

Free State Provincial Treasury

To be appropriated by Vote in 2007/08	R 127 112 000
Statutory amount	R 714 160
Responsible MEC	MEC for Finance
Administering Department	Free State Provincial Treasury
Accounting Officer	Superintendent General: Free State Provincial Treasury

1. Overview

The Provincial Treasury continue to focus on its core functions and responsibilities emanating from the Public Finance Management Act (PFMA), Act 1 of 1999, as amended, Treasury Regulations promulgated in terms of Section 76 of the Act, and oversight and support functions to be executed in respect of Municipalities in terms of the Municipal Finance Management Act (MFMA), Act 56 of 2003.

The Department aims to deliver on its service delivery mandates, through providing:

- Leadership and strategic management in accordance with applicable legislation, regulations and policies;
- Professional advice and support to the MEC for Finance in respect of economic analysis, fiscal policy, public finance development and management of the annual provincial budget process.
- Policy direction to facilitate the effective and efficient management of provincial assets, liabilities and financial management systems.
- Advice and best practice guidelines to promote accountability through substantive reflection of financial activities of the Province, as well as effective compliance with prevailing financial norms and standards.

In addition, the quest for the generation of an enriched supply of credible financial and non-financial information to enforce aggregate fiscal discipline will continue. Focus will also remain on the implementation of various initiatives to strengthen and provide strategic support to provincial Departments and Provincial Public Entities, to assist in the transition from reporting on the cash basis of accounting to reporting on the accrual basis of accounting.

1.1 Vision

A leading change agent for improved economic growth and social equity through prudent financial management.

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

1.4 Acts, rules and regulations

The following acts, rules and regulations are considered by the department:

- Constitution Act No. 200 of 1993
- Public Finance Management Act no. 1 of 1999 (as amended)
- Treasury Regulations, May 2005
- Employment equity Act of 1998
- Public Service Act of 1994
- Public Service Regulations, 2001
- Public Service Coordinating Bargaining Council Collective Agreement
- SITA Act of 1999
- SITA Regulations of 1999
- Archives act of 1962
- Protection of Information Act, Act 84 of 1982
- Access to Information Act of 1998 (as amended)
- Minimum Information Security Standard (MISS)
- Division of Revenue Act
- Municipal Finance Management Act number 56 of 2003
- Municipal Supply chain Regulations of 2005
- Municipal Investment Regulations of 2005
- Performance Procurement Policy Act No. 5 of 2000
- Municipal PPP Regulations of 2005
- SCM Regulations of 2004

2. Review of the current financial year

The department embarked on an exercise to conduct infrastructure visits at different projects in the Free State. A report was prepared after each visit and compared with information in the IRM model as well as information provided by the provincial departments in their Infrastructure plans and IDIP processes; this resulted in better performance assessment of infrastructure delivery that also assists to assess the credibility of Infrastructure Reporting Model information.

An Infrastructure review meeting was held with all provincial departments and the implementation agents, this heightened focus on infrastructure roll-out that will assist to further accelerate the rate of infrastructure delivery.

The department established a Memorandum of Understanding Technical Committee with the Department of Local Government & Housing to assist in the monitoring of MFMA implementation. A CFO Forum at local government level was also established. A new structure for Supply Chain Management was approved and some of the posts will be filled in the current financial year. The department received a Premier's Excellent Award as the second best (silver) department in the province. The internship programme was implemented for the first time and 10 interns were appointed, experience was provided to qualified unemployed youth to enhance employability.

Even though the department is faced with a challenge of high staff turnover it still manages to achieve most of the objectives set in the Annual Performance Plan. The audit report for 2005/6 was unqualified. An Annual Performance Plan for the department was tabled for the first time for the year under review.

3. Outlook for the coming financial year

The Provincial Treasury succeeded in engineering an approach to provincial resource allocation, that saw a deliberate movement away from a conventional budget process, largely informed by historical departmental baselines, in favour of an approach that seek to utilize priorities from the Free State Growth and Development Strategy (FSGDS), as the mandating framework informing resource allocations to departments in line with the particular objectives of Provincial Clusters.

To consolidate the gains emanating from the aforementioned approach, it becomes increasingly important for the Provincial Treasury to focus on external factors to the extent that they may impact on the effectiveness of provincial expenditure with regard to intended beneficiaries of provincial public goods and services. This necessitates that the Treasury should engage in various processes aimed at ensuring that provincial resource planning processes and actual service delivery programmes, take place in a manner that allow for more effective synergy, alignment and co-ordination with National Departments, Parastatals, State-owned Enterprises, Provincial Entities and District and Local Municipalities to achieve the service delivery and developmental objectives of Provincial Clusters.

To ensure that this Province is well geared to internalise competitive and comparative economic advantages to the benefit of the Province and mitigate any negative external factors, it becomes necessary that the Provincial Treasury more aggressively assume the role of a leading change agent, to address the gap between

provincial socio-economic needs and key service delivery indicators. To live up to this challenge, this Department must ensure that:

- It effectively utilizes its operations in the areas of economic analysis, fiscal policy and public finance, to lengthen the provincial planning horizon so as to create a Treasury environment that allows all important role-players and stakeholders in the Province to contribute towards the attainment of the long-term development objectives of the Province.
- It is well-positioned to focus on operations that enhance value-for-money considerations in public service operations, including more effective costing of service norms and standards and the design of analytical instruments to assess the qualitative impact of expenditure on key economic variables.
- The importance of infrastructure delivery as a key catalyst for provincial economic growth is heightened in all infrastructure delivery departments and that the Infrastructure Delivery Improvement Programme (IDIP), aimed at enhancing the provincial capacity and capability to manage infrastructure delivery is successfully implemented in all key departments.
- Necessary technical expertise is built in-house to better position the Treasury to oversee and support processes related to the implementation of the MFMA in designated Municipalities as well as the development of beneficial Public-Private Partnerships (PPP's).

