



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Guidelines for the Preparation of the Estimates of National Expenditure 2015

October 2014

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

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1. Introduction

The Estimates of National Expenditure (ENE) is the explanatory memorandum to the Appropriation Bill. It provides comprehensive information on how institutions have spent their budgets in previous years, how they plan to spend their budgets over the medium term, and what they will achieve with the budget allocations. As such institutions must provide 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 three-year Medium Term Expenditure Framework (MTEF) period. This information in the ENE is used by Parliament and the public to exercise effective oversight. Information in the ENE is also based on the 2014-2019 Medium Term Strategic Framework (MTSF), particularly in terms of its expression in the strategic and annual performance plans, and the annual report of an institution.

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

The 2015 ENE guidelines provide instructions on how to complete an ENE chapter. There are some substantive changes to the format of the 2015 publication that must be noted when compiling the chapter. The guidelines provide information on completing the vote chapter and the public entities section.

2. Changes in the 2015 ENE

2.1 Newly established and reorganised departments: New departments and those that have received or transferred a function, and which have fully completed the 2014 National Macro Organisation of the State approval process will have to submit the ENE chapter and database using the 2015 ENE guidelines. Completion of the 2014 National Macro Organisation of the State project includes having obtained approval for the new establishment, function shift and the new budget programme structure from the Department of Public Service and Administration (DPSA) and the National Treasury, respectively.

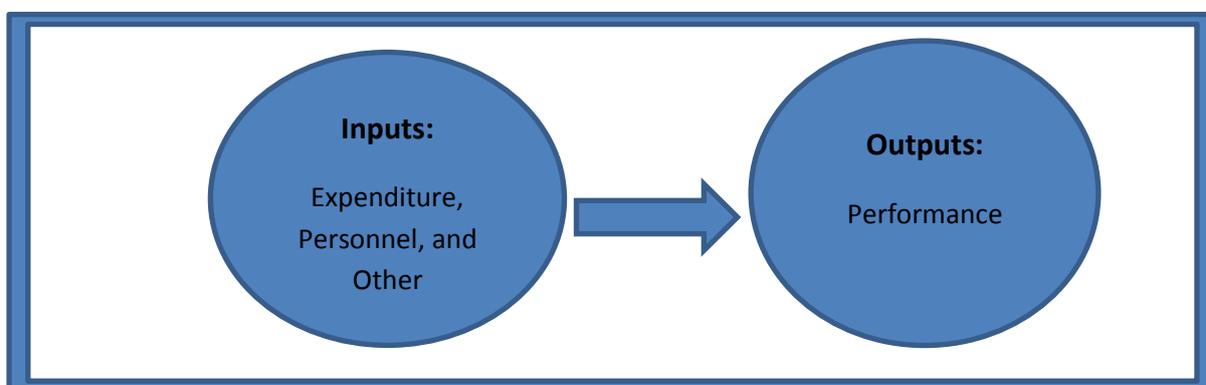
Information in respect of a new department which has not finalised its organisational approval process will be reported in the ENE chapter of the department to which this new department is temporarily aligned during its transition. The format for reporting on such information is outlined in the section on “Template for Completing the Chapter” in these guidelines.

2.2 Strategic Goals: These will be excluded from the 2015 ENE chapters for both departments and public entities, as the information is already contained in the strategic and annual

performance plans, and annual reports of institutions.

2.3 Expenditure analysis: Each vote will only have an expenditure analysis section at the beginning of the chapter. Departments within a vote will also have a single expenditure analysis section within the vote chapter. The expenditure analysis section will be centred on a discussion of the link between **expenditure**, inputs such as **personnel trends, as well as other key inputs**; and the **achievement of outputs** for the vote. Significant spending in relation to the achievement of outputs for specific programmes, subprogrammes or key projects must be discussed in this section. This section replaces the many 2014 ENE vote, programme and subprogramme expenditure trends sections, and therefore must provide comprehensive and concise information. Institutions should begin the discussion by highlighting key policy priorities and deliverables for the MTEF period, in relation to the MTSF, which is informed by the NDP. A discussion on how Cabinet approved budget allocations inform **expenditure and related personnel trends and how these and other inputs will contribute to the achievement of specific outputs** should follow. Significant cost drivers such as transfers and other economic classification items must be highlighted, where appropriate, to explain the link between expenditure and performance. **Figure 1** below illustrates the linkages between the expenditure, personnel and performance dimensions which must be the focus of the expenditure analysis discussion.

