

# VOTE 6

## Provincial Treasury

Operational budget	R 156 376 000
MEC remuneration	R 607 000
Total amount to be appropriated	R 156 983 000
Responsible MEC	Mr P. M. Miller, Minister of Finance
Administrating department	Provincial Treasury
Accounting officer	Senior General Manager: Accounting Control

### 1. Overview

#### Vision

The vision of the Provincial Treasury is: *We will help support and ensure that your Rand goes the extra mile.*

#### Mission statement

The Provincial Treasury pledges to provide the KwaZulu-Natal provincial government with efficient and effective public-finance management support. This will be achieved by adhering to the highest standards in financial management, and by developing and implementing optimal systems and processes.

#### Strategic objectives

The Provincial Treasury's high level strategic objectives are summarised in the paragraphs below.

Firstly, the department aims to become more effective overall as an organisation, and to achieve its operational objectives at a lower operating cost.

Secondly, the Provincial Treasury aims to satisfy customer/client needs through expansion and improvement in the department's involvement with its clients, and to provide high quality services that will meet with the satisfaction of its clients.

Furthermore, the department plans to have a 50 per cent improvement in the performance of its core functions, by enhancing service delivery. This will be done by developing ways of working in a faster, simpler, better and cheaper manner.

Finally, the department aims to create learning and growth opportunities through developing skills, maintaining high staff satisfaction, and retaining targeted individuals.

#### Core functions

The core functions of the department are listed below:

- Development, implementation and monitoring fiscal and financial management and procurement policies for the KwaZulu-Natal provincial government;
- Allocation of provincial funds by means of budget preparation and implementation;
- Provision of treasury services to the KwaZulu-Natal provincial government;
- Maintaining and supporting the provincial financial management systems;
- Managing the provincial revenue fund;
- Management and control of provincial financial management and procurement systems; and

- Provision of internal audit and risk management services to the KwaZulu-Natal provincial government.

### **Legislative mandate**

The responsibilities of the department are mandated in terms of the following Acts, rules and regulations:

- Public Finance Management Act
- Treasury Regulations
- Public Service Act and Regulations
- Municipal Finance Management Act
- Constitution Act
- Labour Relations Act
- KwaZulu-Natal Internal Audit Act
- Criminal Procedures Act
- National Prosecuting Act
- Promotion of Access to Information Act
- KwaZulu-Natal Procurement Act
- Bill of Exchange
- Income Tax Act
- Banking Act
- Division of Revenue Act
- Appropriation Act
- Adjustments Appropriation Act
- Provincial Tax Regulation Process Act
- Provincial Borrowing Powers Act
- Intergovernmental Fiscal Relations Act

### **Challenges and developments**

As the centre of governance with regard to the provision of fiscal, financial management and procurement services, provincial financial management systems, and internal audit and risk management services to the KwaZulu-Natal provincial government, Provincial Treasury has to contend with ongoing challenges.

With regard to the implementation of the Basic Accounting System (BAS), the main challenge is yet to be met, with the two largest provincial departments, namely Education and Culture and Health, still to go live on BAS on 1 April 2004. The remaining departments migrated successfully from the Financial Management System (FMS) to BAS during the course of 2003/04, with Provincial Treasury playing a support role which will continue into the future. The impact of the implementation of BAS on the budget of the Provincial Treasury has been substantial. An initial provision was made in 2002/03, but, with delays in implementation, the funding was only appropriated in 2003/04. The cost implications of BAS will continue into 2004/05, as a decision was taken to provide 12 months support to the Department of Health, due to the dispersion of processing points and the exceptional capacity constraints being faced by that department. It is envisaged that this support will assist in building financial skills and in developing a strong foundation of BAS skills within the various regions of the Department of Health, which will benefit the provincial government as a whole.

It is hoped that the 2004/05 financial year will see a turn around in asset management in the province. A project is being embarked on, in a joint effort by two business units of the Provincial Treasury, namely the Budget Office and the Accountant-General's team, where the emphasis is on infrastructure and the management thereof. This team is in the process of finalising the appointment of a suitable vendor of a provincial asset management system, and a provincial asset count will commence in March 2004. The aim is to ensure that the province has a record of all assets and their respective values, including manageable information that will ensure adequate and accurate budgeting for both capital expenditure and maintenance costs. The link between the two business units will ensure that the province is properly guided and supported in this next significant reform.

Any budget reform or new policy implemented by national government will have an impact on the functioning of the Provincial Treasury. For example, the passing of the Municipal Finance Management Act will impact on the size of the Budget Office and Accounting Control components, and is likely to have a substantial impact on the scope of the department's responsibilities in terms of financial management support and training.

In keeping with the National Treasury initiative, the province will introduce a Supply Chain Management (SCM) system in 2004/05, which is intended to improve financial management, cost effectiveness and departmental service delivery, on an equal basis to all sectors in the province. A SCM system includes features of demand management, acquisition management, logistics management and disposal management. An e-Procurement system will need to be established and implemented to supplement the suppliers' database, as part of the acquisition process.

The Broad Based Black Economic Empowerment Bill, once enacted, will also play a key role in the revision of procurement policies and practices. Procurement strategies must be implemented to ensure that economic empowerment principles are effectively carried out to benefit the people of this province.

## **2. Review of the current financial year – 2003/04**

The department is continually challenged to adapt and implement changes that are introduced by national government. In addition, the province (and in particular Provincial Treasury) is renowned for taking the lead on various issues and providing ongoing advisory support to provincial departments. The department has grown in size from a staff complement of 245 as at March 2002, to 281 as at March 2003, mainly due to the planned expansion in the skills base of the department.

Following discussions with National Treasury, the department was given the go ahead to pilot an asset management solution which, if successful, will be rolled out to all provinces. This has increased the need for ongoing communication with all role-players, to ensure that both the needs of potential users are met and that the project is a value-adding initiative. Extensive planning was undertaken in 2003/04, and it is envisaged that an extensive asset count will take place in March 2004. Agreement was reached with each client department and the technical committee at National level, with regard to the technical specifications of the proposed asset management software solution.

The Budget Office component of the Provincial Treasury continued conducting well-researched studies into economic and financial policy areas relevant to the improvement of financial planning and budgeting in the province. One such study undertaken in 2003/04 was an investigation into budgeting for and managing the collection of own revenue in the province. The investigation was finalised in October 2003, and the implementation of the recommendations of the study will take place early in 2004/05. Another study was the development of an Input-Output model of the KwaZulu-Natal provincial economy. Preliminary investigations have been submitted to the department's management for review.

The phased move from FMS to BAS commenced in earnest in April 2003. Out of 14 departments, 12 departments migrated to BAS successfully in 2003/04, and the last two departments (Education and Culture and Health) will migrate to BAS in April 2004/05. Once departments are utilising the system efficiently and effectively, it should bring many benefits to the province in terms of quality of financial information at its disposal. BAS provides on-line access to financial management information that can be analysed and managed on a day-to-day, real time basis. This represents a major improvement from the current system of lengthy paper reports, based on information that is often outdated.

The Treasury Committee continued to hold quarterly budget and expenditure review meetings with provincial departments during 2003/04, with the focus on monitoring performance and ensuring that departments are spending in line with their strategic plans and performance targets. During these quarterly reviews, the Budget Office monitored not only the potential under/over-expenditure of departments, but paid greater attention to monitoring progress by departments in achieving their service delivery targets.

The tabling of the strategic plans in Parliament by departments became a statutory requirement in 2003/04. During the 2004/05 MTEF, Provincial Treasury focused on the need to link strategic planning and budgeting, ensuring that departments submitted their annual reports and strategic planning documents together with their 2004/05 budget submissions. In the light of the fact that no additional funding request would be considered or supported without this requirement, every effort was made to comply in this regard.