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	Estimated Actual	Medium-term estimates		
	Audited	Audited	Audited				2007/08	2008/09	2009/10
	2003/04	2004/05	2005/06						
Equitable share	152,333	130,602	109,538	115,124	115,124	105,737	122,379	130,946	140,758
Own Revenue		3,420	4,510	4,555	4,555	4,555	4,733	5,428	5,699
Total receipts	152,333	134,022	114,048	119,679	119,679	110,292	127,112	136,374	146,457

4.2 Departmental receipts collection

Table 2.2: Departmental receipts: Free State Provincial Treasury

R thousand	Outcome			Main appropriation	Adjusted appropriation	Estimated Actual	Medium-term estimates		
	Audited	Audited	Audited						
	2003/04	2004/05	2005/06	2006/07			2007/08	2008/09	2009/10
Tax receipts									
Sales of goods and services other than capital assets		66	55	58	58	93	70	72	74
Transfers received	75								
Fines, penalties and forfeits	73			108	108	36	111	114	117
Interest, dividends and rent on land	59,206	71,192	52,679	29,228	55,313	59,968	57,989	60,893	63,940
Sales of capital assets	1	1	5	9	9	14	10	10	10
Financial transactions in assets and liabilities	1,785		723	76	76	153	158	160	164
Total departmental receipts	61,140	71,259	53,462	29,479	55,564	60,264	58,338	61,249	64,305

5. Payment summary

5.1 Key assumptions

Salary increases of 7.0 per cent in 2007/08, 5.0 per cent in 2008/09 and 4.5 per cent in 2009/10 effective 1 July of the year the budget are tabled. The 2007/2008 increment includes budgeted posts to be filled. 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	Estimated Actual	Medium-term estimates		
	Audited	Audited	Audited				2007/08	2008/09	2009/10
	2003/04	2004/05	2005/06	2006/07					
1. Administration	27,885	27,706	34,347	40,212	41,612	39,757	43,302	43,302	45,538
2. Sustainable Resource Management	7,315	10,056	11,326	11,636	11,636	10,054	13,507	14,088	14,823
3. Asset and Liability Management	31,499	43,194	43,795	52,711	50,509	45,617	51,998	60,129	62,235
4. Financial Governance	16,644	10,010	7,826	15,120	15,922	14,851	18,305	18,855	23,861
Thefts and Losses		1,742	766			13			
Development Projects	17,360	17,075							
Total payments and estimates	100,703	109,783	98,060	119,679	119,679	110,292	127,112	136,374	146,457

1. Programme 1 includes MEC remuneration payable as from 1 April 2006. Salary: R571 329, Car allowance: R142 831.

5.3 Summary of economic classification

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

R thousand	Outcome			Main appropriation	Adjusted appropriation	Estimated Actual	Medium-term estimates		
	Audited	Audited	Audited				2007/08	2008/09	2009/10
	2003/04	2004/05	2005/06						
Current payments	91,828	105,785	94,615	118,749	117,807	108,140	126,160	135,385	145,445
Compensation of employees	36,886	47,859	52,972	72,673	70,936	65,368	78,303	82,724	89,110
Goods and services	54,942	56,184	40,877	46,076	46,871	42,759	47,857	52,661	56,335
Financial transactions in assets and liabilities		1,742	766			13			
Unauthorized expenditure									
Transfers and subsidies		267	1,433	249	797	815	750	760	774
Provinces and municipalities		260	181	249	65	53			
Departmental agencies and accounts			257						
Non-profit institutions			5						
Households		7	990		732	762	750	760	774
Payments for capital assets	8,875	3,731	2,012	681	1,075	1,337	202	229	238
Buildings and other fixed structures									
Machinery and equipment	8,875	3,324	1,987	681	1,070	1,337	202	229	238
Software and other intangible assets		407	25		5				
Land and subsoil assets									
Total economic classification:	100,703	109,783	98,060	119,679	119,679	110,292	127,112	136,374	146,457

5.4 Transfers

5.4.1 Transfers to local government

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

R thousand	Outcome			Main appropriation	Adjusted appropriation	Estimated Actual	Medium-term estimates		
	Audited	Audited	Audited				2007/08	2008/09	2009/10
	2003/04	2004/05	2005/06						
Category B									
Category C		260	181	249	65	53			
Total departmental transfers to local government		260	181	249	65	53			

6. Programme description

6.1 Programme 1: Administration

This programme provides 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.

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

R thousand	Outcome			Main appropriation	Adjusted appropriation	Estimated Actual	Medium-term estimates		
	Audited	Audited	Audited						
	2003/04	2004/05	2005/06				2007/08	2008/09	2009/10
1. Office of the MEC	640	3,278	4,767	3,117	3,415	3,567	3,218	3,381	3,533
2. Management Services	1,977	2,152	2,901	3,576	3,293	2,644	3,805	4,010	4,191
3. Corporate Services	12,036	8,186	10,955	14,584	14,848	13,357	15,291	14,760	15,424
4. Financial Management	13,114	12,441	13,390	15,451	16,642	17,665	17,760	17,779	18,866
5. Internal Audit	118	1,649	2,334	3,484	3,414	2,524	3,228	3,372	3,524
Theft and Losses		1,742	766			13			
Total payments and estimates	27,885	29,448	35,113	40,212	41,612	39,770	43,302	43,302	45,538