Figure 1: Links between expenditure, personnel and performance



2.4 Expenditure estimates tables: There will be two tables for vote expenditure information, namely; the Expenditure trends table which will provide three year historical spending information for the vote, and the Expenditure estimates table which will provide estimated budget information for the current year and the 2015 MTEF period (refer to table X2 and X3 in the section for “Template for Completing the Chapter”). The vote expenditure trends tables will include the annual budget, adjusted appropriation and audited outcome figures for the three historical years, and for the current year will have annual budget, adjusted appropriation, and the revised estimates. Programme expenditure trends and estimates

tables will still be shown in the ENE publications. Subprogramme expenditure trends and estimate tables will not be in the ENE publication but published in the database on the National Treasury website.

- 2.5 Personnel information:** Personnel information will be reported in only one single table, which will include the vote personnel headcount numbers by salary level and total personnel headcount numbers by programme. This table replaces the programme personnel tables that were in the 2014 ENE. The programme personnel tables will still be published in the ENE electronic publications for individual votes.
- 2.6 Programme purposes:** Programme purposes will be reported in the programme section together with programme objectives and the list of subprogrammes, and no longer at the beginning of the chapter. The programme purpose must be the same as the one reflected in the Appropriation Bill, which is taken from the database.
- 2.7 Programme objectives:** Departments which have core functions located within the Administration programme should report on objectives relating to such core functions in the programme section. In previous ENE publications, programme 1 was exempted from reporting on objectives.
- 2.8 Subprogramme descriptions:** Only subprogramme purposes will be listed in the programme section. More detailed descriptions will no longer be included. Discussions of significant subprogramme financial and non-financial performance must be included in the “expenditure analysis” section, at the beginning of the chapter, where relevant (refer to **paragraph 2.3** above). Subprogramme expenditure trends and estimates tables will be published in the database on the National Treasury website.
- 2.9 Reporting on public entities:** Thirty two (32) public entities (refer to **Annexure A**) have been selected, for these, information will be published in the abridged version of the ENE. Information for the 32 public entities as well as the other public entities will be included in the ENE electronic publications for individual votes. All public entities must submit electronic or hard copies of their 2013/14 annual reports with their database submissions. The reprioritisation sheet no longer exists. Entities can use the programme/objective/activity sheets to show the result of reprioritising their budgets. **Public entities must take note of all the changes to the 2015 ENE listed above, and must comply with the requirements of these guidelines.**

3. 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 2014 and early January 2015 for both the Department and Public Entities sections of the chapter.**

TABLE 1: CRITICAL DATES FOR THE 2015 ENE PROCESS

ITEM	DATE
National Treasury distributes ENE guidelines to departments, constitutional institutions and public entities	7 October 2014
National Treasury provides information sessions for departments, constitutional institutions and public entities	13-17 October 2014
Preliminary allocation letters issued	31 October 2014
Departments, constitutional institutions and public entities submit first draft ENE database to National Treasury	12 November 2014
Departments, constitutional institutions and public entities submit first draft ENE chapter to National Treasury	14 November 2014
Cabinet approved final allocation letters issued to departments	21 November 2014
Departments, constitutional institutions and public entities submit revised database, including Appropriation Bill inputs	3 December 2014
Departments, constitutional institutions and public entities submit: - second draft ENE chapter - public entities annual report (those which have not yet submitted)	5 December 2014
Departments sign off ENE chapters and the Appropriation Bill	9 - 13 February 2015
Budget tabled in Parliament	25 February 2015

3.1 Contact persons at National Treasury

For general enquiries regarding the completion of the chapter and for database completion enquiries refer to the contact people listed on the cover sheet of your database template.

3.2 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.

