

To be appropriated by Vote in 2006/07	R 119 679 000
Statutory amount	R 680 153
Responsible MEC	MEC for Finance
Administering Department	Free State Provincial Treasury
Accounting Officer	Superintendent-General: Free State Provincial Treasury

1. Overview

The core functions and responsibilities of the department largely emanate from chapter three, four and five of the Public Finance Management Act (PFMA), Act 1 of 1999 as amended and deal with matters such as the:

- Preparation of the provincial budget statements;
- Promotion and enforcement of transparent and effective management of revenue, expenditure, assets and liabilities, consolidation of financial statements of provincial departments and public entities, etc.

Other functions can be found in Treasury Regulations, which were promulgated in terms of section 76 of the Act. In addition, the Provincial Treasury is mandated by the Municipal Finance Management Act (MFMA), Act 56 of 2003, to execute certain oversight and support functions in respect of municipalities.

1.1 Vision

Promote the prudent financial management of provincial resources.

1.2 Mission

Render timely and responsive service delivery to clients through:

- enforcing the implementation of the Public Finance Management Act;
- preparation of sound and sustainable provincial budgets;
- promotion and monitoring of the sustainability of local government budgets;
- sound management of departmental and provincial government's financial assets and liabilities;
- promotion of sound supply chain management practices;
- optimisation of provincially collected revenue;
- enhancement of sound cash management, accounting practices, policies and systems;
- promotion and implementation of restructuring and transformation process; and
- sound management of departmental resources.

1.3 Values

The core values that the Department espouses are:

- Performance
- Consistency
- Transparency
- Integrity
- Sensitivity
- Accountability
- Diligence
- Prudence
- Professionalism
- Fairness
- Consultation
- Responsiveness

2. Review of the current financial year

During the 2005/06 financial year the Provincial Treasury focused more particularly on the:

- need to ensure meaningful growth in provincial own revenue, without unduly increasing the burden on provincial taxpayers;
- need to fully operationalise the 4-programme budget structure for the Department so as to enhance the comparability of operational performance in various functional areas with other Provincial Treasuries;
- importance to ensure that the Department is well positioned to execute oversight functions mandated by the Municipal Finance Management Act (MFMA), Act 56 of 2003, and related functions to support municipalities;
- need to be better equipped to more effectively report on non-financial provincial information that can serve as objective indicators of the success of provincial public expenditure programmes;
- necessity to gear up to more effectively assume the broader Treasury responsibility of ensuring that expenditure programmes adequately reflect the broad priorities of government and the service delivery imperative emanating from the 2005 - 2014 Free State Provincial Growth and Development Strategy (FSGDS) and meaningfully impact on the life of the poor, the uneducated and the marginalized.

Work also continued to foster sound supply chain management (SCM) practices in the province, through:

- correcting the SCM regime in line with SCM policy;
- overseeing the implementation of SCM policies in the province;
- recruiting and training appropriately skilled staff to drive the provincial SCM implementation process.

Improved financial governance was also achieved through the establishment of a Departmental Risk Management Committee and the more effective operationalisation of the internal audit function, through the recruitment and training of additional staff. The growth in the staff compliment will also enable this unit to move beyond the execution of special assignments of the Audit Committee, towards the full implementation of a 3-year rolling internal audit plan from the onset of the 2006/07 financial year.

A further repositioning of functions within the Department in respect of the execution of Treasury oversight functions relating to compliance with financial norms and standards, as well as the operationalisation of a dedicated MFMA oversight unit under the auspices of the Provincial Accountant General also contributed towards the creation of an appropriate and dynamic financial management framework that not only supports adherence to norms and standards, but also supports outcomes-based financial performance evaluation and assessment.

3. Outlook for the coming financial year

Notwithstanding the fact that this Department is satisfied that it expects to achieve the goals set for the 2005/06 financial year much work remains to be done in the new financial year to enable this Department to use the solid foundation laid in 2005/06 to meet the challenges of the new financial year and beyond.

Now that the operations of a 4-programme departmental budget structure are well entrenched, and forums for stakeholder consultation and the sharing of best-practice advice in respect of financial matters are fully operational, this Department finds itself well-positioned to focus on operations that:

- Enhances value-for-money considerations in operations, including more effective costing of service norms and standards, to ensure affordable delivery of mandated services over the medium to long-term.
- generates an enriched supply of credible information, including non-financial information, to not only enable the Treasury to enforce effective aggregate fiscal discipline, but also better service the informational needs of the Provincial Executive Council and Legislature to put them in a position to effectively measure the outcome and impact of provincial expenditure programmes.

In this regard, 2006/07 will see this Department engaged in, inter alia:

- The operationalisation of a Provincial Suppliers' Management Information System which will accommodate all provincial departments and public entities capable of:
 - Analysing the procurement spent on quotations and contracts;
 - Tracking procurement spent to SMME and BEE businesses;
 - Calculating preference points and ensuring that the PPPFA is implemented in respect of applicable transactions;
 - Verifying company profiles.
- Processes and consultation to ensure that provincial budgets are adequately aligned with the Free State Provincial Growth and Development Strategy.
 - Key to such process will be moving away from budgeting largely informed by historical departmental baselines in favour of an approach that seeks to utilize policy priorities from the Growth and Development Strategy as the mandating framework to inform resource allocations.
 - In addition it will require work to design analytical instruments, such as the methodology of Social Accounting Matrix, to assess the qualitative impact of expenditure on key provincial economic variables.
- The implementation of an infrastructure delivery improvement programme (IDIP) in key departments aimed at enhancing the provincial capacity and capability to manage infrastructure delivery.
- Necessary preparation to ensure that departments comply with financial norms and standards, effectively implement resolutions of the Provincial Public Accounts Committee (PROPAC) of the Free State Legislature and adhere to processes and timelines that form part of the preparation for an ultimate switchover to an accrual accounting system.
- Active participation in processes aimed at ensuring that provincial resource planning processes and actual service delivery programmes, take place in a manner that allows for the strengthening of ties with national departments, parastatals, state-owned enterprises, public entities and district and local municipalities. This calls for continuous introspection to ensure the continued improvement of the Treasury's internal capacity to deliver, especially with regard to monitoring the implementation of the MFMA in municipalities, the availability of technical assistance to support the development of public-private partnerships, infrastructure delivery improvement initiatives and the ability to measure the impact of public expenditure on intended beneficiaries.

4. Receipts and financing

4.1 Summary of receipts

The following sources of funding are used for the Vote:

Table 2.1: Summary of receipts: Free State Provincial Treasury

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimates	Medium-term estimates		
	Audited	Audited	Audited				2006/07	2007/08	2008/09
	2002/03	2003/04	2004/05						
Equitable share	91,729	152,333	130,602	109,538	109,538	109,538	115,124	120,881	129,343
Conditional grants									
Departmental receipts			3,420	4,510	4,510	4,510	4,555	4,733	5,428
Total receipts	91,729	152,333	134,022	114,048	114,048	114,048	119,679	125,614	134,771

4.2 Departmental receipts collection

Table 2.2: Departmental receipts: Free State Provincial Treasury

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimates	Medium-term estimates		
	Audited	Audited	Audited				2006/07	2007/08	2008/09
	2002/03	2003/04	2004/05						
Tax receipts									
Sales of goods and services other than capital assets			66			4	58	60	62
Transfers received		75							
Fines, penalties and forfeits	103	73				2	108	111	114
Interest, dividends and rent on land	125,869	59,206	71,192	68,484	38,007	52,595	29,228	31,578	34,019
Sales of capital assets		1	1				9	10	10
Financial transactions in assets and liabilities	94	1,785				6	76	78	80
Total departmental receipts	126,066	61,140	71,259	68,484	38,007	52,607	29,479	31,837	34,285

5. Payment summary

5.1 Key assumptions

Salary increases of 5, 5 per cent for 2006/07, 4, 8 per cent in 2007/08 and 4, 5 per cent in 2008/09 effective 1 July of the year the budget are tabled. Actual cost and percentage increases from different service providers were taken into account in respect of goods and services.