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

R thousand	Outcome			Main appropriation	Adjusted appropriation	Estimated Actual	Medium-term estimates		
	Audited	Audited	Audited						
	2003/04	2004/05	2005/06				2007/08	2008/09	2009/10
Current payments	26,096	28,291	33,130	40,110	40,532	38,491	42,542	42,532	44,754
Compensation of employees	15,286	17,226	20,909	28,005	28,362	27,133	31,044	30,973	32,629
Goods and services	10,810	9,323	11,455	12,105	12,170	11,345	11,498	11,569	12,125
Financial transactions in assets and liabilities		1,742	766			13			
Transfers and subsidies to:		164	1,317	92	762	744	750	760	774
Provinces and municipalities		157	65	92	30	21			
Departmental agencies and accounts			257						
Non-profit institutions			5						
Households		7	990		732	723	750	760	774
Payments for capital assets	1,789	993	666	10	318	535	10	10	10
Buildings and other fixed structures									
Machinery and equipment	1,789	968	666	10	318	535	10	10	10
Software and other intangible assets		25							
Total economic classification	27,885	29,448	35,113	40,212	41,612	39,770	43,302	43,302	45,538

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.

Service delivery measures

Output Type	Performance Measures	Performance target	
		2006/07 Est. Actual	2007/08 Estimate
Office of the MEC			
Smooth and effective functioning of the MEC office.	Percentage satisfaction by the MEC	90% compliance	95% compliance
	Days turnaround time on documents submitted to the MEC	5 days	5 days
Strengthen linkage with Treasury, and Provincial Legislature	Establish a sound relationship and communication link.	95% compliance	90% compliance
Ensure good public profile for the MEC	Improve public image.	80% compliance	85% compliance
Fulfilment of MEC legislative and political functions.	Good integration with departmental function	85% compliance	90% compliance
	Provincial state of affairs in good shape	75% compliance	80% compliance
Management Services			
Ensure good strategic support to the management team	Percentage satisfaction	60%	70%
Conduct overall planning to ensure that remaining management functions are conducted on such level that Provincial Treasury delivers on its responsibilities	Percentage of planning mechanisms resulting in the right deliverables	60 %	70 %
Facilitate Strategic Planning and Annual Performance Plan process Submit Quarterly Performance Reports	Published and tabled strategic plan	March 2007	March 2007
	Performance Plan	4 Reports	4 Reports
Corporate Services			
Promotion of sound human resources practices	Developed employment equity plan to increase the number of designated employee	1 Plan reviewed and updated	1 Plan reviewed and updated
	Appointment, promotion and transfers of employees according to legislation	Appointments and promotions approved within three months after request Transfers approved within two months after request	Appointments and promotions approved within three months after request Transfers approved within two months after request
Protect Departmental interests according to legal prescripts	Handling of grievances and disciplinary cases in line with applicable legislation	Grievances: 30 working days Misconduct Hearing: 10 working days after notice has been served	Grievances: 30 working days Misconduct Hearing: 10 working days after notice has been served 4 Labour and Legal Services awareness campaigns
Develop and implement approved special programmes policies	Developed and implemented special programmes policies	EAP Policy	Gender Equality Policy 2 Workshops on Maintenance Act1 Special Programmes marketing campaign

Output Type	Performance Measures	Performance target	
		2006/07 Est. Actual	2007/08 Estimate
Develop and implement approved special programmes policies	Developed and implemented special programmes policies	EAP Policy	Implement the Occupational Health and Safety policy for the benefit of the officials Create awareness on mainstreaming Disability & gender within the department
Render effective Human Resource training and development	Developed and implemented HRD policy. Skills Audit Conducted Developed and implemented an annual Workplace Skills Plan Developed and implemented induction manual Developed and implemented internship and learnership policies	HRD policy implemented 1 Skilled Audit 1 Workplace Skills Plan 1 induction Manual Policy implemented	Review policy 1 Skilled Audit 1 Workplace Skills Plan Review Induction Manual Review policy
Promotion of effective and efficient communication with internal & external clients	Communication policy developed and implemented Number of newsletters published Number of media briefings conducted	Review communication policy 4 Internal Newsletters, 2 External Newsletters 2 Media briefings	Review communication policy Opening of Departmental Resource Centre Name tag Campaign (Batho Pele Revitalization) Updating of signage 4 Internal Newsletters, 2 External Newsletters 2 Media briefings
Promote IT infrastructure and maintenance services to all offices	IT Policies reviewed IT Audit conducted ICT Strategy developed and implemented 100% Revamped websites Developed and fully functional database Upgraded and redesigned network infrastructure Respond to logged calls within 24 hours	Review policies Upgraded intranet and treasury website Request attended within specific timeframe	Review policies 1 IT Audit ICT Strategy developed and implemented Review websites and upgrade 2 database systems developed Review database and network
Render effective work study services and implement performance management system	Developed organizational structure Implemented Performance Management System	1 Organizational Structure 100% implemented	1 Organizational Structure 100% implemented
Promote the protection of information, personnel and infrastructure.	Informed employees on security awareness Conduct research, inspections and investigations pertaining to all aspects of security	All employees informed Number of reports Number of inspections Number of investigations	All employees informed Number of reports Number of inspections Number of investigations 12 security seminars

