure per court, police station, school, hospital, etc.) is required and will be presented as an annexure to the chapter. The database will provide a separate sheet for lower level expenditure and it should be completed by providing disaggregated information to the extent appropriate for the vote. Departments, in consultation with National Treasury, are expected to provide information over the seven-year period (2010/11 to 2016/17).

Data on **revised estimates** for the 2013/14 year should be based on expenditure as at 30 November 2013, extrapolated to provide a realistic projection for the full financial year. Any estimated underspending reflected in the database must be supported by factual and clear reasons. Departments should note that estimated overspending represents unauthorised expenditure and will not be allowed for publication.

Departments should disclose **all donor funding** received, whether through the Reconstruction and Development Programme (RDP) Fund or managed directly by partner countries or development agencies. Projections for the MTEF period should reflect development cooperation agreements, including agreements under negotiation and not yet finalised. Donor funding information should be completed in the relevant sheet provided in the database.

Appropriation Bill: Refer to Annexure A for instructions on the accurate completion of the database which will inform the Appropriation Bill. Note that information for the Appropriation Bill is extracted directly from the database.

Part 1: Completing the main chapter

[Vote number]

[Name of vote]

Budget summary

R million	2014/15					2015/16	2016/17
	Total to be appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Payments for financial assets	Total	Total
MTEF allocation							
Programme name							
Subtotal							
Direct charge against the National Revenue Fund							
Item							
Total expenditure estimates							
Executive authority	Minister						
Accounting officer	Director-General / Chief Operating Officer						
Website address							

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za. These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, public entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, expenditure on skills training, a revised spending estimate for the current financial year, and expenditure information at the level of service delivery, where appropriate.

Aim

The aim should be identical to the one in the 2014 Appropriation Bill.

Mandate

The mandate as contained in the relevant act(s) that govern(s) the department's establishment and operations must be captured.

Strategic goals

Strategic goals must identify areas of institutional performance that are critical to the achievement of the legislative mandate and responsibilities. These should be aligned to the goals in the Strategic Plan.

Programme purposes

Programme purposes should be identical to the ones in the 2014 Appropriation Bill.

Selected performance indicators

The table should only present the selection of the key performance indicators that reflects the core function of institutions. These have already been identified during the MTEF decision making process. These should be a selection comprised of outcome, output and efficiency indicators and targets from those that are included in departmental annual performance plans and ministerial delivery agreements.

Table X.1 [Name of department]

Indicator	Programme	Outcome	Past			Current	Projections		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17

What do the indicators show?

Quantitative and qualitative indicators and targets must reflect trends and progress over the years. They must be specific measurements that track progress towards achieving the goals of an institution. Indicators may reflect inputs, activities, outputs, outcomes, or, in certain instances, explanatory information about the factors that could affect performance.

Quantitative indicators require numbers

As a general rule, quantitative indicators must have targets that are absolute values/numbers. Where departments use percentages, they must be accompanied by absolute values

[**Example:** *Percentage of health facilities assessed against core standards per year: 40% (1 733)*].

Finalising your indicators

Refining and reviewing performance indicators, which were submitted in the MTEF database, should be done through multilateral discussions between departments, National Treasury and the Department of Performance Monitoring and Evaluation prior to the submission of the ENE chapters to the National Treasury.

The National Development Plan

Provide information on how the department's strategic goals and objectives link with the National Development Plan, and how elements of the National Development Plan that are relevant to your department will be implemented over the MTEF period.