Examples

R75 000 (75 thousand rand)

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

3.3 Notes on the database

The ENE database will be prepopulated with historical expenditure information by National Treasury and then distributed to institutions. Institutions must update the database once allocation letters have been issued in October and again in November 2014. 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 CPI inflation projections which are stated in the 2014 Medium Term Budget Policy Statement pending the finalisation of the 2014 public sector wage negotiations. This does not imply any attempt to pre-empt the outcome of negotiations; it is a neutral assumption on which to proceed in constructing medium-term expenditure estimates. Institutions should take note of the possibility of the outcome of the upcoming wage negotiations being different from current CPI projections, and that provision should be made within the baselines for such an outcome. Institutions are reminded that the approved baseline budget constitutes a limit to the maximum number of personnel that can be appointed. Departmental and public entities databases should reflect the full costing in respect of personnel (headcount), including the annual inflation-related adjustment, overtime allowance, performance bonus, progression payment, promotion payments and other benefits. Personnel related costs should be prepared in line with the 2015 Medium Term Expenditure Framework (MTEF) Guidelines for Costing and Budgeting for Compensation of Employees, which can be obtained from the following website: www.treasury.gov.za/publications/guidelines/default.aspx. The outcomes of discussions within budget and function groups in the budget process regarding the amendments to personnel resources should also be reflected in costing of personnel budgets.

Data on **revised estimates** for the 2014/15 year should be based on expenditure as at 30 September 2014, 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, which must form part of the expenditure analysis discussion. **Departments should note that estimated overspending represents unauthorised expenditure and will not be allowed for publication.**

Transfers: The name of the recipient of the transfer must be specified, for example, the registered name of the institution, sub-programme or project name. There must be no empty rows between transfer items.

Donor assistance information should include both cash and in-kind contributions. The donor information table must also include approved allocations funded from the general budget support funding modality. All the information captured should be concise and comprehensible.

Specifically and exclusively appropriated current and capital payments must correspond with allocation letters.

Conditional Grants: The name of a grant must correspond with the name to be published in the Division of Revenue Act (DORA). Conditional Grants that relate to infrastructure must be included in all the relevant sheets in the database, namely; "programme", "equitable share and direct conditional grants", as well as "infrastructure".

Function shifts: The first two rows of this sheet should capture audited outcome amounts included in the financial statements. Previous function shifts included in the 2014 ENE database must again be included in this sheet, even if it is only applicable to historical years.

Appropriation Bill: Refer to **Annexure B** for instructions on the accurate completion of the database to inform the Appropriation Bill. Note that information for the Appropriation Bill is extracted directly from the database. This is an area of the database that has not received the requisite attention in the past. It is imperative that this is now rectified as the Appropriation Act is the budget law, and as such errors have potential legal implications.

Template for completing the chapter

[Vote number]

[Name of vote]

Budget summary

R million	2015/16					2016/17	2017/18
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Payments for financial assets	Total	Total
MTEF allocation							
Programme 1: Programme name							
Programme 2: 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, 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 2015 Appropriation Bill and linked to the mandate as reflected in the strategic plan of the Department.

Information for new and reorganised departments/votes:

The Budget Summary table (above) should reflect two Executive Authorities and Accounting Officers where departments have not completed their 2014 National Macro Organisation of the State approval process.

A discussion of the functions of a newly established department that has not completed its 2014 National Macro Organisation of the State approval process will directly follow the *Aim* of the department that is accommodating the budget of the new department. The discussion should include the strategic objectives of the new department, and the programmes and/or subprogrammes or activities that will be managed by the new department, as well as progress regarding the process of finalising the organisational approval process and the expected completion date.

Example: Information for a new department

The new Department of Telecommunications and Postal Services is currently budgeted for within the old Department of Communications. The Department of Telecommunications and Postal Services will be responsible for the following core functions: telecommunications, postal services, and digital terrestrial television migration. The department's strategic

objectives include, providing marginalised communities with banking and financial services through the full operationalization of the South African Postbank; and improving evidence based Information and Communication Technology policy making. The department will also oversee the following public entities: State Information Technology Agency and Broadband Infraco, while the South African Broadcasting Corporation and the Independent Communications Authority of South Africa will be accommodated within the new Department of Communications. Both the Departments of Telecommunications and Postal Services, and Communications are in the process of discussing the split of mandates and other core functions, as well as defining new budget programme structures in line with the relevant core mandates. This process is expected to be completed by March 2015.

Mandate

In respect of the existing vote, the mandate as contained in the relevant act(s) that govern(s) the department's establishment and operations must be captured.

Selected performance indicators

Performance indicators which will be included in the 2015 ENE should be informed by the performance dialogue discussions between institutions, National Treasury and the Department of Planning, Monitoring and Evaluation which were held during the 2015 MTEF decision making process. Final updates and agreement on performance indicators which should be reported in the ENE must be made prior to the submission of the ENE chapters to National Treasury.