Output Type	Performance Measures	Performance target	
		2006/07 Est. Actual	2007/08 Estimate
Financial Management Effective and efficient Supply Chain Management Services	Comply and Implement legislation, policies and procedures	50% compliance	60% compliance
Effective application of resources in realising strategic goals	Percentage expenditure in line with detailed budget per sub-programme	80%	85%
Accurate annual report	Timeous submission of the annual report	31 st August 2007	31 st August 2008
To comply with Financial Management key performance indicators for Departments	Percentage adherence to predetermined KPI's	85%	90%
Internal Audit To provide effective and professional internal audit services	Execution of the three (3) year rolling plan and Risk based Internal Audit Operational Plan	100%	100%
	Provide advisory and consulting services through reports to Audit Committee, Auditor General & Stakeholder	100%	100%
Facilitation of risk management process	Risk assessment report	80%	100%
Assist with compilation and implementation of Integrity Promotion Strategy (including Fraud Prevention Plan)	Implementation of a fraud hotline Implementation of detection reviews (including completion of ad hoc investigative assignments)	100% 100%	100% 100%

6.2 Programme 2: Sustainable Resource Management

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	Estimated Actual	Medium-term estimates		
	Audited	Audited	Audited				2007/08	2008/09	2009/10
	2003/04	2004/05	2005/06	2006/07					
1. Programme Support	788	1,101	1,071	1,174	1,174	1,074	1,233	1,295	1,353
2. Economic Analysis			163	755	1,433	1,095	1,999	2,006	2,197
3. Fiscal Policy	2,476	3,446	2,792	3,929	3,161	2,937	4,163	4,439	4,639
4. Budget Management	4,051	5,509	3,727	3,914	3,914	3,254	4,118	4,347	4,543
5. Public Finance			3,573	1,864	1,954	1,694	1,994	2,001	2,091
Total payments and estimates	7,315	10,056	11,326	11,636	11,636	10,054	13,507	14,088	14,823

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

R thousand	Outcome			Main appropriation	Adjusted appropriation	Estimated Actual	Medium-term estimates		
	Audited	Audited	Audited				2007/08	2008/09	2009/10
	2003/04	2004/05	2005/06	2006/07					
Current payments	6,954	9,478	11,012	11,610	11,336	9,788	13,507	14,088	14,823
Compensation of employees	5,839	7,577	8,337	9,069	8,535	7,681	10,827	11,296	11,927
Goods and services	1,115	1,901	2,675	2,541	2,801	2,107	2,680	2,792	2,896
Unauthorized expenditure									
Transfers and subsidies to:		26	29	26	10	18			
Provinces and municipalities		26	29	26	10	10			
Non-profit institutions									
Households						8			
Payments for capital assets	361	552	285		290	248			
Buildings and other fixed structures									
Machinery and equipment	361	551	285		290	248			
Software and other intangible assets		1							
Total economic classification	7,315	10,056	11,326	11,636	11,636	10,054	13,507	14,088	14,823

6.2.1 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	
		2006/07 Est. Actual	2007/08 Estimate
Economic Analysis			
Assess and analyse economic variables for the province.	Provincial labour market review per sector	Developed database	Updated quarterly
	Socio - economic review/outlook publication	Bi-annual publications	One publication
	Social Accounting Matrix table and analysis report	Updated SAM table and 1 analysis report	Updated SAM table and 1 analysis report
	Socio-economic outlook input in Budget Statement One	Inputs for Budget Statement One	Inputs for Budget Statement One

Output Type	Performance Measures	Performance target	
		2006/07 Est. Actual	2007/08 Estimate
Assess the impact of various budget objectives on selected economic variables.	Annual provincial economic review publication	N/A	Provincial economic review (2007)
Develop and maintain a provincial economic model.	1 Social Accounting Matrix (SAM) table and 1 analysis report.	1 updated SAM table and analysis report	Reviewed SAM table and analysis report
Collection and analysis of socio economic statistics at Provincial and Municipal levels.	Two qualitative research reports for 9 sectors.	Provincial economic review publication (2006)	Provincial economic review publication (2007)
Assess the socio-economic relevance of municipal IDPS	IDPs reflecting the socio-economic needs for municipalities	N/A	N/A
Fiscal Policy			
Developed Borrowing framework	Appropriate framework developed and adjusted annually	1 st Draft	1 Framework
Provincial own revenue sources optimized and expanded	Develop a revenue base per department Develop framework of research into new revenue resources Options for provincial taxation investigated Involvement in capacity building	Annually reviewed N/A Research report 1 workshop & quarterly meetings	Annually reviewed 1 Framework Annual proposals tabled 1 workshop & quarterly meetings
Compliance with Norms and standards of own revenue	Number of annual inspections executed Reports issued on findings Monthly revenue report Quarterly EXCO report	60 Inspections 60 Reports 12 reports 4 reports per department per year	60 Inspections 60 Reports 12 reports 4 reports per department per year
Effective management of revenue collection	Reviewed revenue policies in line with fiscal framework Decrease in outstanding revenue	22 policies and 16 Tariff submissions reviewed annually CPIX target	22 policies and 16 Tariff submissions reviewed annually CPIX target
Budget Management			
Prepare developmental budgets	Tabled appropriation and provincial budget in line with National and Provincial Priorities Accurate and credible budget statement Analysis report on the alignment of strategic plan.	Table not later than two weeks after the National Budget Accurate Budget Statement be tabled with the bill Analysis report 30 day after submission of strategic plan	Table not later than two weeks after the National Budget Accurate Budget Statement be tabled with the bill Analysis report 30 day after submission of strategic plan