Example: *The national development plan endorses a health system which raises life expectancy, reduces infant mortality and the occurrence of HIV and AIDS, and significantly lowers the burden of disease. The department's 10 point plan and strategic goals are in alignment with the four outputs of the service delivery agreement for outcome 2 (a long and healthy life for all South Africans) and the nine priority areas on health which are identified in the national development plan. In line with this, the department has prioritised its HIV and AIDS, TB and Maternal and Child Health programme – which is the largest growing programme over the medium term in terms of expenditure. Between 2009/10 and 2012/13, the programme expenditure grew at an average rate of 23.1 per cent and it is projected to grow by an average 17 per cent over the medium term. This is matched by improvements in the programme's outputs (between 2009/10 and 2013/14) that relate directly to targets contained in the national development plan; including:*

- *Tuberculosis new pulmonary cure rate: 68 per cent to 85 per cent*
- *Proportion of antenatal first visits before 20 weeks: 34 per cent to 60 per cent*
- *Reducing the percentage of babies testing positive for polymerase chain reaction 6 weeks after birth: 10 per cent to 6 per cent*

The national development plan also emphasises the need for health system reform and universal healthcare coverage. To this end, the department will also focus on priority areas with respect to infrastructure provision; human resources and management capacity, and norms and standards for staffing; accountability in planning and budgeting; capacity and systems in financial management; health financing; and key strategic institutions. Over the medium term, the following will also be prioritised and funds will be shifted toward these areas:

- Increased spending in the Health Financing and National Health Insurance subprogramme (through the national health insurance conditional grant), which will support the piloting of initiatives for strengthening health systems.
- R90 million will be reprioritised towards funding the infrastructure unit systems support programme, to provide support to provinces for the development of norms and standards on the construction of infrastructure projects.

Expenditure estimates

Table X.2 [Name of department]

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Average growth rate (%)	Expenditure/ total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure / total: Average (%)
	2010/11	2011/12	2012/13					2013/14	2010/11 - 2013/14	2014/15		
R million												
Programme name												
Subtotal												
Direct charge against the National Revenue Fund												
Item												
Total												
Change to 2013 Budget estimate												
Economic classification												
Current payments												
Economic classification item												
Transfers and subsidies												
Economic classification item												
Payments for capital assets												
Economic classification item												
Payments for financial assets												
Total												

Personnel information

Table X.3 Detail of approved establishment and personnel numbers according to salary level¹

Post Status as at 30 November 2013		Number and cost ² of personnel posts filled / planned for on funded establishment										Number				
No. of funded posts	No. of posts additional to the establishment	Actual		Revised estimate ³			Medium-term expenditure estimate					Avg. growth rate (%)	Salary level/ total: Avg. (%)			
		2012/13		2013/14			2014/15		2015/16		2016/17			2013/14-2016/17		
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost		Number	Cost
Department																
Salary level																
1 – 6																
7 – 10																
11 – 12																
13 – 16																

¹ Data has been provided by the department and may not necessarily reconcile with official government personnel data.

² Rand million.

³ As at 30 November 2013.

Expenditure trends

This section must explain the **spending focus** (major allocations) over the MTEF period in relation to the strategic objectives and performance targets that will be attained over the period. The discussion should focus on highlighting the **largest spending programmes, items or major transfers**, and **personnel numbers** that grow or decline at a significant average rate. Explain **changes to the vote baseline** (if any), as approved by Cabinet and as detailed in your allocation letter. Any reference to these changes must be phrased as “Cabinet approved the following budget changes”. This section must be limited to half a page.

***Example:** The spending focus over the medium term will be on improving the management of offenders and remand detainees, implementing rehabilitation programmes and strengthening the parole system. Using funds allocated to the Incarceration, Rehabilitation and Social Reintegration programmes over the medium term, the department plans to reduce the percentage of inmates escaping from prison from a projected 0.034 per cent in 2012/13 to 0.027 per cent in 2015/16, to ensure that 74.1 per cent of offenders with sentence plans participate in the education and training programmes in 2015/16, and ensure that the correctional supervision and parole boards in 2014/15 consider 96 per cent of eligible cases compared to 76 per cent in 2011/12. Over the medium term, expenditure is expected to increase due to additional allocations for improved conditions of service, the upgrading of IT infrastructure and to cover higher municipal property rate charges.*

The decrease in expenditure on buildings and other fixed structures over the medium term period is a Cabinet approved budget reduction, as a result of continued underspending on capital works projects.