During the course of 2003/04, Provincial Treasury appointed a General Manager and a Manager in the newly formed infrastructure unit, which will be responsible for the establishment of the feasibility of the public private partnership projects being requested by provincial departments. This unit has already entered into discussions with departments regarding the compilation of a provincial infrastructure plan, including planning at a project level for the forthcoming MTEF. It is intended that the infrastructure unit will draw on the various skills within Provincial Treasury in terms of accounting, risk management and legal skills required in projects of this nature. An additional responsibility of this unit will be to facilitate planning for increased infrastructure funding mechanisms.

2003/2004 saw the finalisation of the control environment assessment of all provincial departments by the Internal Audit Unit. This resulted in the culmination of a far more informed three-year strategic plan for the unit. There was a strengthening of forensic investigative capacity, particularly in the Departments of Health and Agriculture and Environmental Affairs, with positive feedback at management and ministerial level. This year also led to the increased utilisation of services of the forensic division in the Departments of Health, Agriculture and Environmental Affairs, Works, Housing, Transport and Traditional and Local Government Affairs. Major investigations like *Operation Cure* and *Crop* were co-ordinated and managed successfully by this unit.

It is evident that most departments have built up an increased capacity with respect to procurement issues. This, together with a review of the existing legislation, resulted in proposed changes to the legislation and delegations, which will be submitted through the necessary channels for approval.

The upgraded provincial suppliers' database (which currently exceeds 20,000 provisionally registered suppliers) ensures ease of access to all stakeholders. A best practice economic classification and categorisation system has been incorporated into the database, to allow for more accurate search facilities and supplier selection for procurement processes.

Following initiatives by National Treasury to implement a uniform Supply Chain Management System in all spheres of government, implementation planning commenced in this regard in this province in 2003/04.

The newly established Compliance Unit successfully conducted assessments in procurement and contract processes in several provincial departments during 2003/04. In addition, numerous site visits were conducted on the premises of potential suppliers being considered for possible contract awards. In the latter cases, the findings resulted in contractors without relevant capacity and infrastructure being passed over, thus obviating possible poor contractor performance or failure.

### **3. Outlook for the coming financial year – 2004/05**

In 2004/05, the Budget Office component of the Provincial Treasury will conduct further well-researched studies into economic and financial policy areas relevant to the improvement of financial planning and budgeting in the province. The main focus will be on the two studies that are already underway, namely Revenue Maximisation and the Input-Output models. In particular, the component will concentrate on ensuring that the recommendations of the Revenue Maximisation model are implemented in the relevant provincial departments.

The Treasury Committee will continue to hold quarterly budget review bi-lateral meetings with all provincial departments, with the focus on monitoring performance and ensuring that departments are spending in line with their strategic plans and performance targets. Similarly, in the quarterly expenditure reports, the Budget Office will not only monitor potential under/over-expenditure, but will pay greater attention to monitoring progress by provincial departments in achieving their service delivery targets.

One of the main challenges in 2004/05 will be to define and give effect to the role that the Provincial Treasury will have in respect of monitoring and reporting on municipal finances. The passing of the Municipal Finance Management Act is likely to have an impact on the size of the Budget Office component, as well as the Accounting Control division. It is envisaged that Provincial Treasury will be responsible for the monitoring, evaluation and reporting on the state of municipal finances in the province, which will require the sourcing of relevant skills.

The joint responsibility of successfully implementing BAS will continue into 2004/05, following which departments will begin to take on greater responsibility as their capacity in this regard is developed.

In 2004/05, the Internal Audit Unit will assess both the extent to which departments are implementing their recommendations, as well as the impact that these recommendations have on the internal control environment of government. It is envisaged that the fraud prevention plans developed with departments will be implemented, with the aim of managing and minimising the risk of fraudulent activities in government.

The Procurement Office will commence the transition to a Supply Chain Management Office. Increased levels of procurement delegation will lead to increased responsibility and accountability of departmental accounting officers. Also, the impact of legislative changes, including the Broad Based Black Economic Empowerment Bill, must be incorporated in procurement management strategies and policies.

Following discussions with National Treasury, the department was given the go ahead to pilot a provincial asset management system. The aim is to ensure that the province has a record of all assets and their respective values. Extensive planning was undertaken in 2003/04, and it is envisaged that an extensive asset count will take place in March 2004. If successful, the intention is to roll out this system to other provinces.

## 4. Receipts and financing

### 4.1 Summary of receipts and financing

The budget allocation of the Provincial Treasury fluctuates markedly over the six year period 2000/01 to 2006/07. When looking at these fluctuations, a distinction needs to be made between the operating budget of the department and the MTEF balance. These two aspects of the Provincial Treasury budget are clearly shown in the table below. The amounts of R200 million and R50 million allocated against the MTEF Balance sub-programme in 2005/06 and 2006/07, respectively, relate to the Dube Trade Port.

Departmental receipts (R000)	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07
Operational budget	130,547	104,668	144,033	147,667	156,983	169,581	179,755
MTEF balance	79,103	37,000	273,598			200,000	50,000
Total: Provincial Treasury	209,650	141,668	417,631	147,667	156,983	369,581	229,755

Table 6.1 below gives the sources of funding used for Vote 6 over the seven-year period 2000/01 to 2006/07. The table also compares actual and budgeted receipts against actual and budgeted payments. The department received two national conditional grants in 2000/01, namely the Financial Management Improvement grant, and a grant for the implementation of the LOGIS stores system, as well as the roll-out of Vulindlela in the province.

Table 6.1: Summary of receipts and financing

R000	Outcome			Adjusted budget	Estimated actual	Medium-term estimates		
	Audited 2000/01	Audited 2001/02	Audited 2002/03			2004/05	2005/06	2006/07
Provincial allocation	204,983	141,668	417,631	147,667	147,667	156,983	369,581	229,755
Conditional grants	4,667	-	-	-	-	-	-	-
<i>Financial Management</i>	3,000							
<i>Vulindlela/Logis roll out</i>	1,667							
<b>Total</b>	<b>209,650</b>	<b>141,668</b>	<b>417,631</b>	<b>147,667</b>	<b>147,667</b>	<b>156,983</b>	<b>369,581</b>	<b>229,755</b>
<b>Total payments</b>	<b>106,210</b>	<b>92,377</b>	<b>105,790</b>	<b>190,449</b>	<b>175,357</b>	<b>156,983</b>	<b>369,581</b>	<b>229,755</b>
Surplus/(Deficit) before financing	103,440	49,291	311,841	(42,782)	(27,690)	-	-	-
Financing								
<i>of which</i>								
Provincial roll-overs	3,400	3,127	5,473	42,782	42,782			
Provincial cash resources		39	1,000					
Suspension to ensuing year								
<b>Surplus/(deficit) after financing</b>	<b>106,840</b>	<b>52,457</b>	<b>318,314</b>	<b>-</b>	<b>15,092</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 4.2 Departmental receipts collection

Table 6.2 reflects revenue collected by the Provincial Treasury. The projected revenue earned for 2003/04 is estimated at approximately R164 million. The significant increase in 2001/02 and 2002/03 against *Interest, dividends and rent on land* is mainly due to the surplus of cash available for investment. However, it is anticipated that the province will not have the same level of cash resources available in the forthcoming period, and the changes in the interest rates were taken into account in the estimation of future projections. Two additional sources of revenue indicated in Table 6.2 are linked to automatic transactions, which this department is responsible for managing. These are, firstly, the commission earned on payroll deductions paid over on behalf of the province to the relevant third parties and, secondly, the writing back of un-presented cheques. The estimation of both these revenue sources is reliant on third parties. Furthermore, with the introduction of individual financial databases, each department will begin to reflect these types of revenue independently. The result will be a significant decrease in this department's revenue with subsequent increases in other departments' revenue.