The table should only present the selection of the key performance indicators that reflect the core functions of institutions and which are used to measure value for money. The selection can include outcome, output, activity, and efficiency indicators which are aligned to the strategic and annual performance plans as informed by the Medium Term Strategic Framework (MTSF) and delivery agreements. Quantitative and qualitative indicators and targets must reflect trends and progress over the years. 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).

Table X.1 [Performance indicators by programme and related outcome]

Indicator	Programme	Outcome	Past			Current	Projections		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18

Expenditure analysis

A brief summary must be provided of specific spending items directly related to the objectives of the National Development Plan as expressed in the Medium Term Strategic Framework over the MTEF. This section must explain the department's policy focus (i.e., particularly where most of the money will be spent) to realise key strategic policy priorities and deliverables and performance targets over the MTEF period, as well as **changes to the vote baseline** (if any), as approved by Cabinet and as detailed in the allocation letters. Highlight the **largest spending programmes, subprogrammes, projects, economic classification items, or major transfers** and explain policies that are being addressed by high spending on such programmes, subprogrammes, projects or items. Then explain the **link between expenditure and personnel trends, and performance** by discussing how spending and personnel or other key inputs impact on the achievement of outputs. Note any growth rates in expenditure that have changed significantly and provide explanations in relation to personnel and achievement of outputs. Significant cost drivers such as transfers and other implementation issues must be highlighted, where appropriate, to explain the link between expenditure and outputs. This section is limited to two pages.

The purpose of this discussion is to **clearly indicate how expenditure, personnel and other inputs contribute to the achievement of outputs**. The discussion can be structured as follows:

- Brief highlight of the specific spending focus over the medium term in relation to the achievement of the Medium Term Strategic Framework priorities as informed by the NDP.
- Discussion of how expenditure trends, personnel and other inputs for key cost driving programmes, subprogrammes and projects, including major transfers, will contribute to the achievement of specific outputs.
- Discussion of how Cabinet approved allocations impact on the achievement of outputs. Note changes to the baseline and the motivation for such changes.
- Discussion of reasons for major underspending programmes, subprogrammes, or economic classification items, including those related to the Medium Term Strategic Framework priorities, in the past three financial years or projected for the MTEF; how the underspending impact on the achievement of outputs; and how underspending will be remedied during the 2015 MTEF period.
- Growth rate changes in terms of personnel, other significant inputs and performance should also be noted:
 - The criteria for significant growth rate is a relative concept and is at the discretion of the institution, in agreement with National Treasury

- The discussion of growth rates should focus on the MTEF period and not on historical years
- Discussion of key infrastructure project, where relevant:
 - Discuss the spending trends and 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 at least R1 billion over the project life cycle
 - **Large projects:** estimated to cost at least R250 million but less than R1 billion over the project life cycle
 - **Small projects:** estimated to cost less than R250 million over the project life cycle

The discussion in this section should be forward looking; providing information for the 2015 MTEF period. Historical trends and performance can be discussed only for specific programmes or projects if that adds to the explanation of the focus over the MTEF.

Expenditure trends

Table X.2 [Vote expenditure trends by programme and economic classification]

Programme ¹													Outcome/ Annual Budget Average (%)	Outcome/ Adjusted appropriation Average (%)	
	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	2011/12	2014/15	
R million	2011/12			2012/13			2013/14			2014/15			2011/12 - 2014/15		
Programme 1															
Programme 2															
Programme 3															
Subtotal															
Direct charge against the National Revenue Fund															
Total															
Change to 2014 Budget estimate															
Economic classification															
Current payments															
Compensation of employees															
Goods and services of which:															
Catering:															
Departmental activities															
Consultants and professional services:															
Business and advisory services															
Travel and subsistence															
Economic classification item															
Economic classification item															
Economic classification item															
Transfers and subsidies															
Payments for capital assets															
Payments for financial assets															
Total															

1. Refer to the Budget Summary table for programme names.

Expenditure estimates

Table X.3 [Vote expenditure estimates by programme and economic classification]