Expenditure on consultant services decreased between 2009/10 and 2012/13 due to cost cutting measures, but is expected to increase over the medium term. Spending on consultant services mainly caters for the upgrading of IT infrastructure and the maintenance of information systems. It also caters for the payment of legal, external and internal audit, as well as for laboratory fees. The department had a funded establishment of 41 911, of which 1 562 posts were vacant as at 30 September 2012. These vacancies are the result of natural attrition and the length of time it takes to finalise recruitment processes. In addition, the department’s establishment is expected to increase to 42 006 posts by 2016/17 to strengthen the capacity to provide rehabilitation programmes at correctional centres.

Infrastructure spending

Discuss spending trends and the progress on the implementation of key existing and new infrastructure projects.

Classify infrastructure projects according to the following three categories, as contained in the database:

Mega projects: estimated to cost over R400 million per year for a minimum of three years, or at least R1 billion total project cost over the MTEF.

Large projects: estimated to cost between R90 and R400 million per year, but less than R1 billion over the MTEF.

Small projects: estimated to cost less than R90 million per annum and not more than R250 million over the MTEF.

Example:

Large projects

Spending on infrastructure increased from R732.5 million in 2010/11 to R1.1 billion in 2013/14, and is expected to increase to R1.6 billion over the medium term. The allocation earmarked for infrastructure will be used to build and upgrade police stations, which will expand and improve basic policing services for communities. In 2011/12, the department began building a forensic laboratory in the Western Cape which it expects to complete in 2016/17. The new laboratory complex will allow for an increase in personnel capacity of 55 people (bringing the total to 100 people). This will enable investigators to undertake specialised evidence related technical analysis, which will result in a reduction in the time taken to investigate cases, from 60 days to 30 days. It is anticipated that this project will cost R658.3 million. To date, R333.3 million has already been spent.

Departmental receipts

Table X.4 Receipts

	Audited outcome			Adjusted estimate 2013/14	Revised estimate	Average growth rate (%) 2010/11 - 2013/14	Medium-term receipts estimate			Average growth rate (%) 2013/14 - 2016/17	Receipt items/ total: Average (%)	Receipt item/ total: Average (%)
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17			
R thousand												
Economic classification												
Item												
<i>Lower level classification</i>												
<i>Item</i>												
<i>Lower level classification</i>												
<i>Item</i>												
Economic classification												
Item												
<i>Lower level classification</i>												
<i>Item</i>												
<i>Lower level classification</i>												
<i>Item</i>												
Total												

Programme [number]: [Programme name]

Objectives

For each programme's objective, explain its strategic intention(s), specific intervention(s) and progress measure(s). Ensure that the objectives for each programme are broadly aligned to your department's strategic plan and annual performance plan as well as the National Development Plan and other medium to long term government plans. Note that Programme 1: Administration is exempt from this requirement.

Example: *Improve the provision of identification and status services to eligible citizens and residents (objective/strategic intention) by reducing the time taken to issue passports and travel documents (specific intervention) from 10 days in 2012/13 to 5 days in 2015/16 (progress measure).*

Subprogrammes

[This section applies to subprogrammes that have not been selected to be discussed in detail.]

- Subprogramme descriptions should include the functions of each subprogramme, outputs, and key activities carried out in 2012/13, as well as in 2013/14 (as at September 2013), as well as the number of appointed personnel responsible for such activities in the same period.