Table 6.2: Details of departmental receipts

R000	Outcome			Adjusted budget	Estimated actual	Medium-term estimates		
	Audited 2000/01	Audited 2001/02	Audited 2002/03			2004/05	2005/06	2006/07
Tax receipts	-	-	-	-	-	-	-	-
Non-tax receipts	193,072	270,028	330,066	53,789	163,896	160,711	167,565	176,720
Sale of goods and services other than capital assets	39,899	32,762	28,268	25,086	23,896	13,335	13,922	14,618
Fines, penalties and forfeits	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	153,173	237,266	301,798	28,703	140,000	147,376	153,643	162,102
Transfers received	-	-	-	-	-	-	-	-
Sales of capital assets	-	-	-	-	-	-	-	-
Financial transactions	-	-	-	-	-	-	-	-
<b>Total</b>	<b>193,072</b>	<b>270,028</b>	<b>330,066</b>	<b>53,789</b>	<b>163,896</b>	<b>160,711</b>	<b>167,565</b>	<b>176,720</b>

## 5. Payment summary

This section summarises payments and estimates for the Vote by programme and economic classification. Details according to economic classification are presented in *Annexure to Vote 6 – Provincial Treasury*.

### 5.1 Programme summary

Table 6.3 provides a summary of payments and budgeted estimates by programme. The expenditure of the department fluctuates during 2001/02 to 2003/04, and then there is a steady increase in the budget over the MTEF. This increase can be ascribed to the planned expansion in the skills base of the department, in line with the move towards attaining a highly qualified management. This includes the capacitating of the internal audit component, and the appointment of suitable management for the procurement and budget reforms currently taking place. Contributing to the increase over the MTEF, is the fact that the department carries the MTEF Balance (Programme 5) in 2005/06 and 2006/07, which caters for the Dube Trade Port.

The increase in Programme 1: Transverse Support from 2002/03 to 2003/04 is due to the allocation of funds for specific research studies being transferred from programme 2, in the 2003/04 Adjustments Estimate.

The increases in Programme 2: Budget and Procurement from 2003/04 and over the MTEF reflect the department's focus on driving procurement reforms and underlying policies and systems in the province, and the anticipated role that the Provincial Treasury will have in municipal finances, once the Municipal Finance Management Bill is passed. Programme 3: Accounting Control caters for implementation costs of BAS and asset management project costs, including recurrent data processing costs. Programme 4: Internal Audit reflects the activities of the Internal Audit Unit. The increase in the level of internal audit services to be provided and in the number of clients being serviced is reflected in the increases over the MTEF.

Table 6.3: Summary of payments and estimates by programme

R000	Outcome			Adjusted budget	Estimated actual	Medium-term estimates		
	Audited	Audited	Audited			2004/05	2005/06	2006/07
	2000/01	2001/02	2002/03	2003/04				
1. Transverse Support	16,314	7,607	8,019	16,994	16,126	12,061	12,745	13,492
2. Budget and Procurement Management	11,819	8,547	10,411	24,478	21,033	26,273	28,431	29,592
3. Accounting Control	57,217	56,250	62,215	118,752	111,261	86,293	94,518	100,304
4. Internal Audit	20,860	19,973	25,145	30,225	26,937	32,356	33,887	36,367
5. MTEF Balance	-	-	-	-	-	-	200,000	50,000
Total	106,210	92,377	105,790	190,449	175,357	156,983	369,581	229,755

Note: Programme 1 includes MEC remuneration payable as from 1 April 2003. Salary: R485,412. Car allowance: R121,353

## 5.2 Summary of economic classification

A summary of payments and budgeted estimates according to the new economic classification is given in Table 6.4 below. *Compensation to employees* shows a consistent increase over the seven-year period. The appointment of additional staff members from 2002/03 onwards, specifically at management level and with specialised skills, contributes directly to the increased personnel costs.

Apart from the amounts of R200 million and R50 million allocated to the MTEF Balance (under *Goods and services*) in 2005/06 and 2006/07, the remaining current expenditure is made up primarily of professional services. The services currently being outsourced by the department on behalf of the province are system maintenance and processing costs, central procurement committees, and research projects. There has been a steady increase in the costs of these services in line with inflation, with the exception of internal audit, which is based on the demands of client departments. In addition, as stated above, the costs of both FinMIP and BAS are included under professional services.

The peak in *Payments for capital assets* in 2003/04 is partly due to a large investment in IT and office equipment to enable the department to better deliver its services, as well as costs related to the provision of infrastructure for newly appointed staff.

Table 6.4: Summary of payments and estimates by economic classification

R000	Outcome			Adjusted budget	Estimated actual	Medium-term estimates		
	Audited	Audited	Audited			2004/05	2005/06	2006/07
	2000/01	2001/02	2002/03	2003/04				
Current payments	102,030	89,960	101,949	184,396	169,829	153,595	366,991	228,014
Compensation of employees	32,274	33,002	37,590	48,400	46,267	55,099	58,216	61,220
Goods and services	69,756	56,958	64,359	135,996	123,562	95,621	305,709	163,581
Other	-	-	-	-	-	2,875	3,066	3,213
Transfers and subsidies to:	329	180	126	160	174	183	195	208
Local government	78	110	110	126	117	136	145	154
Non-profit institutions	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-
Other	251	70	16	34	57	47	50	54
Payments for capital assets	3,851	2,237	3,715	5,893	5,354	3,205	2,395	1,533
Buildings and other fixed structures	2,462	-	-	1,250	1,187	58	61	61
Machinery and equipment	1,389	2,224	3,284	4,643	4,167	3,147	2,334	1,472
Other	-	13	431	-	-	-	-	-
Total	106,210	92,377	105,790	190,449	175,357	156,983	369,581	229,755

## 6. Programme description

The services rendered by this department are categorised under five programmes, the details of which are discussed below. The payments and budgeted estimates for each programme are summarised in terms of the economic classification, and details are presented in *Annexure to Vote 6 – Provincial Treasury*.

### 6.1 Programme 1: Transverse Support

This programme consists of three sub-programmes, namely Minister, Head of Department and Human Resource Management. The purpose of this programme is to render support services to the Minister, and to provide human resource management and legal advice to the department to ensure maximum compliance with all applicable personnel prescripts, through constant monitoring. The main services are as follows:

- Manage the communication services and public relations of the department;
- Render a support and give advice in terms of human resource practices and labour relations;
- Proper implementation of the human resource plan, legislative and labour relation practices;
- Capacity building, skills development and transfer in accordance with Skills Development Act;
- Manage and mitigate legal risks that might face the department; and
- Provide support to the Minister.

Tables 6.5 and 6.6 below provide a summary of payments and budgeted estimates pertaining to this programme over the MTEF. The expenditure pattern of the sub-programme: Minister is fairly constant, with the gradual increase being mainly attributable to the annual improvements in condition of service.

The Human Resource Management sub-programme has undergone major changes in terms of its structure and core functions, causing fluctuations in expenditure. In refining the human resources component, the registry function and the management of the PABX systems were transferred in 2002/03 to the Corporate Services sub-programme within Programme 3.

Furthermore, a new sub-programme was created specifically for payments relating to the overall management of the Provincial Treasury by the Head of the Department. Payments relating to specific research studies are included under this sub-programme with effect from the 2003/04 Adjustments Estimate, and this accounts for the substantial increase in 2003/04, and over the MTEF.