Programme ¹	Revised estimate	Average growth rate (%)		Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
		2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18		
R million									
Programme 1									
Programme 2									
Programme 3									
Subtotal									
Direct charge against the National Revenue Fund									
Total									
Change to 2014 Budget estimate									
Economic classification									
Current payments									
Compensation of employees									
Goods and services									
of which:									
<i>Catering: Departmental activities</i>									
<i>Consultants and professional services:</i>									
<i>Business and advisory services</i>									
<i>Travel and subsistence</i>									
<i>Economic classification item</i>									
<i>Economic classification item</i>									
<i>Economic classification item</i>									
Transfers and subsidies									
Payments for capital assets									
Payments for financial assets									
Total									

1. Refer to the Budget Summary table for programme names.

Personnel information

Table X.4 Vote personnel numbers and cost by salary level and programme¹

Department	Number of posts estimated for 31 March 2015		Number and cost ² of personnel posts filed / planned for on funded establishment									Number					
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)	
			2013/14			2014/15			2015/16		2016/17		2017/18				2014/15 - 2017/18
			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																	
Other																	
Total																	
Programmes³																	
Programme 1																	
Programme 2																	
Total																	

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

2. Rand million.

3. Refer to the Budget Summary table for programme names.

Departmental receipts

Table X.5 Departmental receipts by economic classification

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

Programme [number]: [Programme name]

Programme purpose

Programme purpose should be identical to the one to be published in the 2015 Appropriation Bill.

Objectives

The objectives for each programme must be aligned to those reported in the department's strategic plan and annual performance plan as informed by the National Development Plan, the Medium Term Strategic Framework, and delivery agreements. Departments which have core functions within Programme 1: Administration must also report on objectives for such core functions. Departments must only include selected strategic objectives from the annual performance plan to report in the ENE.

Subprogrammes

List subprogrammes and provide a brief description of each subprogramme purpose, with the exception of programme 1.

Example: *Citizen Affairs Management* provides for the overall management of the citizen affairs branch for both head office and frontline offices; and provides policy direction, sets standards and manages back office processes.

Expenditure trends and estimates

Table X.6 [Programme name]: Expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2011/12	2012/13	2013/14				2014/15	2015/16	2016/17		
R million											
Subprogramme name											
Total											
Change to 2014 Budget estimate											
Economic classification											
Current payments											
Compensation of employees											
Goods and services											
of which:											
<i>Catering: Departmental activities</i>											
<i>Consultants and professional services:</i>											
<i>Business and advisory services</i>											
<i>Travel and subsistence</i>											
<i>Economic classification item</i>											
<i>Economic classification item</i>											
<i>Economic classification item</i>											
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											

Public entities and other agencies

This section provides brief accounts of public entities' policy focus, including expenditure trends and estimates, personnel trends, and performance information. The categorisation of programme/objective/activity should be discussed and agreed upon with National Treasury prior to the submission of the ENE chapter.

[Name of public entity]

Mandate

Describe the legislative mandate of the public entity.

Selected performance indicators

Table X.7: Performance indicators by programme/objective/activity and related outcome

Indicator	Programme/ Objective /Activity	Outcome	Past			Current	Projections		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18

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 or corporate plan.

Expenditure analysis

The Expenditure analysis section has significantly changed from the 2014 ENE expenditure trends section. Refer to pages 11 and 12 of these guidelines for the format of the discussion. Entities which generate own revenue should discuss revenue trends and their contribution to spending and the achievement of institution's objectives. This section is limited to 1 page.

Programmes/objective/activity

Table X.8: [Entity name]: Expenditure trends and estimates by programme/objective/activity

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

Statements of financial performance and position trends

Table X.9: [Entity name]: Statements of financial performance and position trends

	Approved budget		Audited outcome		Approved budget		Audited outcome		Budget estimate	Revised estimate	Outcome/Budget Average (%)	Outcome/Adjusted appropriation Average (%)
	2011/12	2012/13	2013/14	2014/15	2011/12-2014/15							
R thousand												
Revenue												
Non-tax revenue												
<i>Economic classification item</i>												
Transfers received												
Total revenue												
Expenses												
Current expenses												
<i>Economic classification item</i>												
Total expenses												
Surplus/(Deficit)												
Statement of financial position												
Balance sheet item												
Total assets												
Balance sheet item												
Total equity and liabilities												

Statements of financial performance and position estimates

Table X.10: [Entity name] Statements of financial performance and position estimates

Statement of financial performance		Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
					2014/15	2015/16	2016/17		
R thousand									
Revenue									
Non-tax revenue									
<i>Economic classification item</i>									
Transfers received									
Total revenue									
Expenses									
Current expenses									
<i>Economic classification item</i>									
Total expenses									
Surplus/(Deficit)									
Statement of financial position									
Balance sheet item									
Total assets									
Balance sheet item									
Total equity and liabilities									