Example: *Kha Ri Gude Literacy Project expands the provision of basic literacy education to adults. There are currently 42 607 registered volunteer educators, supervisors, coordinators and monitors. In 2012/13, R395.3 million was used to pay stipends to volunteers, who have provided more than 532 000 adults with literacy and numeracy skills. By end of September 2013, this subprogramme had a full time staff complement of 11, who were responsible for managing the stated functions.*

Expenditure estimates

Table X.5 [Programme name]

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2010/11 - 2013/14	2014/15		
R million											
Subprogramme name											
Total											
Change to 2013 Budget estimate											
Economic classification											
Current payments											
Economic classification item											
Transfers and subsidies											
Economic classification item											
Payments for capital assets											
Economic classification item											
Payments for financial assets											
Total											
Proportion of total programme expenditure to vote expenditure											

Personnel information

Table X.6 Detail of approved establishment and personnel numbers according to salary level¹

Programme	Post status as at 30 November 2013		Number and cost ² of personnel posts filled / planned for on funded establishment										Number				
	No. of funded posts	No. of posts additional to the establishment	Actual		Revised estimate ³			Medium-term expenditure estimate					Average growth rate (%)	Salary level/ total: Avg. (%)			
			2012/13		2013/14			2014/15		2015/16		2016/17			2013/14-2016/17		
			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number				Cost	Unit cost
Salary level																	
1 – 6																	
7 – 10																	
11 – 12																	
13 – 16																	

¹ Data has been provided by the department and may not necessarily reconcile with official government personnel data.

² Rand million.

³ As at 30 November 2013.

Expenditure trends

This section must explain the **spending focus** of the programme (i.e., where most of the money will be spent) over the MTEF period. The discussion should focus on highlighting the **largest spending items** and providing the underlying policies and factors. There should also be an explanation of only the significant year on year fluctuations. Discuss trends in **personnel numbers in relation to spending**, including the use of consultants in relation to programme personnel and the reasons why consultants are used versus department personnel. State the number of vacant posts estimated for 2013/14, based on actual figures as at 30 November 2013, as well as reasons for the vacancies. **Link the noted expenditure and personnel trends to performance** by discussing how they impact on the achievement of outputs. Discuss how **savings, cost reductions and reprioritisations** measures implemented over the medium term will be managed, and illustrate the impact on service delivery, if any. This section is limited to half a page.

[Expenditure trends for selected subprogrammes that will be discussed separately in detail should not be discussed in this section.]

***Example:** The spending focus over the medium term will be on expanding access to quality education and training for the youth. Transfer payments to higher education institutions are therefore the largest item of expenditure over the seven-year period. The significant increase in spending on this item evident between 2009/10 and 2012/13 has contributed to an increase in the number of skilled youth, in line with the department's strategic goals. As part of skills development, this expenditure has resulted in an increase in the number of competent artisan learners from 8 238 in 2009/10 to 12 000 in 2012/13. The number of new artisans registered is also projected to increase from 24 378 to 28 000 over the MTEF period.*

The number of personnel in this programme is expected to increase from 47 in 2012/13 to 91 by 2016/17, mainly due to the filling of critical vacant posts. In addition to the projected increasing personnel numbers, growth in expenditure on compensation of employees over the same period will also be driven largely by improvements in conditions of service. Spending on consultants is expected to increase from R2.7 million in 2012/13 to R2.9 million in 2016/17. Consultants in this programme are mainly used for undertaking specialised research on responsive vocational education and training programmes, to complement skills and expertise within the programme. There were 9 vacant posts as at 30 September 2013 as a result of some delays in obtaining security clearances and verifying qualifications. The vacancies are in the process of being filled.

As part of the Cabinet approved reductions, programme spending will be reduced by R326 000 over the medium term – effected on items such as travel and subsistence, communications and computer services. Efficiency measures will be implemented to ensure minimal negative impact on service delivery.

Subprogramme name

[This section is applicable only to subprogrammes that have been selected to provide additional information.]

- The subprogramme description should include the functions of the subprogramme, outputs, and key activities carried out.

Example: Refer to example on page 11 of these guidelines.