5.2 Programme summary

Table 2.3: Summary of payments and estimates: Free State Provincial Treasury

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimates	Medium-term estimates		
	Audited	Audited	Audited				2006/07	2007/08	2008/09
	2002/03	2003/04	2004/05						
1. Administration	30,032	27,885	27,706	38,534	41,123	40,612	40,212	41,631	42,417
2. Sustainable Resource Management	6,936	7,315	10,056	13,305	14,384	13,112	11,636	12,328	12,932
3. Asset and Liability Management	24,785	31,499	43,194	51,267	50,526	49,896	52,711	56,048	63,035
4. Financial Governance	7,471	16,644	10,010	10,942	8,015	8,452	15,120	15,607	16,387
Thefts and Losses			1,742			6			
Development Projects		17,360	17,075						
Total payments and estimates	69,224	100,703	109,783	114,048	114,048	112,078	119,679	125,614	134,771

1. Programme 1 includes MEC remuneration payable as from 1 April 2005. Salary: R544 123, Car allowance: R136 030.

5.3 Summary of economic classification

Table 2.4: Summary of provincial payments and estimates by economic classification: Free State Provincial Treasury

Table 2.1. Summary of provincial payments and estimates by economic classification: 1999 State Provincial Treasury									
R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited						
	2002/03	2003/04	2004/05	2005/06			2006/07	2007/08	2008/09
Current payments	65,112	91,828	105,785	113,658	112,123	109,680	118,749	125,151	134,268
Compensation of employees	33,990	36,886	47,859	69,157	61,144	59,591	72,673	76,455	79,621
Goods and services	31,122	54,942	56,184	44,501	50,979	50,089	46,076	48,696	54,647
Interest and rent on land									
Financial transactions in assets and liabilities			1,742						
Unauthorized expenditure									
Transfers and subsidies	-	-	267	240	303	571	249	261	274
Provinces and municipalities			260	240	303	365	249	261	274
Departmental agencies and accounts									
Universities and technikons									
Non-profit institutions									
Households			7			206			
Payments for capital assets	4,112	8,875	3,731	150	1,622	1,827	681	202	229
Buildings and other fixed structures									
Machinery and equipment	4,112	8,875	3,324	150	1,582	1,815	681	202	229
Cultivated assets									
Software and other intangible assets			407		40	12			
Land and subsoil assets									
Total economic classification:	69,224	100,703	109,783	114,048	114,048	112,078	119,679	125,614	134,771

5.4 Transfers

5.4.1 Transfers to local government

Table 2.5: Summary of departmental transfers to local government by category

Table 2: Summary of departmental transfers to local government by category									
R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimates	Medium-term estimates		
	Audited	Audited	Audited						
	2002/03	2003/04	2004/05	2005/06			2006/07	2007/08	2008/09
Category A									
Category B									
Category C			260	240	303	365	249	261	274
Total departmental transfers to local government			260	240	303	365	249	261	274

6. Programme description

Programme 1: Administration

Programme objective

This programme will provide leadership, strategic management in accordance with legislation, regulations and policies as well as ensure that there is an appropriate support service to all other programmes.

Free State Provincial Treasury

Table 2.6: Summary of payments and estimates: Programme 1: Administration

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimates	Medium-term estimates		
	Audited	Audited	Audited				2006/07	2007/08	2008/09
	2002/03	2003/04	2004/05	2005/06					
1. Office of the MEC		640	3,278	3,049	4,759	4,975	3,117	3,218	3,381
2. Management Services	1,546	1,977	2,152	3,720	3,600	3,492	3,576	3,805	4,010
3. Corporate Services	11,168	12,036	8,186	11,547	13,320	13,204	14,584	15,291	14,760
4. Financial Management	17,318	13,114	12,441	14,851	14,851	14,348	15,451	16,089	16,894
5. Internal Audit		118	1,649	5,367	4,593	4,593	3,484	3,228	3,372
Total payments and estimates	30,032	27,885	27,706	38,534	41,123	40,612	40,212	41,631	42,417

Table 2.7: Summary of provincial payments and estimates by economic classification: Programme 1: Administration

Table 2.7: Summary of provincial payments and estimates by economic classification: Programme 1: Administration									
R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimates	Medium-term estimates		
	Audited	Audited	Audited						
	2002/03	2003/04	2004/05	2005/06			2006/07	2007/08	2008/09
Current payments	28,628	26,096	26,549	38,392	40,507	39,556	40,110	41,523	42,303
Compensation of employees	16,062	15,286	17,226	26,516	25,108	24,571	28,005	29,373	30,088
Goods and services	12,566	10,810	9,323	11,876	15,399	14,985	12,105	12,150	12,215
Unauthorized expenditure									
Transfers and subsidies to:			164	92	144	419	92	98	104
Provinces and municipalities			157	92	144	213	92	98	104
Departmental agencies and accounts									
Non-profit institutions									
Households			7			206			
Payments for capital assets	1,404	1,789	993	50	472	637	10	10	10
Buildings and other fixed structures									
Machinery and equipment	1,404	1,789	968	50	432	637	10	10	10
Software and other intangible assets			25		40				
Total economic classification	30,032	27,885	27,706	38,534	41,123	40,612	40,212	41,631	42,417

Description and objectives

Sub programme 1.1: Office of the MEC

Provide for the efficient operation of the Office of the MEC.

Sub programme 1.2: Management Services

Provide strategic leadership to the Department.

Sub programme 1.3: Corporate services

Provide an effective corporate support service to the Department.

Sub programme 1.4: Financial Management

Provide an effective financial management support service to the Department.

Sub programme 1.5: Internal Audit

Provide an effective internal audit service to the Department.