Personnel information

Table X.11: [Entity name] Personnel numbers and cost by salary level

Salary level	Number of posts estimated for 31 March 2015		Number and cost ¹ of personnel posts filled / planned for on funded establishment										Number			
	Number of funded posts	Number of posts on approved establishment	Actual		Revised estimate		Medium-term expenditure estimate						Average growth rate (%)	Salary level/ total: Average (%)		
			2013/14		2014/15		2015/16		2016/17		2017/18					
			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number			Cost	Unit cost
1 – 6																
7 – 10																
11 – 12																
13 – 16																

1. Rand million.

Other public entities and agencies

Provide a bulleted list and description of the entities and agencies whose details will only be published in the ENE electronic publications for individual votes. Each description should be a brief paragraph detailing what the entity does and state its total budget for the 2015/16 financial year.

Example: The **Film and Publication Board** regulates and controls the creation, production, possession, exhibition and distribution of certain films, interactive computer games and publications in terms of the Film and Publication Act (1996). The board is also responsible for monitoring age restricted business premises for compliance with their licence and registration terms. The board's total budget for 2015/16 is R95.8 million.

Additional tables

The database will include templates for the following tables:

- Summary of expenditure on infrastructure
- Summary of conditional grants to provinces and municipalities
- Summary of departmental public private partnership projects
- Summary of donor funding
- Summary of department specific expenditure information

Annexure A: List of selected entities

Department	Entity Name
Agriculture, Forestry and Fisheries	Agricultural Research Council
Communications	South African Broadcasting Corporation Limited
Defence	Armaments Corporation of South Africa Limited
Economic Development	Industrial Development Corporation of South Africa Limited
Energy	Central Energy Fund (Pty) Ltd
	South African Nuclear Energy Corporation Limited
Environmental Affairs	South African National Parks
Health	National Health Laboratory Service
Higher Education and Training	National Skills Fund
	National Student Financial Aid Scheme
	SETAs Consolidation
Human Settlements	National Home Builders Registration Council
Justice and Constitutional Development	Legal Aid board
Labour	Compensation Fund, including Reserve Fund
	Unemployment Insurance Fund
National Treasury	Development Bank of Southern Africa
	Land and Agricultural Development Bank of South Africa
	South African Revenue Service
Telecommunication and Postal Services	State Information Technology Agency
	South African Post Office Limited
Public Works	Property Management Trading Entity
Social Development	South African Social Security Agency
Trade and Industry	National Lotteries Board Distribution Trust Fund
Transport	Airports Company of South Africa Limited
	Passenger Rail Agency of South Africa
	Road Accident Fund
	The South African National Roads Agency Limited
Water Affairs and Sanitation	Rand Water
	The Water Services Trading Entity
	Trans-Caledon Tunnel Authority
	Umgeni Water
	Water Boards Consolidation

Annexure B: Notes on the Appropriation Bill

The 2015 Appropriation Bill will be presented by vote and main division within a vote (programme). The Budget database will be the only source of Appropriation Bill information. Any items that need to be listed in the Appropriation Bill, name changes, specifically and exclusively appropriated items must thus be accurately captured in the database.

1. Aim and programmes

The vote's aim should capture the department's mandate, strategic objectives or administrative functions in a concise manner.

A programme purpose outlines the activities and functions of the particular programme as per the approved budget programme structure.

General guidance:

- The aim of the vote, programme names and purposes as contained in the Appropriation Bill should be duplicated in the ENE chapters.
- Programme 1 is called 'Administration' in all departments. The purpose of this programme is to: 'Provide strategic leadership, management and support services to the department'. This standard wording should be used for the purpose unless the programme performs functions in addition to this, in which case the additional functions should either be moved to the relevant service delivery programme or the additional functions should be stipulated in the programme purpose at the end of the standard description.
- Each programme purpose should be unique, that is, the same purpose should not be duplicated across programmes.
- The word 'develop' in the programme purpose will generally only be applicable for a year or two, after that it should be replaced with what the programme aims to achieve once it has 'developed' the relevant function. The word 'develop' should only be retained if the permanent purpose of the programme is to develop policies, for example.

Programme / item allocations are set out 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.