Expenditure estimates

Table X.7 [Subprogramme name]

R million	Audited outcome				Adjusted appropriation	Average growth rate (%)	Expenditure/ total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ total: Average (%)
	2010/11	2011/12	2012/13	2013/14				2014/15	2015/16	2016/17		
Economic classification												
Current payments												
Economic classification item												
Transfers and subsidies												
Economic classification item												
Payments for capital assets												
Economic classification item												
Payments for financial assets												
Total												
Proportion of subprogramme expenditure to programme expenditure												

Expenditure trends

Example: Refer to page 12 of these guidelines on how to discuss the subprogramme expenditure trends, and for an example. This section is limited to half a page.

Public entities and other agencies

This section provides brief accounts of the legal mandate, objectives, expenditure trends, personnel information and performance information of each entity. Part 2 of these guidelines provides information on the data sheets for all public entities.

[Name of public entity]

Mandate and strategic goals

Describe the legislative mandate and strategic goal(s) of the public entity.

Selected performance indicators

Table X.9 [Entity name]

Indicator	Programme/Activity/Objective	Outcome	Past			Current	Projections		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17

The table should only present the key performance indicators that reflect the core function of the institution. These key performance indicators should be in line with performance indicators and targets identified in the MTEF database, and aligned to the institution's annual performance plan.

Programmes/activities/objectives

Table X.10: [Entity name]

	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/ total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure / total: Average (%)
	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14	2014/15	2015/16	2016/17	2013/14 - 2016/17		
R million											
Programme name											
Total expense											

Expenditure estimates

Table X.11: [Entity name]

Statement of financial performance				Revised estimate	Average growth rate (%)	Expenditure/ total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure / total: Average (%)
Audited outcome											
R million	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14	2014/15	2015/16	2016/17	2013/14-2016/17		
Revenue											
Non-tax revenue											
Economic classification item											
Transfers received											
Total revenue											
Expenses											
Current expenses											
Economic classification item											
Transfers and subsidies											
Total expenses											
Surplus / (Deficit)											
Statement of financial position											
Balance sheet item											
Total equity and liabilities											
Total assets											
Balance sheet item											
Total equity and liabilities											

Personnel information

Table X.12 Name of public entity

Post status as at 31 March 2014 ³		Number and cost ² of personnel posts filled / planned for on funded establishment											Number			
No. of funded posts	No. of posts on approved establishment	Actual			Revised estimate ³			Medium-term expenditure estimate						Average growth rate (%)	Salary level/ total: Average (%)	
		2012/13		2013/14		2014/15		2015/16		2016/17		2013/14-2016/17				
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number		Cost			Unit cost
Salary level																
1 – 6																
7 – 10																
11 – 12																
13 – 16																

¹ Data has been provided by the department and may not necessarily reconcile with official government personnel data.

² Rand million.

³ Estimated for 31 March 2014.

Expenditure trends

Example: Refer to page 12 of these guidelines on how to discuss the institution's expenditure trends, and for an example. This section is limited to half a page.

Revenue trends

Entities that generate own revenue should discuss revenue trends and the contribution to spending and achievement of institution's objectives. This section is limited to two paragraphs.

Other public entities and agencies

Provide a bulleted list and description of the entities and agencies that will only be published in the e-publication. The description should provide a brief paragraph detailing what the entity does and state its total budget for the 2014/15 financial year.

Additional tables

The database will include templates for the following tables:

- Summary of expenditure on infrastructure
- Summary of appropriations and expenditure per programme and economic classification
- Summary of expenditure on training
- Summary of conditional grants to provinces and municipalities
- Summary of departmental public private partnership projects
- Summary of donor funding

Part 2: Completing the section on entities

Entities are required to read this whole guideline as it contains important information that relates to both departments and entities. More technical guidelines are contained in the database and technical assistants will be available to provide assistance where required.

National departments are required to provide detailed financial information for the public entities that they are responsible for. Data to be completed by public entities includes financial information, performance information and detail in terms of an entity's programmes/ objectives/ activities.