Free State Provincial Treasury

Service delivery measures

Output type	Performance measures	Performance target	
		2005/06 Est. Actual	2006/07 Estimate
Office of the MEC			
1. To provide effective administrative support to the MEC	<ul style="list-style-type: none"> In accordance with the Ministerial Handbook and departmental policies and prescripts 	100% compliance	100% compliance
Corporate Services			
1. Promotion of sound human resources practices	<ul style="list-style-type: none"> Developed employment equity plan to increase the number of designated employees. Appointment, promotion and transfers of employees according to legislation. Handling of grievances and disciplinary cases in line with applicable legislation. 	<p>1 plan reviewed and updated.</p> <p>Appointments and promotions approved within three months after request.</p> <p>Transfers approved within two months after request.</p> <p>Grievances: 30 working days.</p> <p>Misconduct hearing: 10 working days after notice has been served.</p>	<p>1 plan reviewed and updated.</p> <p>Appointments and promotions approved within three months after request.</p> <p>Transfers approved within two months after request.</p> <p>Grievances: 30 working days.</p> <p>Misconduct hearing: 10 working days after notice has been served.</p>
2. Develop and implement approved special programmes policies	<ul style="list-style-type: none"> Developed and implemented special programmes policies. 	1 employee assistance programme policy.	1 gender equality policy.
3. Render effective human resource training and development.	<ul style="list-style-type: none"> Developed and implemented HRD policy. Developed and implemented Workplace Skills Plan. Developed and implemented induction manual. Developed and implemented internship and learnership policies 	<p>1 HRD policy implemented.</p> <p>1 Workplace Skills Plan.</p> <p>1 induction manual</p> <p>1 internship policy developed</p> <p>1 learnership policy developed</p>	<p>Review policy</p> <p>1 Workplace Skills Plan.</p> <p>review induction Manual</p> <p>Policy implemented (10 Interns to be appointed).</p> <p>Appoint learners (5% of the establishment) dependent on PSETA funding and departmental logistics</p>

Free State Provincial Treasury

Output type	Performance measures	Performance target	
		2005/06 Est. Actual	2006/07 Estimate
4. Promotion of effective and efficient communication with internal & external clients.	<ul style="list-style-type: none"> Communication policy developed and implemented Number of newsletters published Number of media briefings conducted 	1 communication policy implemented 4 internal newsletters 2 external newsletters 2 media briefings	Review communication policy 4 internal newsletters. 2 external newsletters 2 media briefings
5. Render effective and efficient IT support services.	<ul style="list-style-type: none"> Number of IT Policies and Plans developed and implemented Respond to logged calls within 24 hours 	1 Disaster Recovery Plan 1 email policy Request attended within specific timeframe.	Review policies Request attended within specific timeframe.
6. Develop and maintain departmental websites and systems	<ul style="list-style-type: none"> Number of websites and systems developed 	1 Internet website	1 automated PDMS system.
7. Render effective organizational efficiency services.	<ul style="list-style-type: none"> Developed organizational structure. Implemented Performance Management System 	1 organizational structure 100 % implemented	1 organizational structure 100 % implemented
8. Render effective security services.	<ul style="list-style-type: none"> Informed employees on security awareness. 	All employees.	All employees.
Financial Management			
1. Effective and efficient Supply Chain Management Service.	<ul style="list-style-type: none"> Comply and implement legislation, policies and procedures 	100 % compliance	100 % compliance
2. Facilitate Strategic Planning and Annual Performance Plan process.	<ul style="list-style-type: none"> Published and tabled strategic plan 	March 2006	March 2007
3. Accurate annual report	<ul style="list-style-type: none"> Timeous submission of the annual report 	31 August 2005	31 August 2006
4. To comply with financial management key performance indicators for departments.	<ul style="list-style-type: none"> Percentage adherence to predetermined KPIs. 	80%	85%
Internal Audit			
1. To provide effective and professional internal audit services	<ul style="list-style-type: none"> Execution of the three (3)-year strategic plan and Risk based Internal Audit Operational Plan Provide advisory and consulting services through reports to Audit Committee, AG & Stake Holder 	80 % 80 %	100 % 100 %

Free State Provincial Treasury

Output type	Performance measures	Performance target	
		2005/06 Est. Actual	2006/07 Estimate
2. Facilitation of risk management process	• Risk assessment report	60 %	80 %
3. Assist with compilation and implementation of Integrity Promotion Strategy (including Fraud Prevention Plan)	• Implementation of a fraud hotline	80 %	100 %
	• Implementation of detection reviews (including completion of ad hoc or investigative assignments)	80 %	100 %

Programme 2: Sustainable Resource Management

Programme objective

Provide professional advice and support to the MEC on provincial economic analysis, fiscal policy, public finance development and management of the annual budget process.

Table 2.8: Summary of payments and estimates: Programme 2: Sustainable Resource Management

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimates	Medium-term estimates		
	Audited	Audited	Audited				2006/07	2007/08	2008/09
	2002/03	2003/04	2004/05	2005/06					
1. Programme Support	48	788	1,101	1,170	1,170	1,127	1,174	1,233	1,295
2. Economic Analysis					440	383	755	820	850
3. Fiscal Policy	2,622	2,476	3,446	4,401	3,794	3,442	3,929	4,163	4,439
4. Budget Management	4,266	4,051	5,509	3,525	3,860	3,836	3,914	4,118	4,347
5. Public Finance				4,209	5,120	4,324	1,864	1,994	2,001
Total payments and estimates	6,936	7,315	10,056	13,305	14,384	13,112	11,636	12,328	12,932

Table 2.9: Summary of provincial payments and estimates by economic classification: Programme 2: Sustainable Resource Management

Table 2.3: Summary of provincial payments and estimates by economic classification: 1 Programme 2: Sustainable Resource Management									
R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimates	Medium-term estimates		
	Audited	Audited	Audited						
	2002/03	2003/04	2004/05	2005/06			2006/07	2007/08	2008/09
Current payments	6,541	6,954	9,478	13,232	14,076	12,784	11,610	12,301	12,904
Compensation of employees	5,873	5,839	7,577	9,444	9,936	8,944	9,069	9,648	10,140
Goods and services	668	1,115	1,901	3,788	4,140	3,840	2,541	2,653	2,764
Unauthorized expenditure									
Transfers and subsidies to:			26	33	35	34	26	27	28
Provinces and municipalities			26	33	35	34	26	27	28
Non-profit institutions									
Households									
Payments for capital assets	395	361	552	40	273	294			
Buildings and other fixed structures									
Machinery and equipment	395	361	551	40	273	294			
Software and other intangible assets			1						
Total economic classification	6,936	7,315	10,056	13,305	14,384	13,112	11,636	12,328	12,932

Description and objectives

Sub programme 2.1: Programme support

Provide for the cost related to the efficient running of the programme.

Sub programme 2.2: Economic analysis

Provide for provincial economic and social research and analysis that informs fiscal policy development and the annual budget process thereby contributing to the provincial growth and development strategy.

Sub programme 2.3: Fiscal policy

Provide fiscal policy advice, determine the Medium Term Fiscal framework, develop and optimise the provincial revenue base and develop the provincial borrowing framework.

Sub programme 2.4: Budget management

Prepare the provincial budget in line with the provincial growth and development strategy.

Sub programme 2.5: Public finance

Provide departmental policy advice and ensure budget implementation.