General guidance:

- Insurance payments on vehicles, non-life insurance premiums, and payments to insurance brokers are not classified as transfer payments but rather as goods and services payments.
- Operating leases are classified as goods and services.
- Finance lease transactions are classified as payments for capital assets.

2. Transfers and subsidies items specifically listed

Transfers and subsidies listed under programmes are grouped and listed under specific headings. Headings are Standard Chart of Accounts level 2 items, with the exception of conditional grants, in which case the heading 'Conditional grants to provinces / local government' is used. A concise description of the purpose of the transfer is indicated after the colon that follows the transfer name, with the exception of conditional and indirect grants as well as prizes and awards. In the case of conditional grants, only the name of the grant is stated as extensive information pertaining to the purpose of the grant is contained in the Division of Revenue Bill. In the case of an indirect grant, the name of the indirect grant and colon is followed by the words, 'Indirect Grant'. The names of conditional and indirect grants should be identical to what has been listed in the corresponding Division of Revenue Bill. In the case of prizes or awards, a purpose need not be stated if the name is descriptive in itself and specifies that it is a gift/s / donation/s / prize/s or award/s, for example: 'South Africa Youth Water Prizes'.

Transfer and / or subsidy name

- When one institution receives the transfer and or subsidy, the official name (abbreviations should not be used) of the entity or institution should be listed.
- When the transfer and or subsidy is for various institutions, whose names are not yet known or the quantum of funds allocated to each of individual institution is not known, the name 'distribution to various institutions' should be utilised.
- When a category of institutions receive the transfer, the category name should be utilised.
 - Commonly used categories:
 - University Subsidies
 - International Organisations
 - Non-governmental Organisations
 - Social Assistance Transfers
 - Civil Pensions
 - National Bodies
- The transfer or subsidy name should all be written in upper case.

Transfer/ subsidy purpose

- The transfer purpose should describe what the transfer will be used for in a concise brief manner.
 - Commonly used purposes:
 - Operations
 - Membership fee/s
 - Research
 - Research and development
 - Policy development
 - Subsidy/ies
 - Facilitation of public funds for projects
 - Machinery and equipment (this is applicable if the capital transfer payment is in respect of machinery and equipment)
 - Building, maintenance and upgrading of infrastructure (this is applicable if the capital transfer payment is in respect of infrastructure)
 - Capital (this is applicable if the capital transfer payment provides for infrastructure as well as machinery and equipment)
- When the transfer/ subsidy name is 'distribution to various institutions', the purpose will commonly include the project/ subprogramme name, for example: manufacturing development incentives to local and foreign investors.
- When a category of institutions receive the transfer, a category purpose should be stated after the colon.
 - Commonly used category purposes:
 - Membership fees
 - Operations
 - Social grants
 - Civil pensions and benefits
 - Category purposes must be followed by a long dash after which the names of the specific institutions or grants should appear.
- The purpose of transferring funding to higher education institutions should distinguish between general subsidy funding and funding that will be utilised for particular purposes, for example, General Subsidies; Subsidies for Public Economics Conference; Subsidies for Research Chair in Transport Engineering; and Subsidies for Language Policy Unit.
- The purpose should not merely be a repeat of the transfer name.
- The purpose should not include the words, 'contribution to', 'payment for', 'transfer to' or words of a similar nature, as this is inherently stated.

- There must be consistency across votes in respect of the wording used for purposes that are essentially the same.
- The first letter of the programme purpose should be in upper case, with the remainder of the words in lower case.
- Relevant information on the transfer's governance and rules should be available on request, however, such information is not included in the Appropriation Bill.
- Commonly used transfer names and purposes:
 - Under the Households heading:
 - Employee Social Benefits: Leave gratuity/ies
 - Employee Social Benefits: Post-retirement benefits
 - Employee Social Benefits: Severance package/s
 - Employee Social Benefits: Ex-service benefits
 - Employee Social Benefits: Injury on duty
 - 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)
 - Under the Municipal Bank Accounts heading:
 - Vehicle Licences: Licence fees paid to municipalities
 - Under Departmental agencies and accounts:
 - Communication: Radio and television licences
 - Public Service 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

3. Specifically and exclusively appropriated items

Items indicated as being 'specifically and exclusively appropriated' in an allocation letter must have an asterisk '*' next to them in the appropriation bill. All conditional grants are specifically and exclusively appropriated.