Table 6.5: Summary of payments and estimates: Programme 1

R000	Outcome			Adjusted budget	Estimated actual	Medium-term estimates		
	Audited 2000/01	Audited 2001/02	Audited 2002/03			2004/05	2005/06	2006/07
Minister	2,135	2,268	2,230	2,387	1,721	2,433	2,538	2,683
Head of the Department			1,911	10,080	9,982	5,565	5,872	6,165
Human Resource Management	14,179	5,339	3,878	4,527	4,423	4,063	4,335	4,644
<b>Total</b>	<b>16,314</b>	<b>7,607</b>	<b>8,019</b>	<b>16,994</b>	<b>16,126</b>	<b>12,061</b>	<b>12,745</b>	<b>13,492</b>

Table 6.6: Summary of payments and estimates by economic classification: Programme 1

R000	Outcome			Adjusted budget	Estimated actual	Medium-term estimates		
	Audited 2000/01	Audited 2001/02	Audited 2002/03			2004/05	2005/06	2006/07
<b>Current payments</b>	<b>13,225</b>	<b>7,447</b>	<b>7,812</b>	<b>16,488</b>	<b>15,620</b>	<b>11,897</b>	<b>12,601</b>	<b>13,249</b>
Compensation of employees	6,622	5,617	4,993	5,977	5,834	6,966	7,282	7,618
Goods and services	6,603	1,830	2,819	10,511	9,786	4,931	5,319	5,631
Other	-	-	-	-	-	-	-	-
<b>Transfers and subsidies to:</b>	<b>269</b>	<b>29</b>	<b>17</b>	<b>22</b>	<b>19</b>	<b>23</b>	<b>26</b>	<b>27</b>
Local government	18	16	14	18	15	19	21	22
Non-profit institutions	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-
Other	251	13	3	4	4	4	5	5
<b>Payments for capital assets</b>	<b>2,820</b>	<b>131</b>	<b>190</b>	<b>484</b>	<b>487</b>	<b>141</b>	<b>118</b>	<b>216</b>
Buildings and other fixed structures	2,462	-	-	-	-	-	-	-
Machinery and equipment	358	131	190	484	487	141	118	216
Other	-	-	-	-	-	-	-	-
<b>Total</b>	<b>16,314</b>	<b>7,607</b>	<b>8,019</b>	<b>16,994</b>	<b>16,126</b>	<b>12,061</b>	<b>12,745</b>	<b>13,492</b>



## 6.2 Programme 2: Budget and Procurement Management

This programme consists of two sub-programmes, namely Budget and Procurement, the main purpose of which is to provide expertise and advice in terms of budget and procurement management. The main objectives and services of this programme are as follows:

- To monitor and evaluate departmental expenditure and revenue collection with a view to enhancing the financial management performance of the provincial government;
- To plan and manage the annual budget process with a view to achieving maximum allocative efficiency in the provincial budget;
- To provide the provincial government with an analytical research and information service in respect of fiscal and budgetary policy matters;
- To establish the feasibility of public private partnership projects requested by departments;
- To compile a provincial infrastructure plan in consultation with provincial departments;
- To provide well-researched studies into economic and financial policy areas relevant to the improvement of financial planning and budgeting and hence service delivery in the province;
- To provide on-going economic and financial policy advice/reviews (by type and sector) to the MEC for Finance and the provincial government;
- To provide a stable procurement database which meet the user requirement;
- To monitor, evaluate and report on the state of municipal finances in the province, and degree of compliance with the provisions of the Municipal Finance Management Act.

Tables 6.7 and 6.8 provide a summary of payments and budgeted estimates pertaining to Programme 2 for the period 2000/01 to 2006/07. *Compensation of employees* and other current expenditure indicates a marked increase from 2003/04 onwards. The Budget Office expanded substantially in size in 2003/04 in line with its aim to ensure a variety of expertise, to be able to render professional advice to client departments. The increase in 2003/04 and in subsequent years caters for various new units in the Budget Office, namely the Revenue Management unit, the Infrastructure unit and the Municipal Finance unit.

Prior to 2003/04, this programme included funds for specific research projects. However, with effect from the 2003/04 Adjustments Estimate, funding for these research studies is shown under Programme 1, sub-programme: Head of Department.

The long-awaited passing of Municipal Finance Management Act will transfer additional responsibilities onto Provincial Treasury, such as the monitoring, evaluation and reporting on the state of municipal finances in the province. This has been taken into account in the provision of resources under this programme over the MTEF.

Recent procurement reforms and legislation have necessitated a stronger support base with respect to both personnel and infrastructure in this department, in terms of suitably qualified advisors, an electronic procurement system and tender advice centres. Again, this impacted on increasing *Compensation of employee* costs and other associated current costs. In this regard, the budget for 2004/05 increases substantially due to new staff appointments and the improvement to the supplier data base.

Table 6.7: Summary of payments and estimates: Programme 2

Table 6.7: Summary of payments and estimates: Programme 2								
R000	Outcome			Adjusted budget	Estimated actual	Medium-term estimates		
	Audited	Audited	Audited					
	2000/01	2001/02	2002/03	2003/04				
	2004/05	2005/06	2006/07					
Budget	7,356	3,804	5,310	13,965	13,366	16,838	18,049	18,853
Procurement	4,463	4,743	5,101	10,513	7,667	9,435	10,382	10,739
Total	11,819	8,547	10,411	24,478	21,033	26,273	28,431	29,592

Table 6.8: Summary of payments and estimates by economic classification: Programme 2

R000	Outcome			Adjusted budget	Estimated actual	Medium-term estimates		
	Audited 2000/01	Audited 2001/02	Audited 2002/03			2004/05	2005/06	2006/07
<b>Current payments</b>	<b>11,233</b>	<b>8,089</b>	<b>10,077</b>	<b>23,240</b>	<b>20,315</b>	<b>25,971</b>	<b>28,100</b>	<b>29,413</b>
Compensation of employees	4,101	6,448	7,859	13,396	12,641	17,086	17,977	18,887
Goods and services	7,132	1,641	2,218	9,844	7,674	8,885	10,123	10,526
Other	-	-	-	-	-	-	-	-
<b>Transfers and subsidies to:</b>	<b>12</b>	<b>14</b>	<b>25</b>	<b>44</b>	<b>42</b>	<b>57</b>	<b>59</b>	<b>62</b>
Local government	12	9	22	32	35	42	44	46
Non-profit institutions	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-
Other	-	5	3	12	7	15	15	16
<b>Payments for capital assets</b>	<b>574</b>	<b>444</b>	<b>309</b>	<b>1,194</b>	<b>676</b>	<b>245</b>	<b>272</b>	<b>117</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-
Machinery and equipment	574	444	309	1,194	676	245	272	117
Other	-	-	-	-	-	-	-	-
<b>Total</b>	<b>11,819</b>	<b>8,547</b>	<b>10,411</b>	<b>24,478</b>	<b>21,033</b>	<b>26,273</b>	<b>28,431</b>	<b>29,592</b>

## Service delivery measures

Table 6.9 below illustrates the main service delivery measures pertaining to Programme 2.

Table 6.9: Service delivery measures – Programme 2: Budget and Procurement Management

Table 6.5: Service delivery measures – Programme 2: Budget and Procurement management			
Output Type	Performance Measures	Performance targets	
		2003/04 Est. Actual	2004/05 Estimate
<b>Provincial Budgets</b>			
1. Manage the formulation, execution and monitoring of main and adjustment budgets.	<ul style="list-style-type: none"><li>• To produce Main and Adjustments Budgets and appropriation bills complete, error free and on time</li></ul>	On time	Main– 2 wks after National Adjustments budget– 30 days after National
2. Establish Public-Private Partnership Unit to support infrastructure services provision.	<ul style="list-style-type: none"><li>• A well-functioning PPP Unit</li></ul>	October 2003	Improve the planning process-ongoing
3. Manage the preparation, execution and monitoring of provincial infrastructure plan.	<ul style="list-style-type: none"><li>• To complete provincial infrastructure plan, error free and on time</li></ul>	January 2004	Quarterly
4. Ensure compliance to national policies, legislation, regulations and delegations.	<ul style="list-style-type: none"><li>• To produce early warning reports complete, error free and on time</li></ul>	Timeously complied with	Comply with monthly
<b>Policy Advice</b>			
1. Manage research on financial, fiscal and procurement issues.	<ul style="list-style-type: none"><li>• To produce relevant and on time reports</li></ul>	Quarterly, complied with deadline (8 research papers completed)	Comply with quarterly deadline
2. Formulate financial, fiscal, infrastructure, procurement, etc, policies.	<ul style="list-style-type: none"><li>• To produce accurate and comprehensive reports</li></ul>	Complied with	Comply with quarterly
3. Provide advice to HOD, Minister on financial, fiscal, procurement, infrastructure matters.	<ul style="list-style-type: none"><li>• To produce accurate, on time reports and memorandum</li></ul>	Complied with	Comply with quarterly
4. Provide advice on compliance to national and provincial policies, legislation, regulations, etc to HOD and Minister.	<ul style="list-style-type: none"><li>• To produce budget guideline, approval letter; meetings complete, error free and on time</li></ul>	Complied with	Comply with quarterly
5. Provide guidance and grant approvals (within delegated limits) to departments on financial, procurement and infrastructure matters.	<ul style="list-style-type: none"><li>• To produce accurate and on time reports and memorandums</li></ul>	Complied with	Comply with

## 6.3 Programme 3: Accounting Control

This programme consists of four sub-programmes, namely Chief Financial Office, Financial Systems, Revenue and Asset Management and Corporate Services.