Service delivery measures

Output type	Performance measures	Performance target	
		2005/06 Actual	Est. 2006/07 Estimate
Economic analysis			
1. To assess and analyze key economic variables for the Free State province.	<ul style="list-style-type: none"> Socio - economic review/outlook publication Social Accounting Matrix table and analysis report 	<p>Not applicable</p> <p>Not applicable</p>	<p>One report/ publication annually</p> <p>Updated SAM table and 1 analysis report</p>
	<ul style="list-style-type: none"> Provincial labour market review per sector Functional provincial socio-economic database 	<p>Not applicable</p> <p>Not applicable</p>	<p>Bi-annual publications</p> <p>Developed database</p>
	<ul style="list-style-type: none"> Socio-economic outlook input in Budget Statement One 	Inputs for Budget Statement One	Inputs for Budget Statement One
2. Assess the impact of various fiscal policy objectives on selected economic variables	<ul style="list-style-type: none"> Provincial economic review publication 	Not applicable	Provincial economic review publication (2006)
Fiscal policy			
1. Developed borrowing framework	<ul style="list-style-type: none"> Appropriate framework developed and adjusted annually 	N/A	1 st draft
	<ul style="list-style-type: none"> Develop a revenue base per department 	9 departments	Annually reviewed
2. Provincial own revenue sources optimized and expanded	<ul style="list-style-type: none"> Develop framework of research into new revenue resources 	Not applicable	Not applicable

Free State Provincial Treasury

Output type	Performance measures	Performance target	
		2005/06 Actual	Est. 2006/07 Estimate
3. Compliance with norms and standards of own revenue	Options for provincial taxation investigated	Not applicable	Research report
	Involvement in capacity building	Quarterly meetings	1 workshop & quarterly meetings
	Number of annual inspections executed	60	60
	Reports issued on findings	4 reports per department per year	4 reports per department per year
4. Effective management of revenue collection	Reviewed revenue policies in line with fiscal framework	Annually	Annually
	Decrease in outstanding revenue	CPIX target	CPIX target
Budget management			
1. Prepare developmental budgets	Tabled appropriation and provincial budget in line with national and provincial priorities	Tabled one week after National Budget	Table not later than two weeks after the National Budget
	Accurate and credible budget statement	Accurate Budget Statement be tabled with the Bill	Accurate Budget Statement be tabled with the Bill
	Analysis report on the alignment of strategic plan	N/A	Analysis report 30 days after submission of strategic plan
2. Prepare credible adjustment budget	Tabled adjustment budget and adjustment appropriation bill in line with national and provincial priorities	a) Tabled three weeks after national adjustment budget	a) Table adjustment budget 30 days after national adjustment budget
	Accurate and credible adjustment budget book	b) Tabled adjustment budget book with the bill	b) Table adjustment budget book with the bill
Public finance			
1. Monitoring of expenditure trends against budget figures	Monthly analyzed report per department	N/A	12 reports per department
	Quarterly review on expenditure trends	N/A	4 publications
	Analyzed and consolidation of credible and reliable reports on Conditional Grants and IYM	N/A	22 nd of each month
	Quarterly reporting on Infrastructure spending	4 reports	4 reports
	Quarterly analyzed report on public entities	N/A	4 reports

Free State Provincial Treasury

Output type	Performance measures	Performance target		
		2005/06 Actual	Est.	2006/07 Estimate
2. Maintain the provincial budget database (financial and non-financial information)	<ul style="list-style-type: none"> Monthly updated provincial database 	N/A		End of each month
3. Facilitate the publication of section 32 information	<ul style="list-style-type: none"> Quarterly published information in line with national directives 	4 publications		4 publications

Programme 3: Asset and Liability Management

Programme description

This programme will provide policy direction, facilitating the effective and efficient management of physical and financial assets, PPPs and liabilities.

Table 2.10: Summary of payments and estimates: Programme 3: Asset and Liability Management

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimates	Medium-term estimates		
	Audited	Audited	Audited				2006/07	2007/08	2008/09
	2002/03	2003/04	2004/05						
1. Programme Support		872	841	1,186	1,176	1,109	968	1,018	1,067
2. Asset Management	2,979	3,435	5,555	10,894	11,670	10,958	10,555	10,956	11,625
3. Liability Management									
4. Supporting and Interlinked Financial Systems	21,806	27,192	36,798	39,187	37,680	37,829	41,188	44,074	50,343
Total payments and estimates	24,785	31,499	43,194	51,267	50,526	49,896	52,711	56,048	63,035

Table 2.11: Summary of provincial payments and estimates by economic classification: Programme 3: Asset and Liability Management

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2006/07	2007/08	2008/09
	2002/03	2003/04	2004/05						
Current payments	22,815	28,448	41,289	51,154	49,599	48,971	52,143	55,836	62,797
Compensation of employees	5,424	6,736	15,332	23,661	19,338	18,856	23,451	24,661	25,971
Goods and services	17,391	21,712	25,957	27,493	30,261	30,115	28,692	31,175	36,826
Unauthorized expenditure									
Transfers and subsidies	-	-	52	83	92	88	83	85	89
Provinces and municipalities			52	83	92	88	83	85	89
Non-profit institutions									
Households									
Payments for capital assets	1,970	3,051	1,853	30	835	837	485	127	149
Buildings and other fixed structures									
Machinery and equipment	1,970	3,051	1,472	30	835	825	485	127	149
Software and other intangible assets			381			12			
Total economic classification:	24,785	31,499	43,194	51,267	50,526	49,896	52,711	56,048	63,035

Description and objectives**Sub programme 3.1: Programme support**

Provide for the cost related to the efficient running of the programme.

Sub programme 3.2: Asset management

Facilitate the effective, efficient, economical and transparent management of physical and financial assets and the implementation of the PPP and SCM frameworks.

Sub programme 3.3: Liability management

Facilitate the effective and efficient management of liabilities.

Sub programme 3.4: Supporting and interlinked financial systems

Manage the implementation and maintenance of financial systems.

Services delivery measures

Output type	Performance measures	Performance target	
		2005/06 Est. Actual	2006/07 Estimate
Asset management			
1. Promote and facilitate capacity building of officials responsible for asset management in provincial departments.	Asset and SCM forum meetings, workshops and training sessions.	1 annual report	1 annual report
2. Promote effective and efficient utilization of movable and immovable assets in the province.	Evaluation reports.	1 quarterly report	12 reports per month
3. Promote and monitor the implementation of the asset management reform project.	Progress and monitoring reports to Provincial Steering Committee	New project	1 report per month
4. Promote and monitor the implementation of the SCM framework.	Monitoring and evaluation reports	1 quarterly report	4 quarterly reports
5. Develop and implement the provincial supplier management system.	Functional supplier management system.	Appoint service provider which will develop software programme Appoint personnel that will handle daily administration of the system Roll out and provide training of the system	1 system developed and thereafter continuously maintained

Free State Provincial Treasury

Output type	Performance measures	Performance target	
		2005/06 Est. Actual	2006/07 Estimate
6. Promote effective cash flow management within provincial departments.	% variance (favourable or unfavourable) between funds requested and actual funds withdrawn/used.	On average above 10%	Within 10 %
7. Maximize return on surplus funds.	Collection of budgeted interest income.	As set in the budget book	As set in the budget book
8. Maintain accurate financial accounting records for the Provincial Revenue Fund	Compiled PRF annual financial statements and monthly cash flow reports.	Annually Monthly	12 reports together with AFS
9. Assist in capacity building of officials responsible for infrastructure delivery in the province.	Training sessions	3 sessions	4 sessions
10. Ensure implementation and management of infrastructure development improvement toolkit in all departments.	Monthly reports	3 reports	12 reports
11. Develop capacity to deal with public private partnership projects.	Public private partnership delegations	N/A	1 st set of PPP delegations
	Number of PPP reports	3 reports	4 reports
12. Consolidate Provincial Infrastructure Plan in line with DORA, FSDP and Provincial strategies	Infrastructure Plan	1 report	1 report
13. Effective implementation of Infrastructure Plan and monitoring	Monthly reports	3 reports	12 reports
Supporting and interlinked financial systems			
1. Manage and maintain the transversal systems.	Availability and stability of the transversal systems	Systems were available 97% of working hours	95% of working hours
	Provide technical and functional support to provincial departments	Respond to calls within 8 working hours and solve problems within 24 working hours	Respond to calls within 8 working hours
	Ensure a maintained supplier register and item master for provincial departments	Suppliers registered and items codified according to norms and standards	Suppliers registered and items codified according to norms and standards

Free State Provincial Treasury

Output type	Performance measures	Performance target	
		2005/06 Est. Actual	2006/07 Estimate
2. Building capacity in respect of transversal systems.	Number of officials trained	BAS 450 PERSAL 300 LOGIS 500	BAS 300 PERSAL 300 LOGIS 500

Programme 4: Financial Governance

Programme description

This programme will promote accountability through the substantive reflection of financial activities of the province as well as compliance with financial norms and standards.