For budget 2014, the database for the MTEF decision making and for the ENE production processes has been amalgamated into one. The database completed for the MTEF decision making process will however be re-issued such that the data previously submitted can be updated where necessary. **All entities must submit copies of their 2012/13 annual reports with their database.**

Public entities that have submitted their financial reports to the Office of the Accountant General, will receive their data files with the history data already balanced to their financial statements. As the format is generic, it is designed to only show variables that are specific to certain types of entities. Four types of entities have been identified: Sector Education and Training Authorities (SETAs), social security funds, financial entities, and all other entities.

To enable the National Treasury to consolidate the entities into the general government account, the cash flow has been expanded to provide cash numbers that will be reflected in the consolidation in the Budget Review publication. The accrual numbers are published in the Estimates of National Expenditure. For the same purpose, the related party revenue sheet has been added to enhance the consolidation process.

Information for the selected entities which are listed in Annexure B will be published in the abridged ENE publication. Information for all entities will be published in the ENE e-publications.

Annexure A: Notes on the Appropriation Bill

The 2014 Appropriation Bill will be presented by vote and main division within a vote (programme). The aim of the vote, programme names and purposes in the ENE chapters should be identical to what is in the Appropriation Bill. There should be no abbreviations in the Appropriation Bill.

Allocations are divided by economic classification into:

- Current payments, comprising of:
 - Compensation of employees,
 - Goods and services, and
 - Other
- Transfers and subsidies;
- Payments for capital assets; and
- Payments for financial assets.

Items that are specifically and exclusively appropriated as indicated in the November allocation letter must be marked with an * and listed separately as follows:

- The description must be the name of the subprogramme or project in the case of current payments and payments for capital assets; and the name of the transfer/subsidy or the name of the institution receiving the transfer in the case of transfers and subsidies (see explanation below); and
- The purpose of the payment must follow the name of the subprogramme or project.
- All conditional grants are specifically and exclusively appropriated, however the purpose of the grant is not specified as this information is contained in the Division of Revenue Bill. The names of conditional grants must be verified with the approved conditional grant framework.

Transfers and subsidies are listed in the Appropriation Bill as follows:

- Standard Chart of Accounts level 2 items will be used as headings for the listing of all transfers and subsidies, except for conditional grants. The heading “conditional grants to provinces / local government” will be used when listing conditional grants;
- A concise description of the purpose of the transfer should be indicated after the colon that follows the transfer name. There must be consistency in respect of the terms used for the same type of transfers and subsidies across votes;
- The description of a transfer or subsidy must either be the name of the entity or institution or category of institutions that receive the transfer, or the name of the transfer or subsidy project or subprogramme, together with a brief description of the purpose of the transfer, project or subprogramme. Relevant information on the transfer’s governance and rules should be available on request, however, such information is not included in the Appropriation Bill; and
- The purpose of transfer funding to higher education institutions should distinguish between general subsidy funding and funding that will be utilised for particular purposes, e.g. General Subsidies; Subsidies for Public Economics Conference; Subsidies for Research Chair in Transport Engineering; Subsidies for Language Policy Unit.

Most common purposes for transfer payments are:

- Operations;
- Capital;
- Infrastructure;
- Building, maintenance and upgrading of infrastructure;
- Building and upgrading of infrastructure;
- Membership fee/s;

- Research; and
- Research and development.

Examples of items commonly listed under Households:

- Employee Social Benefits: Leave gratuity/ies
- Employee Social Benefits: Post-retirement benefits
- Employee Social Benefits: Severance package
- Employee Social Benefits: Ex-service benefits
- Employee Social Benefits: Injury on duty
- Gifts and Donations: Specify the official name of the award / institution if descriptive enough OR include the purpose (Prize money, award, donation, contribution etc.)
- Bursaries for Non-employees: Specify (Examples are: Heritage studies; Studies in cadastral science, surveys and mappings; Studies in finance and economics; Studies in official statistics; Housing scholarship programme)
- Claims Against the State: Civil claims for possible compensation instituted against the department (Police vote)
- Social Assistance Transfers: Social grants:
 - Old Age Grant
 - War Veterans Grant
 - Disability Grant
 - Foster Care Grant
 - Care Dependency Grant
 - Child Support Grant
 - Grant-in-Aid
 - Social Relief Assistance