The purpose of this programme is to provide financial management support through the development of policies, procedures and systems. The main services undertaken by this programme are as follows:

- To provide financial management support in terms of developing and reviewing policies and procedures and systems maintenance;

- To maintain accurate and appropriate accounting records for the department;
- To co-ordinate/compile the required financial reports, budget statements and annual reports;
- To provide Information Technology support to the department;
- To ensure efficient policies and procedures are implemented and maintained in terms of provincial banking, revenue and asset management;
- To ensure the management and pay over of all provincial salary deductions and issuing of accurate IRP5 tax certificates; and
- To provide a corporate support service to the department, including archive/registry support, building management, vehicle fleet and departmental provisioning.

Tables 6.10 and 6.11 provide a summary of payments and budgeted estimates pertaining to Programme 3.

In line with restructuring, the Chief Financial Office (CFO) component was realigned to the core functions of the department. As a result, specific functions, including transport and stationary, were transferred to Corporate Services during 2002/03. This accounts for the reduction in the budget from 2003/04 onwards.

Furthermore, the CFO was responsible for the costs of the Financial Management Improvement Programme (FinMIP), a provincial project, during 2001/02.

With regard to Financial Systems, approximately R20 million for external audit fees was transferred to departments in 2001/02, causing a substantial reduction in spending.

Funds for the implementation of BAS were catered for in 2002/03, but were not spent at the time. Accordingly, funds relating to the roll-out of BAS to provincial departments were rolled over to 2003/04, explaining the increase in the 2003/04 Adjusted Budget. The implementation of BAS is anticipated to continue for a period of 12 months, and the ongoing system and data processing costs are being carried on behalf of all provincial departments. The MTEF also fluctuates in terms of the proposed IT and IS solutions, such as the asset management system.

The expenditure trends of the Revenue and Asset Management sub-programme are fairly constant, with minor fluctuations resulting from the devolvement of certain functions to provincial departments.

Furthermore, the drive to support the Treasury Regulation requirements of electronic payments has seen a reduction in bank charges from 2002/03. The increase over the MTEF caters for project management fees relating to the asset management project.

The Corporate Services sub-programme was created in November 2002, in line with the realignment of the department's functions. Specific areas of improvement have been identified in terms of office automation, printing utilities and fleet management. These required an initial outlay of capital in 2003/04, hence the associated increase in capital expenditure during 2003/04.

Table 6.10: Summary of payments and estimates: Programme 3

R000	Outcome			Adjusted budget 2003/04	Estimated actual	Medium-term estimates		
	Audited 2000/01	Audited 2001/02	Audited 2002/03			2004/05	2005/06	2006/07
Chief Financial Office		20,270	16,924	12,188	7,575	7,240	7,477	40,232
Financial Systems	42,529	22,922	28,610	78,848	77,940	49,444	60,997	33,545
Revenue and Asset Management	14,688	13,058	13,247	15,819	14,628	20,614	16,635	16,564
Corporate Services			3,434	11,897	11,118	8,995	9,409	9,963
<b>Total</b>	<b>57,217</b>	<b>56,250</b>	<b>62,215</b>	<b>118,752</b>	<b>111,261</b>	<b>86,293</b>	<b>94,518</b>	<b>100,304</b>

Table 6.11: Summary of payments and estimates by economic classification: Programme 3

R000	Outcome			Adjusted budget	Estimated actual	Medium-term estimates		
	Audited	Audited	Audited			2004/05	2005/06	2006/07
	2000/01	2001/02	2002/03	2003/04				
Current payments	56,712	55,124	60,289	115,302	107,668	84,443	93,043	99,817
Compensation of employees	15,221	13,992	15,535	15,552	14,840	16,607	17,486	18,365
Goods and services	41,491	41,132	44,754	99,750	92,828	64,961	72,491	78,239
Other	-	-	-	-	-	2,875	3,066	3,213
Transfers and subsidies to:	48	103	54	53	45	47	49	52
Local government	48	65	48	39	31	35	37	39
Non-profit institutions	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-
Other	-	38	6	14	14	12	12	13
Payments for capital assets	457	1,023	1,872	3,397	3,548	1,803	1,426	435
Buildings and other fixed structures	-	-	-	1,250	1,187	58	61	61
Machinery and equipment	457	1,010	1,872	2,147	2,361	1,745	1,365	374
Other	-	13	-	-	-	-	-	-
Total	57,217	56,250	62,215	118,752	111,261	86,293	94,518	100,304

## Service delivery measures

Table 6.12 below illustrates the main outputs and performance measures for Programme 3: Accounting Control.

Table 6.12: Service delivery measures – Programme 3: Accounting Control

Output Type	Performance Measures	Performance targets	
		2003/04 Est. Actual	2004/05 Estimate
1. To implement BAS	• No. of departments on-line as per project plan	12 depts live per timeframes	2 departments – 1 April
2. To develop provincial practice notes & policies	• No. of practice notes published	5 amended	3
3. To provide user support to provincial accounting & stores system	• Response time	Continual support – 24 hours	12 hours
4. To implement accounting standards developed by ASB	• No. of GRAP standards documents reviewed/ accepted	3 issued by ASB and reviewed	5
5. To implement appropriate asset management system in line with provincial policy	• Timeliness • Relevance	System procured February 2003	Asset count completed 31 March 2005
6. Facilitate the process of EFT	• No. of payments processed electronically vs per cheque	89%	95%
7. Manage pay-overs of salary deductions and provincial tax reconciliation	• Timeliness • Accuracy	Monthly reconciliation	Monthly reconciliation 0% penalties on overdue payments
8. Decentralise administration of taxation	• No. of departments administering tax independently	All departments	Complete

## 6.4 Programme 4: Internal Audit

This programme consists of two sub-programmes, namely Internal Audit and Risk Management. The main purpose is to provide an innovative, cost-efficient and value added internal audit service to client departments to ensure good corporate governance in KwaZulu-Natal. The services rendered are as follows:

- Assist client department's management team in meeting their strategic objectives;
- Review accounting and management control systems for effectiveness and efficiency and provide recommendations for improvement;
- Develop, implement and monitor integrated risk management strategies and frameworks;
- Collaborate with other functions in detecting, investigating and reporting on illegal or fraudulent activities within the Province of KwaZulu-Natal;
- Develop an analytic capability that would provide intelligence managing, providing live management information and support prevention initiatives;
- Undertake performance audits and computer audits; and
- Provide a professional investigation service.

With regard to Internal Audit, the expected level of service delivery dictates the resource requirements. The guiding factors are legislative obligations, as well as the impact of current trends. For example, work traditionally done by the SAPS / Scorpions is increasingly being dealt with by the Internal Audit unit.