Table 2.12: Summary of payments and estimates: Programme 4: Financial Governance

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimates	Medium-term estimates		
	Audited	Audited	Audited				2006/07	2007/08	2008/09
	2002/03	2003/04	2004/05						
1. Programme Support	370	1,116	1,128	1,724	1,334	1,302	1,443	1,501	1,576
2. Accounting Services	7,101	12,769	3,851	5,246	4,846	4,731	5,455	5,674	5,958
3. Norms and Standards PFMA		1,225	2,109	3,972	1,835	2,419	2,982	3,152	3,262
4. Norms and Standards MFMA		1,534	2,922				5,240	5,280	5,591
5. Risk Management and Internal Audit									
Total payments and estimates	7,471	16,644	10,010	10,942	8,015	8,452	15,120	15,607	16,387

Table 2.13: Summary of provincial payments and estimates by economic classification: Programme 4: Financial Governance

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimates	Medium-term estimates		
	Audited	Audited	Audited				2006/07	2007/08	2008/09
	2002/03	2003/04	2004/05						
Current payments	7,128	12,970	9,652	10,880	7,941	8,363	14,886	15,491	16,264
Compensation of employees	6,631	9,025	7,724	9,536	6,762	7,220	12,148	12,773	13,422
Goods and services	497	3,945	1,928	1,344	1,179	1,143	2,738	2,718	2,842
Unauthorized expenditure									
Transfers and subsidies to:			25	32	32	30	48	51	53
Provinces and municipalities			25	32	32	30	48	51	53
Non-profit institutions									
Households									
Payments for capital assets	343	3,674	333	30	42	59	186	65	70
Buildings and other fixed structures									
Machinery and equipment	343	3,674	333	30	42	59	186	65	70
Land and subsoil assets									
Total economic classification	7,471	16,644	10,010	10,942	8,015	8,452	15,120	15,607	16,387

Description and objectives**Sub programme 4.1: Programme support**

Provide for the cost related to efficient running of the programme.

Sub programme 4.2: Accounting services

Ensure the effective implementation of accounting practices in line with Generally Recognized Accounting Practice; prepare consolidated financial statements that reflect the financial position of the province.

Sub programme 4.3: Norms and standards PFMA

Ensure the development and implementation of norms and standards in the provincial departments and public entities.

Sub programme 4.4: Norms and standards MFMA

Promote, support, monitor and report on the implementation of the MFMA at delegated municipalities and municipal entities in the Province and ensure that quality reports translate into service delivery performance.

Sub programme 4.5: Risk management and internal audit

Promote effective optimal financial resource utilization and internal audit.

Services delivery measures

Output type	Performance measures	Performance target	
		2005/06 Est. Actual	2006/07 Estimate
Accounting services			
1. Accounting policy, guidelines and practices implemented in line with the National Framework	Reports in line with formats and guidelines of GRAP Completed set of accounting policies implemented according to set timeframes	As per GRAP standards As per approved accounting policy within set timeframe	As per GRAP standards As per approved accounting policy within set timeframe
2. Promote accurate compilation of the annual financial statements	Percentage correctness according to guide Evaluated audit reports	100% Analyse reports of Auditor General and take corrective steps	100% Analyse reports of Auditor General and take corrective steps
3. To facilitate the timely submission of the annual financial statements to A/G and National Treasury	Compliance with all statutory due dates. Unaudited AFS Audited AFS Submit annual report Table annual report	100% compliance All annual financial statements submitted All audited AFS submitted Annual reports submitted All annual reports tabled after 30 Sept	100% compliance 31 May 31 July 31 August 30 Sept
4. To prepare and submit annual consolidated financial statements	Percentage compliance with approved national guidelines and timeframes	100% compliance 30 June Annual report February 2006	100% compliance 30 June Annual report 31 October.

Free State Provincial Treasury

Output type	Performance measures	Performance target	
		2005/06 Est. Actual	2006/07 Estimate
5. Capacity building	Number of officials trained	100	300
6. To monitor the financial management of departments	Percentage adherence to predetermined KPIs	78%	81%
Norms and standards PFMA			
1. To promote compliance with PFMA in the Province	Issue guidelines, norms and standards in the province	Guidelines & delegations must be	Guidelines & delegations must be
	Delegations updated annually	100% in line with the prescripts	100% in line with the prescripts
	Compliance reports to the Executive Council	April	April
	Number of officials trained with regard to PFMA	4 quarterly reports	4 quarterly reports
2. Promote effective implementation of PROPAC resolution and render assistance to PROPAC	Bimonthly status report.	220	250
	Evaluation report.	Six status reports.	Six status reports.
		Eight working days before PROPAC sitting	Eight working days before PROPAC sitting
Norms and standards MFMA			
1. Monitor budget preparation process for the local government sphere	Compliance with set due dates	Budget timelines	Budget timelines
2. Promote credible municipal budget	Evaluation reports	21	21
3. Monitor, consolidate and analyse IYM of municipalities	Analyse reports according to prescribed timeframes	22 nd of each month from Sept 2005	22 nd of each month
4. Promote, monitor and evaluate effective implementation of municipal PROPAC resolution	Evaluation report	Eight working days before PROPAC sitting	Eight working days before PROPAC sitting
5. Facilitate publication of section 71 financial reports	Analyse, consolidate reports according to prescribed timeframes	30 October	30 April
		30 January	30 July
			30 Oct
			30 Jan
6. Monitor compliance of MFMA by municipalities	Submission of quarterly returns	20 days after each quarter	20 days after each quarter
7. Coordinate training and build capacity at municipalities	Number of officials trained	120	300

Development projects*

This programme was previously used for identification of investment in new infrastructure and maintenance and rehabilitation of existing social and economic infrastructure as a priority and discontinued with effect from April 2005.

Table 2.14: Summary of payments and estimates: Development Projects

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited						
	2002/03	2003/04	2004/05						
R thousand	2002/03	2003/04	2004/05	2005/06			2006/07	2007/08	2008/09
Development Projects		17,360	17,075						
Total payments and estimates		17,360	17,075						

Table 2.15: Summary of payments and estimates by economic classification: Development Projects

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2006/07	2007/08	2008/09
	2002/03	2003/04	2004/05						
R thousand	2002/03	2003/04	2004/05	2005/06					
Current payments		17,360	17,075						
Compensation of employees									
Goods and services		17,360	17,075						
Unauthorized expenditure									
Transfers and subsidies to:									
Provinces and municipalities									
Departmental agencies and accounts									
Households									
Payments for capital assets									
Buildings and other fixed structures									
Machinery and equipment									
Software and other intangible assets									
Total economic classification		17,360	17,075						

Thefts and losses

Reporting of thefts and losses written off.