Output Type	Performance Measures	Performance target	
		2006/07 Est. Actual	2007/08 Estimate
Prepare credible adjustments budget	Tabled adjustment budget and adjustment appropriation bill in line with National and Provincial Priorities Accurate and credible adjustment budget book	Table adjustment budget 30 days after National Adjustment Budget Table adjustment budget book with the bill	Table provincial budget 30 days after National Adjustment Budget Table adjustment budget book with the bill
Public Finance Monitoring of expenditure trends against budget figures	Monthly analyzed report per department Quarterly reporting on Infrastructure spending Quarterly review on expenditure trends Quarterly reporting on Infrastructure spending on public entities	12 reports per department 4 Reports 4 Reviews 4 reports	12 reports per department 4 Reports 4 Reviews 4 reports
Maintain the Provincial budget database (Financial and Non-financial Information)	Monthly updated provincial database on financial information Quarterly updated provincial database on non-financial information	Developed database Developed database	Maintained database Maintained database
Involvement in capacity building	Quarterly forums in line with National directives	4 forums	4 forums

6.3 Programme 3: Asset and Liability Management

This programme provides policy direction; facilitate 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	Estimated Actual	Medium-term estimates		
	Audited	Audited	Audited				2007/08	2008/09	2009/10
	2003/04	2004/05	2005/06						
1. Programme Support	872	841	896	968	968	842	1,018	1,067	1,115
2. Asset Management	3,435	5,555	7,316	10,555	10,555	7,979	9,656	11,469	11,262
3. Liability Management									
4. Supporting and Interlinked Financial Systems	27,192	36,798	35,583	41,188	38,986	36,796	41,324	47,593	49,858
Total payments and estimates	31,499	43,194	43,795	52,711	50,509	45,617	51,998	60,129	62,235

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

R thousand	Outcome			Main appropriation	Adjusted appropriation	Estimated Actual	Medium-term estimates		
	Audited	Audited	Audited				2007/08	2008/09	2009/10
	2003/04	2004/05	2005/06						
Current payments	28,448	41,289	42,761	52,143	50,219	45,267	51,871	59,980	62,079
Compensation of employees	6,736	15,332	17,091	23,451	22,201	19,671	22,111	24,565	25,015
Goods and services	21,712	25,957	25,670	28,692	28,018	25,596	29,760	35,415	37,064
Unauthorized expenditure									
Transfers and subsidies		52	65	83	16	45			
Provinces and municipalities		52	65	83	16	14			
Non-profit institutions									
Households						31			
Payments for capital assets	3,051	1,853	969	485	274	305	127	149	156
Buildings and other fixed structures									
Machinery and equipment	3,051	1,472	944	485	269	305	127	149	156
Software and other intangible assets		381	25		5				
Total economic classification:	31,499	43,194	43,795	52,711	50,509	45,617	51,998	60,129	62,235

6.3.1 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	
		2006/07 Est. Actual	2007/08 Estimate
Asset Management			
Promote and facilitate capacity building of officials responsible for asset management in provincial departments	Asset and Supply Chain Management forum meetings, workshops and training sessions.	17 Forums, Workshops and Training sessions	17 Forums, Workshops and Training sessions
Promote effective and efficient utilization of movable and immovable asset in the province.	Evaluation reports.	120 Reports	120 Reports
Promote and monitor the implementation of asset management reform project	Progress and monitoring reports to Provincial Steering Committee	12 Reports	12 Reports
Promote and monitor the implementation of Supply Chain Management framework.	Monitoring and evaluation reports	24 Reports	24 Reports

Output Type	Performance Measures	Performance target	
		2006/07 Est. Actual	2007/08 Estimate
Develop and implement provincial supplier management system.	Functional supplier management system.	1 system developed and thereafter continuously maintained	Develop and implement provincial supplier management system.
Promote effective cash flow management within provincial departments.	% variance (favourable or unfavourable) between funds requested and actual funds withdrawn/used.	Within 10 %	Within 8 %
Maximize return on surplus funds.	Collection of budgeted interest income.	As set in the budget book	As set in the budget book
Maintain accurate financial accounting records for the Provincial Revenue Fund.	Compiled Provincial Revenue Funds annual financial statements and monthly cash flow reports.	12 reports together with Annual Financial Statements	12 reports together with Annual Financial Statements
Facilitate roll-out of Infrastructure Development Improvement Programme and monitor its implementation in the departments.	Steering Committee meetings	12 Meetings	12 Meetings
Promote and monitor Public Private Partnerships in the Province.	Quarterly reports	4 Quarterly Reports	4 Quarterly Reports
Develop capacity to deal with Public Private Partnership projects.	Public Private Partnership delegations	1 st set of PPP delegations	Dependent on the developments at National Treasury
Manage and maintain the Transversal Systems.	Availability and stability of the Transversal systems	95% of working hours	95% of working hours
	Provide technical and functional support to Provincial Departments	Respond to calls within 8 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
Building capacity in respect of Transversal Systems.	Number of officials	BAS 300 PERSAL 300 LOGIS 500	BAS 250 PERSAL 250 LOGIS 400

6.4 Programme 4: Financial Governance

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	Estimated Actual	Medium-term estimates		
	Audited	Audited	Audited				2007/08	2008/09	2009/10
	2003/04	2004/05	2005/06						
1. Programme Support	1,116	1,128	1,259	1,443	1,443	1,351	1,501	1,576	1,631
2. Accounting Services	12,769	3,851	4,355	5,455	5,055	4,746	5,674	5,958	6,240
3. Norms and Standards PFMA	1,225	2,109	2,212	2,982	2,982	2,655	3,152	3,262	3,410
4. Norms and Standards MFMA	1,534	2,922		5,240	6,442	6,099	7,330	7,257	9,955
5. Risk Management and Internal Audit							648	802	2,625
Total payments and estimates	16,644	10,010	7,826	15,120	15,922	14,851	18,305	18,855	23,861