Tables 6.13 and 6.14 below provide a summary of payments and budgeted estimates pertaining to this programme. The internal audit component has grown substantially in size and capacity over the past few years, and this trend is likely to continue in terms of its legislated responsibilities. Such growth is reflected in the steady increase in the budget allocation over the MTEF period. The category *Compensation to employees*, as well as subsistence and travel costs (*Goods and services*), show a marked increase over the years in line with the growth in size of the internal audit unit.

Furthermore, reliance is placed on sourcing additional resources on a temporary basis, in order to provide the required level of service. This is reflected in the significant proportion of consulting fees, which represents a large portion of *Goods and services* expenditure.

Table 6.13: Summary of payments and estimates: Programme 4

R000	Outcome			Adjusted budget	Estimated actual	Medium-term estimates		
	Audited 2000/01	Audited 2001/02	Audited 2002/03			2004/05	2005/06	2006/07
Internal Audit	20,860	17,133	18,555	20,196	17,527	23,177	24,647	26,769
Risk Management		2,840	6,590	10,029	9,410	9,179	9,240	9,598
<b>Total</b>	<b>20,860</b>	<b>19,973</b>	<b>25,145</b>	<b>30,225</b>	<b>26,937</b>	<b>32,356</b>	<b>33,887</b>	<b>36,367</b>

Table 6.14: Summary of payments and estimates by economic classification: Programme 4

R000	Outcome			Adjusted budget	Estimated actual	Medium-term estimates		
	Audited 2000/01	Audited 2001/02	Audited 2002/03			2004/05	2005/06	2006/07
<b>Current payments</b>	<b>20,860</b>	<b>19,300</b>	<b>23,771</b>	<b>29,366</b>	<b>26,226</b>	<b>31,284</b>	<b>33,247</b>	<b>35,535</b>
Compensation of employees	6,330	6,945	9,203	13,475	12,952	14,440	15,471	16,350
Goods and services	14,530	12,355	14,568	15,891	13,274	16,844	17,776	19,185
Other	-	-	-	-	-	-	-	-
<b>Transfers and subsidies to:</b>	<b>-</b>	<b>34</b>	<b>30</b>	<b>41</b>	<b>68</b>	<b>56</b>	<b>61</b>	<b>67</b>
Local government	-	20	26	37	36	40	43	47
Non-profit institutions	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-
Other	-	14	4	4	32	16	18	20
<b>Payments for capital assets</b>	<b>-</b>	<b>639</b>	<b>1,344</b>	<b>818</b>	<b>643</b>	<b>1,016</b>	<b>579</b>	<b>765</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-
Machinery and equipment	-	639	913	818	643	1,016	579	765
Other	-	-	431	-	-	-	-	-
<b>Total</b>	<b>20,860</b>	<b>19,973</b>	<b>25,145</b>	<b>30,225</b>	<b>26,937</b>	<b>32,356</b>	<b>33,887</b>	<b>36,367</b>

## Service delivery measures

Table 6.15 below illustrates service delivery measures pertaining to Programme 4: Internal Audit.

Table 6.15: Service delivery measures – Programme 4: Internal Audit

Output type	Performance measures	Performance targets	
		2003/04 Est. Actual	2004/05 Estimate
1. Improvement in internal control in client departments	• No. of audit assignments completed, reports issued as per annual audit plan	21	134
2. Develop the required skills in risk analyst specialists and corporate investigators	• No. of workshops conducted per department	54	20
	• No. of performance appraisal questionnaires completed	56	56
3. Increasing awareness in corporate governance	• Client feedback and extent of reliance by Auditor-General (AG)	Not measurable- Feedback from AG	Not measurable- Feedback from AG.
	• No. of officials in TOPP Programme	7	7
	• No. of forensic audit assignments completed and reports issued	54	20
	• No. of fraud prevention plans developed & implemented	14	At request of depts
	• Assess no. of performance appraisals conducted on internal audit staff.	316	316

## 6.5 Programme 5: MTEF Balance

This programme was created to draw a clear distinction between the department's operational budget and the financial management support.

Tables 6.16 and 6.17 below illustrate the payments and estimates relating to the MTEF Balance. The provision of R200 million and R50 million in 2005/06 and 2006/07, respectively, is for the Dube Trade Port.

Table 6.16: Summary of payments and estimates: Programme 5

R000	Outcome			Adjusted budget 2003/04	Estimated actual 2003/04	Medium-term estimates		
	Audited 2000/01	Audited 2001/02	Audited 2002/03			2004/05	2005/06	2006/07
MTEF Balance							200,000	50,000
<b>Total</b>	-	-	-	-	-	-	200,000	50,000

Table 6.17: Summary of payments and estimates by economic classification: Programme 5

R000	Outcome			Adjusted budget 2003/04	Estimated actual 2003/04	Medium-term estimates		
	Audited 2000/01	Audited 2001/02	Audited 2002/03			2004/05	2005/06	2006/07
<b>Current payments</b>	-	-	-	-	-	-	200,000	50,000
Compensation of employees	-	-	-	-	-	-	-	-
Goods and services	-	-	-	-	-	-	200,000	50,000
Other	-	-	-	-	-	-	-	-
<b>Transfers and subsidies to:</b>	-	-	-	-	-	-	-	-
Local government	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
<b>Payments for capital assets</b>	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-	200,000	50,000

## 7. Other programme information

### 7.1 Personnel numbers and costs

Table 6.18 below illustrates the personnel estimates pertaining to the Provincial Treasury, per programme, as at 31 March 2000 to March 2005. The organisational restructuring has introduced an increase in the number of managerial positions. The majority of the expected increases are a result of the need to capacitate the risk management, budget and procurement sub-programmes, as specialised skills are required in these three areas.

Table 6.18: Personnel numbers and costs

Personnel numbers	As at 31 March 2000	As at 31 March 2001	As at 31 March 2002	As at 31 March 2003	As at 31 March 2004	As at 31 March 2005
1. Programme 1: Transverse Support	37	37	41	37	25	25
2. Programme 2: Budget and Procurement Management	42	42	42	45	65	65
3. Programme 3: Accounting Control	112	111	110	131	118	118
4. Programme 4: Internal Audit	56	56	60	80	100	120
5. Programme 5: MTEF Balance						
<b>Total</b>	247	246	253	293	308	328
Total personnel cost (R thousand)	27,141	32,274	33,002	37,590	46,267	55,099
Unit cost (R thousand)	110	131	130	128	150	168

## 7.2 Training

Table 6.19 below illustrates expenditure on training for the vote.

Table 6.19: Expenditure on training

R000	Outcome			Adjusted budget	Estimated actual	Medium-term estimates		
	Audited	Audited	Audited			2004/05	2005/06	2006/07
	2000/01	2001/02	2002/03	2003/04				
1. Programme1: Transverse Support	260	275	248	481	330	385	431	455
2. Programme 2: Budget and Procurement Management	13	57	214	257	202	381	403	426
3. Programme 3: Accounting Control	43	12	69	158	88	173	193	156
4. Programme 4: Internal Audit		65	738	218	117	518	380	390
5. Programme 5: MTEF Balance								
Total	316	409	1,269	1,114	737	1,457	1,407	1,427