Table 2.16: Summary of payments and estimates: Thefts and Losses

Table 2: Summary of payments and estimates: 2002 and 2003									
	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited						
R thousand	2002/03	2003/04	2004/05	2005/06			2006/07	2007/08	2008/09
Thefts and Losses			1,742			6			
Total payments and estimates			1,742			6			

Free State Provincial Treasury

Table 2.17: Summary of payments and estimates by economic classification: Thefts and Losses

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited						
	2002/03	2003/04	2004/05	2005/06			2006/07	2007/08	2008/09
Current payments			1,742			6			
Goods and Services						6			
Financial transactions in assests & liabilities			1,742						
Unauthorized expenditure									
Transfers and subsidies to:									
Provinces and municipalities									
Departmental agencies and accounts									
Households									
Payments for capital assets									
Buildings and other fixed structures									
Machinery and equipment									
Software and other intangible assets									
Total economic classification			1,742			6			

7. Other programme information

7.1 Personnel numbers and costs

Table 2.18: Personnel numbers and costs¹: Free State Provincial Treasury

Personnel numbers	As at 31 March 2003	As at 31 March 2004	As at 31 March 2005	As at 31 March 2006	As at 31 March 2007	As at 31 March 2008
1. Administration	85	94	107	112	118	123
2. Sustainable Resource Management	21	23	34	25	26	27
3. Asset and Liability Management	81	90	98	89	93	98
4. Financial Governance	27	30	29	45	47	50
Total personnel numbers	214	237	268	271	284	298
Total personnel cost (R thousand)	33,990	36,886	47,859	59,591	72,673	76,455
Unit cost (R thousand)	159	156	179	220	256	257

1. Full-time equivalent

Free State Provincial Treasury

Table 2.19: Summary of departmental personnel numbers and costs

	Outcome			Main appropriation	Adjusted appropriation	Revised estimates	Medium-term estimates		
	Audited	Audited	Audited				2006/07	2007/08	2008/09
	2002/03	2003/04	2004/05	2005/06					
Total for department									
Personnel numbers (head count)	214	237	268	268	271	271	284	298	314
Personnel cost (R'000)	33,990	36,886	47,859	69,157	61,144	59,591	72,673	76,455	79,621
Human resources component									
Personnel numbers (head count)	50	38	40	40	45	45	47	49	52
Personnel cost (R'000)	6,656	6,937	6,196	7,377	9,266	7,260	9,020	9,390	9,171
Head count as % of total for department	23.36%	16.03%	14.93%	14.93%	16.61%	16.61%	16.55%	16.44%	16.56%
Personnel cost as % of total for department	19.58%	18.81%	12.95%	10.67%	15.15%	12.18%	12.41%	12.28%	11.52%
Finance component									
Personnel numbers (head count)	52	52	52	52	49	49	51	54	57
Personnel cost (R'000)	8,323	6,529	7,941	9,124	8,736	8,724	10,374	10,903	11,459
Head count as % of total for department									
Personnel cost as % of total for department									
Full time workers									
Personnel numbers (head count)	214	237	268	268	271	271	284	298	314
Personnel cost (R'000)	33,990	36,886	47,859	69,157	61,144	59,591	72,673	76,455	79,621
Head count as % of total for department	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Personnel cost as % of total for department	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Part-time workers									
Personnel numbers (head count)									
Personnel cost (R'000)									
Head count as % of total for department									
Personnel cost as % of total for department									
Contract workers									
Personnel numbers (head count)									
Personnel cost (R'000)									
Head count as % of total for department									
Personnel cost as % of total for department									

Free State Provincial Treasury

7.2 Training

Table 2.20(a): Payments on training: Free State Provincial Treasury

	Outcome			Main appropriation	Adjusted appropriation	Revised estimates	Medium-term estimates		
	Audited	Audited	Audited						
	R thousand	2002/03	2003/04				2004/05	2005/06	2006/07
1: Administration		309	326			473	868	911	956
of which									
Subsistence and travel		97	60						
Payments on tuition		212	266			473	868	911	956
2: Sustainable Resource Management		5	195						
of which									
Subsistence and travel		5	44						
Payments on tuition			151						
3: Asset and Liability Management		114	236						
of which									
Subsistence and travel		23	20						
Payments on tuition		91	216						
4: Financial Governance			226						
of which									
Subsistence and travel			102						
Payments on tuition			124						
Total payments on training		428	983			473	868	911	956

Table 2.20(b): Information on training: Free State Provincial Treasury

	Outcome			Main appropriation	Adjusted appropriation	Revised estimates	Medium-term estimates			
	Audited	Audited	Audited							
	R thousand	2002/03	2003/04				2004/05	2005/06		
Number of staff										
Number of personnel trained										
of which										
Male			69			45		70		
Female			68			27		90		
Number of training opportunities										
of which										
Tertiary			2					2		
Workshops			36			19				
Seminars			3			4				
Other										
Number of bursaries offered										
Number of interns appointed						10		15		
Number of learnerships appointed						5		10		
Number of days spent on training						5				

Free State Provincial Treasury

ANNEXURE TO BUDGET STATEMENT 2

Table B.1: Specifications of receipts

Table B.1: Specification of receipts: Free State Provincial Treasury

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited 2002/03	Audited 2003/04	Audited '2004/05				2006/07	2007/08	2008/09
Tax receipts									
Casino taxes									
Horse racing taxes									
Liquor licences									
Motor vehicle licences									
Sales of goods and services other than capital assets	-	-	66	-	-	4	58	60	62
Sale of goods and services produced by department (excluding capital assets)	-	-	66	-	-	4	58	60	62
Sales by market establishments									
Administrative fees			66			4	58	60	62
Other sales									
Of which									
Specify									
Sales of scrap, waste, arms and other used current goods (excluding capital assets)									
Transfers received from:	-	75	-	-	-	-	-	-	-
Other governmental units									
Universities and technikons									
Foreign governments									
International organisations									
Public corporations and private enterprises									
Households and non-profit institutions		75							
Fines, penalties and forfeits	103	73				2	108	111	114
Interest, dividends and rent on land	125,869	59,206	71,192	68,484	38,007	52,595	29,228	31,578	34,019
Interest	125,869	59,206	71,192	68,484	38,007	52,595	29,228	31,578	34,019
Dividends									
Rent on land									
Sales of capital assets	-	1	1	-	-	-	9	10	10
Land and subsoil assets									
Other capital assets		1	1				9	10	10
Financial transactions in assets and liabilities	94	1,785				6	76	78	80
Total departmental receipts	126,066	61,140	71,259	68,484	38,007	52,607	29,479	31,837	34,285

Free State Provincial Treasury

Table B.2: Payments and estimates by economic classification

Table B.2: Payments and estimates by economic classification: Free State Provincial Treasury