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

R thousand	Outcome			Main appropriation	Adjusted appropriation	Estimated Actual	Medium-term estimates		
	Audited	Audited	Audited				2007/08	2008/09	2009/10
	2003/04	2004/05	2005/06						
Current payments	12,970	9,652	7,712	14,886	15,720	14,594	18,240	18,785	23,789
Compensation of employees	9,025	7,724	6,635	12,148	11,838	10,883	14,321	15,890	19,539
Goods and services	3,945	1,928	1,077	2,738	3,882	3,711	3,919	2,895	4,250
Unauthorized expenditure									
Transfers and subsidies to:		25	22	48	9	8			
Provinces and municipalities		25	22	48	9	8			
Non-profit institutions									
Households									
Payments for capital assets	3,674	333	92	186	193	249	65	70	72
Buildings and other fixed structures									
Machinery and equipment	3,674	333	92	186	193	249	65	70	72
Land and subsoil assets									
Total economic classification	16,644	10,010	7,826	15,120	15,922	14,851	18,305	18,855	23,861

6.4.1 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	
		2006/07 Est. Actual	2007/08 Estimate
Accounting Services Accounting policy, guidelines and practices Implemented in line with National Framework.	Reports in line with formats and guidelines of GRAP.	As per GRAP standards.	As per GRAP standards.
	Completed set of Accounting policies implemented accord to set timeframes.	As per approved Accounting policy within set timeframe.	As per approved Accounting policy within set timeframe.
Promote accurate compilation of Annual Financial statements	Percentage Correctness according to guide.	100%	100%
	Evaluated Audit reports.	Analyse reports of Auditor General and take corrective steps.	Analyse reports of Auditor General and take corrective steps.
To facilitate the timely submission of Annual Financial statements to Auditor General and National Treasury	Compliance with all statutory due dates.	100% Compliance	100% Compliance
	Unaudited Annual Financial Statements	31 May	31 May
	Audited Annual Financial Statements	31 July	31 July
	Submit Annual Report	31 August	31 August
	Table Annual Report Table Annual Report	30 Sept	30 Sept
To prepare and submit annual consolidated financial statements	Percentage compliance with approved National Guidelines and timeframes.	100% compliance 30 June.	100% compliance 30 June.
		Annual Report 31 October.	Annual Report 31 October.
Capacity Building.	Number of officials trained.	300 Officials	350 Officials
To promote Financial Management in the Province.	Percentage Adherence to predetermined KPI's.	81% and 12 reports	83% and 12 reports
Norms and Standards: PFMA To promote compliance with PFMA in the Province.	Issue guideline, norms and standards in the province. Delegations updated annually.	Guidelines & delegation must be 100% in line with the prescripts. April 2006	Guidelines & delegation must be 100% in line with the prescripts. April 2007
	Compliance reports to the Executive Council.	4 Reports.	4 Reports.
	Number of officials trained with regard to PFMA.	200 Officials.	250 Officials.
Promote effective implementation of Legislation and render assistance to PROPAC.	Quarterly status report.	Quarterly status report.	Quarterly status report.
	Evaluation report Evaluation report.	(8) Eight working days before PROPAC sitting.	(8) Eight working days before PROPAC sitting.

Output Type	Performance Measures	Performance target	
		2006/07 Est. Actual	2007/08 Estimate
Norms and Standards: MFMA Monitor Municipal budgets Preparation process for the local government sphere	Compliance with set due dates.	Budget Timeliness.	Budget Timeliness
Promote credible Municipal budget.	Evaluation Reports.	21 Reports	21 Reports
Monitor, consolidate and analyse IYM of Municipalities.	Analyse, reports according to prescribed timeframes.	21 Reports	21 Reports
Promote, monitor and evaluate effective implementation of municipal PROPAC resolution.	Status Report Evaluation Report.	2 Reports eight working days before PROPAC sitting.	3 Reports eight working days before PROPAC sitting.
Facilitate publication of Section 71 financial reports.	Analyse, consolidate reports according to prescribed timeframes.	4 Publications 25 April 25 July 25 Oct 25 Jan	4 Publications 25 April 25 July 25 Oct 25 Jan
Monitor compliance of MFMA by municipalities.	Submission of compliance reports.	4 Reports	4 Reports
Co-ordinate training and build capacity at municipalities.	Number of officials trained.	300 Officials trained	400 Officials trained
Governance and Administration: Ensure improvement in Financial management.	Status Reports	21 Reports	21 Reports
Facilitation of residual risk assessments and the availability of a risk profile per department.	Percentage risk assessments reviewed within departments	N/A	80%
	Percentage progress and control maps completed per department	N/A	80% of processes mapped
	Percentage accounting officers are supplied with updated risk profiles	N/A	100% of departments
The provision of a consolidated risk profile for the provincial government as a whole and the ensuring of risk response strategies to mitigate transversal risks.	Existence of a consolidated risk profile for the Province.	N/A	100% of departments included in consolidation.
	Transversal risks identified and allocated to transversal risk owners.	N/A	70% transversal risks allocated
Assessment of Internal Audit Units	Compliance with National Framework and evaluation report.	N/A	70 % Departments & Public entities
Capacity building Internal Audit	Number of officials trained.	N/A	35 Officials trained
	Quarterly Forums	N/A	4 Quarterly forums

6.5 Programme: Development projects*

Identify investment in new infrastructure and maintenance and rehabilitation of existing social and economic infrastructure as a priority.