Example of items commonly listed under Municipal Bank Accounts:

- Vehicle Licences: Licence fees

Examples of items commonly listed under Departmental agencies and accounts:

- Communication: Licences
- Public Service Sector Education and Training Authority: Operations
- Education, Training and Development Practices Sector Education and Training Authority: Operations
- Health and Welfare Service Sector Education and Training Authority: Operations
- Tourism, Hospitality and Sport Sector Education and Training Authority: Operations
- Safety and Security Sector Education and Training Authority: Operations

The ENE database will be the only source of information. Any items that need to be listed in the Appropriation Bill, name changes, specifically and exclusively category must be captured in the database so that it can be reflected correctly in the Bill.

Annexure B: List of selected entities

No.	Department	Entity Name
1	Agriculture, Forestry and Fisheries	Agricultural Research Council
2	Agriculture, Forestry and Fisheries	Marine Living Resources Fund
3	Communications	Sentech Limited
4	Communications	South African Broadcasting Corporation Limited
5	Communications	South African Post Office Limited
6	Defence and Military Veterans	Armaments Corporation of South Africa Limited
7	Energy	Central Energy Fund (Pty) Ltd
8	Energy	South African Nuclear Energy Corporation
9	Environmental Affairs	South African National Parks
10	Health	National Health Laboratory Services
11	Health	South African Medical Research Council
12	Higher Education and Training	National Skills Fund
13	Higher Education and Training	National Student Financial Aid Scheme
14	Higher Education and Training	Sector Education and Training Authorities
15	Home Affairs	Government Printing Works
16	Home Affairs	Electoral Commission
17	Human Settlements	National Home Builders Registration Council
18	Human Settlements	National Housing Finance Corporation Limited
19	Human Settlements	The Social Housing Regulatory Authority
20	International Relations and Cooperation	African Renaissance and International Cooperation Fund
21	Justice	Legal Aid South Africa
22	Labour	Commission for Conciliation, Mediation and Arbitration
23	Labour	Compensation Fund, including Reserve Fund
24	Labour	Unemployment Insurance Fund
25	Mineral Resources	Council for Geoscience
26	Mineral Resources	Council for Mineral Technology
27	National Treasury	Development Bank of Southern Africa
28	National Treasury	Government Pension Administration Agency
29	National Treasury	Land and Agricultural Development Bank of South Africa
30	National Treasury	Public Investment Corporation Limited
31	National Treasury	South African Revenue Service
32	Public Service and Administration	State Information Technology Agency
33	Public Works	Property Management Trading Entity
34	Rural Development and Land Reform	Registration of Deeds Trading Entity
35	Science and Technology	Council for Scientific and Industrial Research
36	Science and Technology	National Research Foundation
37	Social Development	South African Social Security Agency
38	Tourism	South African Tourism
49	Trade and Industry	Companies and Intellectual Property Commission

No.	Department	Entity Name
40	Trade and Industry	Export Credit Insurance Corporation of South Africa Limited
41	Trade and Industry	National Empowerment Fund
42	Trade and Industry	National Lottery Distribution Trust Fund
43	Trade and Industry	Small Enterprise Development Agency
44	Trade and Industry	South African Bureau of Standards
45	Transport	Air Traffic and Navigation Services Company Limited
46	Transport	Airports Company of South Africa Limited
47	Transport	Passenger Rail Agency of South Africa
48	Transport	Road Accident Fund
49	Transport	South African National Road Agency Limited
50	Water Affairs	Consolidated Water Boards
51	Water Affairs	Rand Water
52	Water Affairs	Trans-Caledon Tunnel Authority
53	Water Affairs	Umgeni Water
54	Water Affairs	Water Trading Entity
55	Economic Development	Competition Commission