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimates	Medium-term estimates		
	Audited	Audited	Audited				2006/07	2007/08	2008/09
	2002/03	2003/04	2004/05						
Current payments	65,112	91,828	105,785	113,658	112,123	109,680	118,749	125,151	134,268
Compensation of employees	33,990	36,886	47,859	69,157	61,144	59,591	72,673	76,455	79,621
Salaries and wages	20,397	22,132	41,329	56,530	49,896	48,543	62,451	65,778	68,416
Social contributions	13,593	14,754	6,530	12,627	11,248	11,048	10,222	10,677	11,205
Goods and services	31,122	54,942	56,184	44,501	50,979	50,089	46,076	48,696	54,647
of which									
audit fees			2,038	2,300	2,300	2,300	2,372	2,538	2,715
SITA data lines			1,048	1,990	1,990	1,990	2,200	2,500	2,750
SITA main frame time			19,591	21,400	21,400	21,400	22,800	25,100	26,920
Interest and rent on land									
Interest									
Rent on land									
Financial transactions in assets and liabilities			1,742						
Unauthorized expenditure									
Transfers and subsidies to¹:			267	240	303	571	249	261	274
Provinces and municipalities			260	240	303	365	249	261	274
Provinces ²									
Provincial Revenue Funds									
Municipalities ³			260	240	303	365	249	261	274
of which: Regional service council levies			260	240	303	365	249	261	274
Municipal agencies and funds									
Departmental agencies and accounts									
Provincial agencies and funds									
Social security funds									
Provide list of entities receiving transfers ⁴									
Universities and technikons									
Public corporations and private enterprises ⁵									
Public corporations									
Subsidies on production									
Other transfers									
Private enterprises									
Subsidies on production									
Other transfers									
Foreign governments and international organizations									
Non-profit institutions									
Households			7			206			
Social benefits									
Other transfers to households			7			206			
Payments for capital assets	4,112	8,875	3,731	150	1,622	1,827	681	202	229
Buildings and other fixed structures									
Buildings									
Other fixed structures									
Machinery and equipment	4,112	8,875	3,324	150	1,582	1,815	681	202	229
Transport equipment									
Other machinery and equipment	4,112	8,875	3,324	150	1,582	1,815	681	202	229
Cultivated assets									
Software and other intangible assets			407		40	12			
Land and subsoil assets									
Total economic classification	69,224	100,703	109,783	114,048	114,048	112,078	119,679	125,614	134,771

Free State Provincial Treasury

Table B.2: Payments and estimates by economic classification: Programme 1: Administration

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimates	Medium-term estimates		
	Audited	Audited	Audited				2006/07	2007/08	2008/09
	2002/03	2003/04	2004/05						
Current payments	28,628	26,096	26,549	38,392	40,507	39,556	40,110	41,523	42,303
Compensation of employees	16,062	15,286	17,226	26,516	25,108	24,571	28,005	29,373	30,088
Salaries and wages	9,638	9,171	14,978	21,744	20,726	20,189	23,757	24,960	25,477
Social contributions	6,424	6,115	2,248	4,772	4,382	4,382	4,248	4,413	4,611
Goods and services	12,566	10,810	9,323	11,876	15,399	14,985	12,105	12,150	12,215
of which									
audit fees			2,038	2,300	2,300	2,300	2,372	2,538	2,715
SITA data lines									
SITA main frame time									
Interest and rent on land									
Interest									
Rent on land									
Financial transactions in assets and liabilities									
Unauthorized expenditure									
Transfers and subsidies to¹:			164	92	144	419	92	98	104
Provinces and municipalities			157	92	144	213	92	98	104
Provinces ²									
Provincial Revenue Funds									
Municipalities ³									
Municipalities			157	92	144	213	92	98	104
of which: Regional service council levies			157	92	144	213	92	98	104
Municipal agencies and funds									
Departmental agencies and accounts									
Provincial agencies and funds									
Social security funds									
Provide list of entities receiving transfers ⁴									
Universities and technikons									
Public corporations and private enterprises ⁵									
Public corporations									
Subsidies on production									
Other transfers									
Private enterprises									
Subsidies on production									
Other transfers									
Foreign governments and international organizations									
Non-profit institutions									
Households			7			206			
Social benefits									
Other transfers to households			7			206			
Payments for capital assets	1,404	1,789	993	50	472	637	10	10	10
Buildings and other fixed structures									
Buildings									
Other fixed structures									
Machinery and equipment	1,404	1,789	968	50	432	637	10	10	10
Transport equipment									
Other machinery and equipment	1,404	1,789	968	50	432	637	10	10	10
Cultivated assets									
Software and other intangible assets			25		40				
Land and subsoil assets									
Total economic classification	30,032	27,885	27,706	38,534	41,123	40,612	40,212	41,631	42,417

Free State Provincial Treasury

Table B.2: Payments and estimates by economic classification: Programme 2: Sustainable Resource Management

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimates	Medium-term estimates		
	Audited	Audited	Audited				2006/07	2007/08	2008/09
	2002/03	2003/04	2004/05						
Current payments	6,541	6,954	9,478	13,232	14,076	12,784	11,610	12,301	12,904
Compensation of employees	5,873	5,839	7,577	9,444	9,936	8,944	9,069	9,648	10,140
Salaries and wages	3,525	3,504	6,466	7,744	8,185	7,193	8,060	8,595	9,016
Social contributions	2,348	2,335	1,111	1,700	1,751	1,751	1,009	1,053	1,124
Goods and services	668	1,115	1,901	3,788	4,140	3,840	2,541	2,653	2,764
of which									
audit fees									
SITA data lines									
SITA main frame time									
Interest and rent on land									
Interest									
Rent on land									
Financial transactions in assets and liabilities									
Unauthorized expenditure									
Transfers and subsidies to¹:			26	33	35	34	26	27	28
Provinces and municipalities			26	33	35	34	26	27	28
Provinces ²									
Provincial Revenue Funds									
Municipalities ³									
Municipalities			26	33	35	34	26	27	28
of which: Regional service council levies			26	33	35	34	26	27	28
Municipal agencies and funds									
Departmental agencies and accounts									
Provincial agencies and funds									
Social security funds									
Provide list of entities receiving transfers ⁴									
Universities and technikons									
Public corporations and private enterprises ⁵									
Public corporations									
Subsidies on production									
Other transfers									
Private enterprises									
Subsidies on production									
Other transfers									
Foreign governments and international organizations									
Non-profit institutions									
Households									
Social benefits									
Other transfers to households									
Payments for capital assets	395	361	552	40	273	294			
Buildings and other fixed structures									
Buildings									
Other fixed structures									
Machinery and equipment	395	361	551	40	273	294			
Transport equipment									
Other machinery and equipment	395	361	551	40	273	294			
Cultivated assets									
Software and other intangible assets			1						
Land and subsoil assets									
Total economic classification	6,936	7,315	10,056	13,305	14,384	13,112	11,636	12,328	12,932

Free State Provincial Treasury

Table B.2: Payments and estimates by economic classification: Programme 3: Asset and Liability Management