Table 2.14: Summary of payments and estimates: Development Projects

	Outcome			Main appropriation	Adjusted appropriation	Estimated Actual	Medium-term estimates		
	Audited	Audited	Audited						
R thousand	2003/04	2004/05	2005/06	2006/07			2007/08	2008/09	2009/10
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	Estimated Actual	Medium-term estimates		
	Audited	Audited	Audited						
R thousand	2003/04	2004/05	2005/06	2006/07			2007/08	2008/09	2009/10
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							

* This programme was phased out at the end of the 2004/2005 financial year.

6.6 Other programme information

6.6.1 Personnel numbers and costs

Table 2.17: Personnel numbers and costs¹: Free State Provincial Treasury

Personnel numbers	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	As at 31 March 2009	As at 31 March 2010
1. Administration	94	107	112	118	123	129	129
2. Sustainable Resource Management	23	34	25	30	32	34	34
3. Asset and Liability Management	90	98	89	95	100	105	105
4. Financial Governance	30	29	45	54	57	60	60
Total personnel numbers	237	268	271	297	312	328	328
Total personnel cost (R thousand)	36,886	47,859	52,972	72,673	78,303	82,724	89,110
Unit cost (R thousand)	156	179	195	245	251	252	272

1. Full-time equivalent

Table 2.18: Summary of departmental personnel numbers and costs

	Outcome			Main appropriation	Adjusted appropriation	Estimated Actual	Medium-term estimates		
	Audited	Audited	Audited				2007/08	2008/09	2009/10
	2003/04	2004/05	2005/06						
Total for department									
Personnel numbers (head count)	237	268	271	297	297	277	312	328	328
Personnel cost (R'000)	36,886	47,859	52,972	72,673	70,936	65,368	78,303	82,724	89,110
Human resources component									
Personnel numbers (head count)	38	40	45	47	47	47	49	52	62
Personnel cost (R'000)	6,937	6,196	7,260	9,020	9,020	9,020	9,390	9,171	9,630
Head count as % of total for department	16.03%	14.93%	16.61%	15.82%	16.55%	16.97%	15.71%	15.85%	18.90%
Personnel cost as % of total for department	18.81%	12.95%	13.71%	12.41%	12.41%	13.80%	11.99%	11.09%	10.81%
Finance component									
Personnel numbers (head count)	52	52	49	51	51	51	54	57	57
Personnel cost (R'000)	6,529	7,941	87	10,374	10,374	10,374	10,903	11,459	12,032
Head count as % of total for department	21.94%	19.40%	18.08%	17.17%	17.17%	18.41%	17.31%	17.38%	17.38%
Personnel cost as % of total for department	17.70%	16.59%	16.47%	14.27%	14.62%	15.87%	13.92%	13.85%	13.50%
Full time workers									
Personnel numbers (head count)	237	268	271	297	297	297	312	328	328
Personnel cost (R'000)	36,886	47,859	59,972	72,673	70,936	65,368	78,303	82,724	89,110
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									

6.6.2 Training

Table 2.19: Payments on training: Free State Provincial Treasury

R thousand	Outcome			Main appropriation	Adjusted appropriation	Estimated Actual	Medium-term estimates		
	Audited	Audited	Audited				2007/08	2008/09	2009/10
	2003/04	2004/05	2005/06						
1: Administration	309	326	725	280	1,186	700	293	300	326
of which									
Subsistence and travel	97	60							
Payments on tuition	212	266	5				293	300	326
2: Sustainable Resource Management	5	195	5	91	68	68	98	103	119
of which									
Subsistence and travel	5	44							
Payments on tuition		151	5				98	103	119
3: Asset and Liability Management	114	236		234	16	16	246	259	271
of which									
Subsistence and travel	23	20							
Payments on tuition	91	216					246	259	271
4: Financial Governance		226	183	121	16	10	127	134	152
of which									
Subsistence and travel		102							
Payments on tuition		124	183				127	134	152
Total payments on training	428	983	913	726	1,286	794	764	796	868

Table 2.20: Information on training: Free State Provincial Treasury

R thousand	Outcome			Main appropriation	Adjusted appropriation	Estimated Actual	Medium-term estimates		
	Audited	Audited	Audited				2007/08	2008/09	2009/10
	2003/04	2004/05	2005/06						
Number of staff						199	250	280	320
Number of personnel trained									
of which									
Male		69	86	70	70	95	100	120	150
Female		68	99	90	90	104	150	160	170
Number of training opportunities									
of which									
Tertiary		2	4	2	2	2	5	7	10
Workshops		36	181			27	50	60	70
Seminars		3				7	10	10	10
Other						2	2	2	2
Number of bursaries offered				23	23	23	25	25	25
Number of interns appointed				15	15	10	12	15	20
Number of learnerships appointed				10	10	5	7	10	12
Number of days spent on training						106	140	170	190

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	Estimated Actual	Medium-term estimates		
	Audited 2003/04	Audited '2004/05	Audited '2005/06				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	55	58	58	93	70	72	74
Sale of goods and services produced by department (excluding capital assets)		66	54	58	58	93	70	72	74
Sales by market establishments									
Administrative fees		66	54	58	58	93	70	72	74
Other sales									
Of which									
Specify									
Sales of scrap, waste, arms and other used current goods (excluding capital assets)			1						
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	73			108	108	36	111	114	117
Interest, dividends and rent on land	59,206	71,192	52,679	29,228	55,313	59,968	57,989	60,893	63,940
Interest	59,206	71,192	52,679	29,228	55,313	59,968	57,989	60,893	63,940
Dividends									
Rent on land									
Sales of capital assets	1	1	5	9	9	14	10	10	10
Land and subsoil assets									
Other capital assets	1	1	5	9	9	14	10	10	10
Financial transactions in assets and liabilities	1,785		723	76	76	153	158	160	164
Total departmental receipts	61,140	71,259	53,462	29,479	55,564	60,264	58,338	61,249	64,305