## ANNEXURE TO VOTE 6 – PROVINCIAL TREASURY

Table 6.A: Details of departmental receipts

R000	Outcome			Adjusted budget	Estimated actual	Medium-term estimates		
	Audited 2000/01	Audited 2001/02	Audited 2002/03			2004/05	2005/06	2006/07
<b>Tax receipts</b>	-	-	-	-	-	-	-	-
Casino taxes								
Motor vehicle licenses								
Horseracing								
Other taxes								
<b>Non-tax receipts</b>	193,072	270,028	330,066	53,789	163,896	160,711	167,565	176,720
Sale of goods & services other than capital assets	39,899	32,762	28,268	25,086	23,896	13,335	13,922	14,618
Sales of goods & services produced by depts.	39,899	32,762	28,268	25,086	23,896	13,335	13,922	14,618
Sales by market establishments								
Administrative fees								
Other sales	39,899	32,762	28,268	25,086	23,896	13,335	13,922	14,618
Sales of scrap, waste, arms and other used current goods (excluding capital assets)								
Fines, penalties and forfeits								
Interest, dividends and rent on land	153,173	237,266	301,798	28,703	140,000	147,376	153,643	162,102
Interest	153,173	237,266	301,798	28,703	140,000	147,376	153,643	162,102
Dividends								
Rent on land								
<b>Transfers received from:</b>	-	-	-	-	-	-	-	-
Other governmental units								
Universities and technikons								
Foreign governments								
International organisations								
Public corporations and private enterprises								
Households and non-profit institutions								
<b>Sales of capital assets</b>	-	-	-	-	-	-	-	-
Land and subsoil assets								
Other capital assets								
<b>Financial transactions</b>								
<b>Total</b>	193,072	270,028	330,066	53,789	163,896	160,711	167,565	176,720



Table 6.B: Details of payments and estimates by economic classification

R000	Outcome			Adjusted budget 2003/04	Estimated actual	Medium-term estimates		
	Audited 2000/01	Audited 2001/02	Audited 2002/03			2004/05	2005/06	2006/07
<b>Current payments</b>	<b>102,030</b>	<b>89,960</b>	<b>101,949</b>	<b>184,396</b>	<b>169,829</b>	<b>153,595</b>	<b>366,991</b>	<b>228,014</b>
Compensation of employees	32,274	33,002	37,590	48,400	46,267	55,099	58,216	61,220
Salaries and wages	24,295	25,977	30,203	39,474	37,851	45,070	47,526	49,975
Social contributions	7,979	7,025	7,387	8,926	8,416	10,029	10,690	11,245
Goods and services	69,756	56,958	64,359	135,996	123,562	95,621	305,709	163,581
Interest and rent on land	-	-	-	-	-	2,875	3,066	3,213
Interest	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	2,875	3,066	3,213
Financial transactions in assets and liabilities	-	-	-	-	-	-	-	-
Unauthorised expenditure	-	-	-	-	-	-	-	-
<b>Transfers and subsidies to:</b>	<b>329</b>	<b>180</b>	<b>126</b>	<b>160</b>	<b>174</b>	<b>183</b>	<b>195</b>	<b>208</b>
Local government	78	110	110	126	117	136	145	154
Municipalities	78	110	110	126	117	136	145	154
Municipal agencies and funds	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	70	16	34	57	47	50	54
Social security funds	-	-	-	-	-	-	-	-
Entities receiving funds	-	70	16	34	57	47	50	54
Public corporations and private enterprises	251	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-
Private enterprises	251	-	-	-	-	-	-	-
Subsidies on production	251	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-
Social benefits	-	-	-	-	-	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-
<b>Payments for capital assets</b>	<b>3,851</b>	<b>2,237</b>	<b>3,715</b>	<b>5,893</b>	<b>5,354</b>	<b>3,205</b>	<b>2,395</b>	<b>1,533</b>
Buildings and other fixed structures	2,462	-	-	1,250	1,187	58	61	61
Buildings	2,462	-	-	-	-	-	-	-
Other fixed structures	-	-	-	1,250	1,187	58	61	61
Machinery and equipment	1,389	2,224	3,284	4,643	4,167	3,147	2,334	1,472
Transport equipment	-	-	-	-	-	-	-	-
Other machinery and equipment	1,389	2,224	3,284	4,643	4,167	3,147	2,334	1,472
Cultivated assets	-	-	-	-	-	-	-	-
Software and other intangible assets	-	13	431	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-
<b>Total</b>	<b>106,210</b>	<b>92,377</b>	<b>105,790</b>	<b>190,449</b>	<b>175,357</b>	<b>156,983</b>	<b>369,581</b>	<b>229,755</b>

Table 6.C: Details of payments and estimates by economic classification - Programme 1

R000	Outcome			Adjusted budget	Estimated actual	Medium-term estimates		
	Audited 2000/01	Audited 2001/02	Audited 2002/03			2004/05	2005/06	2006/07
<b>Current payments</b>	<b>13,225</b>	<b>7,447</b>	<b>7,812</b>	<b>16,488</b>	<b>15,620</b>	<b>11,897</b>	<b>12,601</b>	<b>13,249</b>
Compensation of employees	6,622	5,617	4,993	5,977	5,834	6,966	7,282	7,618
Salaries and wages	5,636	4,827	4,329	5,314	5,017	6,101	6,378	6,669
Social contributions	986	790	664	663	817	865	904	949
Goods and services	6,603	1,830	2,819	10,511	9,786	4,931	5,319	5,631
of which								
State attorney costs	84	21	476	847	847	2,000	2,110	2,218
Advertising	149	99	374	150	305	530	579	608
Printing Departmental	40	33	39	85	72	435	459	480
Other	6,330	1,677	1,930	9,429	8,562	1,966	2,171	2,325
Interest and rent on land	-	-	-	-	-	-	-	-
Interest								
Rent on land								
Financial transactions in assets and liabilities								
Unauthorised expenditure								
<b>Transfers and subsidies to:</b>	<b>269</b>	<b>29</b>	<b>17</b>	<b>22</b>	<b>19</b>	<b>23</b>	<b>26</b>	<b>27</b>
Local government	18	16	14	18	15	19	21	22
Municipalities	18	16	14	18	15	19	21	22
Municipal agencies and funds								
Departmental agencies and accounts	-	13	3	4	4	4	5	5
Social security funds								
Entities receiving funds		13	3	4	4	4	5	5
Public corporations and private enterprises	251	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-
Subsidies on production								
Other transfers								
Private enterprises	251	-	-	-	-	-	-	-
Subsidies on production	251							
Other transfers								
Foreign governments and international organisations								
Non-profit institutions								
Households	-	-	-	-	-	-	-	-
Social benefits								
Other transfers to households								
<b>Payments for capital assets</b>	<b>2,820</b>	<b>131</b>	<b>190</b>	<b>484</b>	<b>487</b>	<b>141</b>	<b>118</b>	<b>216</b>
Buildings and other fixed structures	2,462	-	-	-	-	-	-	-
Buildings	2,462							
Other fixed structures								
Machinery and equipment	358	131	190	484	487	141	118	216
Transport equipment								
Other machinery and equipment	358	131	190	484	487	141	118	216
Cultivated assets								
Software and other intangible assets								
Land and subsoil assets								
<b>Total</b>	<b>16,314</b>	<b>7,607</b>	<b>8,019</b>	<b>16,994</b>	<b>16,126</b>	<b>12,061</b>	<b>12,745</b>	<b>13,492</b>

Table 6.D: Details of payments and estimates by economic classification - Programme 2