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimates	Medium-term estimates		
	Audited	Audited	Audited				2006/07	2007/08	2008/09
	2002/03	2003/04	2004/05						
				2005/06					
Current payments	22,815	28,448	41,289	51,154	49,599	48,971	52,143	55,836	62,797
Compensation of employees	5,424	6,736	15,332	23,661	19,338	18,856	23,451	24,661	25,971
Salaries and wages	3,255	4,042	13,017	19,222	15,379	15,097	19,987	21,026	22,155
Social contributions	2,169	2,694	2,315	4,439	3,959	3,759	3,464	3,635	3,816
Goods and services	17,391	21,712	25,957	27,493	30,261	30,115	28,692	31,175	36,826
of which									
audit fees									
SITA data lines			1,048	1,970	1,970	1,970	2,200	2,500	2,750
SITA main frame time			19,591	21,400	21,400	21,400	22,800	25,100	26,920
Interest and rent on land									
Interest									
Rent on land									
Financial transactions in assets and liabilities									
Unauthorized expenditure									
Transfers and subsidies to¹:			52	83	92	88	83	85	89
Provinces and municipalities			52	83	92	88	83	85	89
Provinces ²									
Provincial Revenue Funds									
Municipalities ³									
Municipalities			52	83	92	88	83	85	89
of which: Regional service council levies			52	83	92	88	83	85	89
Municipal agencies and funds									
Departmental agencies and accounts									
Provincial agencies and funds									
Social security funds									
Provide list of entities receiving transfers ⁴									
Universities and technikons									
Public corporations and private enterprises ⁵									
Public corporations									
Subsidies on production									
Other transfers									
Private enterprises									
Subsidies on production									
Other transfers									
Foreign governments and international organizations									
Non-profit institutions									
Households									
Social benefits									
Other transfers to households									
Payments for capital assets	1,970	3,051	1,853	30	835	837	485	127	149
Buildings and other fixed structures									
Buildings									
Other fixed structures									
Machinery and equipment	1,970	3,051	1,472	30	835	825	485	127	149
Transport equipment									
Other machinery and equipment	1,970	3,051	1,472	30	835	825	485	127	149
Cultivated assets									
Software and other intangible assets			381			12			
Land and subsoil assets									
Total economic classification	24,785	31,499	43,194	51,267	50,526	49,896	52,711	56,048	63,035

Free State Provincial Treasury

Table B.2: Payments and estimates by economic classification: Programme 4: Financial Governance

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimates	Medium-term estimates		
	Audited	Audited	Audited				2006/07	2007/08	2008/09
	2002/03	2003/04	2004/05						
Current payments	7,128	12,970	9,652	10,880	7,941	8,363	14,886	15,491	16,264
Compensation of employees	6,631	9,025	7,724	9,536	6,762	7,220	12,148	12,773	13,422
Salaries and wages	3,979	5,415	6,868	7,820	5,606	6,064	10,647	11,197	11,768
Social contributions	2,652	3,610	856	1,716	1,156	1,156	1,501	1,576	1,654
Goods and services	497	3,945	1,928	1,344	1,179	1,143	2,738	2,718	2,842
of which									
audit fees									
SITA data lines									
SITA main frame time									
Interest and rent on land									
Interest									
Rent on land									
Financial transactions in assets and liabilities									
Unauthorized expenditure									
Transfers and subsidies to¹:			25	32	32	30	48	51	53
Provinces and municipalities			25	32	32	30	48	51	53
Provinces ²									
Provincial Revenue Funds									
Municipalities ³									
Municipalities			25	32	32	30	48	51	53
of which: Regional service council levies			25	32	32	30	48	51	53
Municipal agencies and funds									
Departmental agencies and accounts									
Provincial agencies and funds									
Social security funds									
Provide list of entities receiving transfers ⁴									
Universities and technikons									
Public corporations and private enterprises ⁵									
Public corporations									
Subsidies on production									
Other transfers									
Private enterprises									
Subsidies on production									
Other transfers									
Foreign governments and international organizations									
Non-profit institutions									
Households									
Social benefits									
Other transfers to households									
Payments for capital assets	343	3,674	333	30	42	59	186	65	70
Buildings and other fixed structures									
Buildings									
Other fixed structures									
Machinery and equipment	343	3,674	333	30	42	59	186	65	70
Transport equipment									
Other machinery and equipment	343	3,674	333	30	42	59	186	65	70
Cultivated assets									
Software and other intangible assets									
Land and subsoil assets									
Total economic classification	7,471	16,644	10,010	10,942	8,015	8,452	15,120	15,607	16,387

Free State Provincial Treasury

Table B.2: Payments and estimates by economic classification: Development Projects

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimates	Medium-term estimates		
	Audited	Audited	Audited						
	2002/03	2003/04	2004/05				2006/07	2007/08	2008/09
Current payments		17,360	17,075						
Compensation of employees									
Salaries and wages									
Social contributions									
Goods and services		17,360	17,075						
of which									
audit fees									
SITA data lines									
SITA main frame time									
Interest and rent on land									
Interest									
Rent on land									
Financial transactions in assets and liabilities									
Unauthorized expenditure									
Transfers and subsidies to¹:									
Provinces and municipalities									
Provinces ²									
Provincial Revenue Funds									
Municipalities ³									
Municipalities									
of which: Regional service council levies									
Municipal agencies and funds									
Departmental agencies and accounts									
Provincial agencies and funds									
Social security funds									
Provide list of entities receiving transfers ⁴									
Universities and technikons									
Public corporations and private enterprises ⁵									
Public corporations									
Subsidies on production									
Other transfers									
Private enterprises									
Subsidies on production									
Other transfers									
Foreign governments and international organizations									
Non-profit institutions									
Households									
Social benefits									
Other transfers to households									
Payments for capital assets									
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									
Total economic classification		17,360	17,075						

Free State Provincial Treasury

Table B.2: Payments and estimates by economic classification: Thefts and Losses

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimates	Medium-term estimates		
	Audited	Audited	Audited				2006/07	2007/08	2008/09
	2002/03	2003/04	2004/05						
Current payments			1,742			6			
Compensation of employees									
Salaries and wages									
Social contributions									
Goods and services						6			
of which									
audit fees									
SITA data lines									
SITA main frame time									
Interest and rent on land									
Interest									
Rent on land									
Financial transactions in assets and liabilities			1,742						
Unauthorized expenditure									
Transfers and subsidies to¹:									
Provinces and municipalities									
Provinces ²									
Provincial Revenue Funds									
Municipalities ³									
Municipalities									
of which: Regional service council levies									
Municipal agencies and funds									
Departmental agencies and accounts									
Provincial agencies and funds									
Social security funds									
Provide list of entities receiving transfers ⁴									
Universities and technikons									
Public corporations and private enterprises ⁵									
Public corporations									
Subsidies on production									
Other transfers									
Private enterprises									
Subsidies on production									
Other transfers									
Foreign governments and international organizations									
Non-profit institutions									
Households									
Social benefits									
Other transfers to households									
Payments for capital assets									
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									
Total economic classification			1,742			6			

Free State Provincial Treasury

Table B.3: Details on transfers to local government

Table B.3: Transfers to local government by transfer/grant type, category and municipality: Free State Provincial Treasury

Table B.3: Transfers to local government by transfer/grant type, category and municipality, Free State Provincial Treasury										
	Outcome			Main appropriation	Adjusted appropriation	Revised estimates	Medium-term estimates			
	Audited	Audited	Audited							
	R thousand	2002/03	2003/04	2004/05	2005/06		2006/07	2007/08	2008/09	
Total departmental transfers - RSC Levies										
Category A										
Category B										
Category C	260			240	303	365	249	261	274	
Motheo	260			240	303	365	249	261	274	
Unallocated										
Total departmental transfers				260	240	303	365	249	261	274