R000	Outcome			Adjusted budget	Estimated actual	Medium-term estimates		
	Audited 2000/01	Audited 2001/02	Audited 2002/03			2003/04	2004/05	2005/06
Current payments	11,233	8,089	10,077	23,240	20,315	25,971	28,100	29,413
Compensation of employees	4,101	6,448	7,859	13,396	12,641	17,086	17,977	18,887
Salaries and wages	3,425	6,040	6,705	11,404	10,891	14,809	15,581	16,371
Social contributions	676	408	1,154	1,992	1,750	2,277	2,396	2,516
Goods and services	7,132	1,641	2,218	9,844	7,674	8,885	10,123	10,526
of which								
Advertising	432	6	268	503	409	300	577	606
Professional consultant	925	36	170	4,973	4,504	4,592	6,086	6,274
Other advisory services				200	32	222	231	243
Other	5,775	1,599	1,780	4,168	2,729	3,771	3,229	3,403
Interest and rent on land	-	-	-	-	-	-	-	-
Interest								
Rent on land								
Financial transactions in assets and liabilities								
Unauthorised expenditure								
Transfers and subsidies to:	12	14	25	44	42	57	59	62
Local government	12	9	22	32	35	42	44	46
Municipalities	12	9	22	32	35	42	44	46
Municipal agencies and funds								
Departmental agencies and accounts	-	5	3	12	7	15	15	16
Social security funds								
Entities receiving funds		5	3	12	7	15	15	16
Public corporations and private enterprises	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-
Subsidies on production								
Other transfers								
Private enterprises	-	-	-	-	-	-	-	-
Subsidies on production								
Other transfers								
Foreign governments and international organisations								
Non-profit institutions								
Households	-	-	-	-	-	-	-	-
Social benefits								
Other transfers to households								
Payments for capital assets	574	444	309	1,194	676	245	272	117
Buildings and other fixed structures	-	-	-	-	-	-	-	-
Buildings								
Other fixed structures								
Machinery and equipment	574	444	309	1,194	676	245	272	117
Transport equipment								
Other machinery and equipment	574	444	309	1,194	676	245	272	117
Cultivated assets								
Software and other intangible assets								
Land and subsoil assets								
Total	11,819	8,547	10,411	24,478	21,033	26,273	28,431	29,592

Table 6.E: Details of payments and estimates by economic classification - Programme 3

R000	Outcome			Adjusted budget	Estimated actual	Medium-term estimates		
	Audited 2000/01	Audited 2001/02	Audited 2002/03			2003/04	2004/05	2005/06
Current payments	56,712	55,124	60,289	115,302	107,668	84,443	93,043	99,817
Compensation of employees	15,221	13,992	15,535	15,552	14,840	16,607	17,486	18,365
Salaries and wages	8,904	9,245	11,334	11,331	10,832	12,051	12,701	13,338
Social contributions	6,317	4,747	4,201	4,221	4,008	4,556	4,785	5,027
Goods and services	41,491	41,132	44,754	99,750	92,828	64,961	72,491	78,239
of which								
Bank charges	4,430	5,195	5,472	10,364	6,606	6,290	6,605	6,972
Professional consultant	18,189	5,803	4,085	48,161	27,483	23,126	29,279	32,965
Computer services	9,859	20,175	24,503	26,901	35,661	26,360	28,633	30,094
Other	9,013	9,959	10,694	14,324	23,078	9,185	7,974	8,208
Interest and rent on land	-	-	-	-	-	2,875	3,066	3,213
Interest								
Rent on land						2,875	3,066	3,213
Financial transactions in assets and liabilities								
Unauthorised expenditure								
Transfers and subsidies to:	48	103	54	53	45	47	49	52
Local government	48	65	48	39	31	35	37	39
Municipalities	48	65	48	39	31	35	37	39
Municipal agencies and funds								
Departmental agencies and accounts	-	38	6	14	14	12	12	13
Social security funds								
Entities receiving funds		38	6	14	14	12	12	13
Public corporations and private enterprises	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-
Subsidies on production								
Other transfers								
Private enterprises	-	-	-	-	-	-	-	-
Subsidies on production								
Other transfers								
Foreign governments and international organisations								
Non-profit institutions								
Households	-	-	-	-	-	-	-	-
Social benefits								
Other transfers to households								
Payments for capital assets	457	1,023	1,872	3,397	3,548	1,803	1,426	435
Buildings and other fixed structures	-	-	-	1,250	1,187	58	61	61
Buildings								
Other fixed structures				1,250	1,187	58	61	61
Machinery and equipment	457	1,010	1,872	2,147	2,361	1,745	1,365	374
Transport equipment								
Other machinery and equipment	457	1,010	1,872	2,147	2,361	1,745	1,365	374
Cultivated assets								
Software and other intangible assets		13						
Land and subsoil assets								
Total	57,217	56,250	62,215	118,752	111,261	86,293	94,518	100,304

Table 6.F: Details of payments and estimates by economic classification - Programme 4

R000	Outcome			Adjusted budget	Estimated actual	Medium-term estimates		
	Audited 2000/01	Audited 2001/02	Audited 2002/03			2003/04	2004/05	2005/06
Current payments	20,860	19,300	23,771	29,366	26,226	31,284	33,247	35,535
Compensation of employees	6,330	6,945	9,203	13,475	12,952	14,440	15,471	16,350
Salaries and wages	6,330	5,865	7,835	11,425	11,111	12,109	12,866	13,597
Social contributions		1,080	1,368	2,050	1,841	2,331	2,605	2,753
Goods and services	14,530	12,355	14,568	15,891	13,274	16,844	17,776	19,185
of which								
Subsistence allowance		970	190	1,205	496	518	380	390
Stationery		54	118	301	151	261	418	436
Consultant		10,284	11,616	12,185	11,614	10,651	11,343	12,672
Other	14,530	1,047	2,644	2,200	1,013	5,414	5,635	5,687
Interest and rent on land	-	-	-	-	-	-	-	-
Interest								
Rent on land								
Financial transactions in assets and liabilities								
Unauthorised expenditure								
Transfers and subsidies to:	-	34	30	41	68	56	61	67
Local government	-	20	26	37	36	40	43	47
Municipalities		20	26	37	36	40	43	47
Municipal agencies and funds								
Departmental agencies and accounts	-	14	4	4	32	16	18	20
Social security funds								
Entities receiving funds		14	4	4	32	16	18	20
Public corporations and private enterprises	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-
Subsidies on production								
Other transfers								
Private enterprises	-	-	-	-	-	-	-	-
Subsidies on production								
Other transfers								
Foreign governments and international organisations								
Non-profit institutions								
Households	-	-	-	-	-	-	-	-
Social benefits								
Other transfers to households								
Payments for capital assets	-	639	1,344	818	643	1,016	579	765
Buildings and other fixed structures	-	-	-	-	-	-	-	-
Buildings								
Other fixed structures								
Machinery and equipment	-	639	913	818	643	1,016	579	765
Transport equipment								
Other machinery and equipment		639	913	818	643	1,016	579	765
Cultivated assets								
Software and other intangible assets			431					
Land and subsoil assets								
Total	20,860	19,973	25,145	30,225	26,937	32,356	33,887	36,367

## Budget Statement 2

Table 6.G: Details of payments and estimates by economic classification - Programme 5

R000	Outcome			Adjusted budget	Estimated actual	Medium-term estimates		
	Audited 2000/01	Audited 2001/02	Audited 2002/03			2004/05	2005/06	2006/07
<b>Current payments</b>	-	-	-	-	-	-	200,000	50,000
Compensation of employees	-	-	-	-	-	-	-	-
Salaries and wages								
Social contributions								
Goods and services	-	-	-	-	-	-	200,000	50,000
Interest and rent on land	-	-	-	-	-	-	-	-
Interest								
Rent on land								
Financial transactions in assets and liabilities								
Unauthorised expenditure								
<b>Transfers and subsidies to:</b>	-	-	-	-	-	-	-	-
Local government	-	-	-	-	-	-	-	-
Municipalities								
Municipal agencies and funds								
Departmental agencies and accounts	-	-	-	-	-	-	-	-
Social security funds								
Entities receiving funds								
Public corporations and private enterprises	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-
<i>Subsidies on production</i>								
<i>Other transfers</i>								
Private enterprises	-	-	-	-	-	-	-	-
<i>Subsidies on production</i>								
<i>Other transfers</i>								
Foreign governments and international organisations								
Non-profit institutions								
Households	-	-	-	-	-	-	-	-
Social benefits								
Other transfers to households								
<b>Payments for capital assets</b>	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-
Buildings								
Other fixed structures								
Machinery and equipment	-	-	-	-	-	-	-	-
Transport equipment								
Other machinery and equipment								
Cultivated assets								
Software and other intangible assets								
Land and subsoil assets								
<b>Total</b>	-	-	-	-	-	-	200,000	50,000