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	Estimated Actual	Medium-term estimates		
	Audited	Audited	Audited				2007/08	2008/09	2009/10
	2003/04	2004/05	2005/06						
Current payments	91,828	105,785	94,615	118,749	117,807	108,140	126,160	135,385	145,445
Compensation of employees	36,886	47,859	52,972	72,673	70,936	65,368	78,303	82,724	89,110
Salaries and wages	22,132	41,329	45,952	62,405	60,740	57,050	67,746	71,639	77,495
Social contributions	14,754	6,530	7,020	10,268	10,196	8,318	10,557	11,085	11,615
Goods and services	54,942	56,184	40,877	46,076	46,871	42,759	47,857	52,661	56,335
of which									
audit fees		2,038	2,428	2,372	2,372	1,476	2,538	2,715	2,851
SITA data lines		1,048	1,775	2,200	2,200	163	2,500	2,750	2,888
SITA main frame time		19,591	20,971	22,800	22,189	10,479	25,100	26,920	28,266
Interest and rent on land									
Interest									
Rent on land									
Financial transactions in assets and liabilities		1,742	766			13			
Unauthorized expenditure									
Transfers and subsidies to¹:	267	1,433		249	797	815	750	760	774
Provinces and municipalities		260	181	249	65	53			
Provinces ²									
Provincial Revenue Funds									
Municipalities ³									
Municipalities		260	181	249	65	53			
of which: Regional service council levies		260	181	249	65	53			
Municipal agencies and funds									
Departmental agencies and accounts			257						
Provincial agencies and funds			257						
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			5						
Households		7	990		732	762	750	760	774
Social benefits									
Other transfers to households		7	990		732	762	750	760	774
Payments for capital assets	8,875	3,731	2,012	681	1,075	1,337	202	229	238
Buildings and other fixed structures									
Buildings									
Other fixed structures									
Machinery and equipment	8,875	3,324	1,987	681	1,075	1,337	202	229	238
Transport equipment									
Other machinery and equipment	8,875	3,324	1,987	681	1,070	1,337	202	229	238
Cultivated assets									
Software and other intangible assets		407	25		5				
Land and subsoil assets									
Total economic classification	100,703	109,783	98,060	119,679	119,679	110,292	127,112	136,374	146,457

Table B.2.1: Payments and estimates by economic classification: Programme 1: Administration

Table B.2.1. Payments and estimates by economic classification. Programme 1. Administration									
R thousand	Outcome			Main appropriation	Adjusted appropriation	Estimated Actual	Medium-term estimates		
	Audited	Audited	Audited						
	2003/04	2004/05	2005/06	2006/07			2007/08	2008/09	2009/10
Current payments	26,096	28,291	33,130	40,110	40,532	38,491	42,542	42,532	44,754
Compensation of employees	15,286	17,226	20,909	28,005	28,362	27,133	31,044	30,973	32,629
Salaries and wages	9,171	14,978	18,133	23,757	24,180	24,167	26,631	26,362	27,805
Social contributions	6,115	2,248	2,776	4,248	4,182	2,966	4,413	4,611	4,824
Goods and services	10,810	9,323	11,455	12,105	12,170	11,345	11,498	11,559	12,125
of which									
audit fees		2,038	2,428	2,372	2,372	2,372	2,538	2,715	2,851
SITA data lines									
SITA main frame time									
Interest and rent on land									
Interest									
Rent on land									
Financial transactions in assets and liabilities		1,742	766			13			
Unauthorized expenditure									
Transfers and subsidies to¹:		164	1,317	92	762	744	750	760	774
Provinces and municipalities		157	65	92	30	21			
Provinces ²									
Provincial Revenue Funds									
Municipalities ³									
Municipalities		157	65	92	30	21			
of which: Regional service council levies		157	65	92	30	21			
Municipal agencies and funds									
Departmental agencies and accounts			257						
Provincial agencies and funds			257						
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			5						
Households		7	990		732	723	750	760	774
Social benefits									
Other transfers to households		7	990		732	723	750	760	774
Payments for capital assets	1,789	993	666	10	318	535	10	10	10
Buildings and other fixed structures									
Buildings									
Other fixed structures									
Machinery and equipment	1,789	968	666	10	318	535	10	10	10
Transport equipment									
Other machinery and equipment	1,789	968	666	10	318	535	10	10	10
Cultivated assets									
Software and other intangible assets		25							
Land and subsoil assets									
Total economic classification	27,885	29,448	35,113	40,212	41,612	39,770	43,302	43,302	45,538

Table B.2.2: Payments and estimates by economic classification: Programme 2: Sustainable Resource Management

R thousand	Outcome			Main appropriation	Adjusted appropriation	Estimated Actual	Medium-term estimates		
	Audited 2003/04	Audited 2004/05	Audited 2005/06				2007/08	2008/09	2009/10
Current payments	6,954	9,478	11,012	11,610	11,336	9,788	13,507	14,088	14,823
Compensation of employees	5,839	7,577	8,337	9,069	8,535	7,681	10,827	11,296	11,927
Salaries and wages	3,504	6,466	7,324	8,014	7,486	6,689	9,774	10,172	10,748
Social contributions	2,335	1,111	1,013	1,055	1,049	992	1,053	1,124	1,179
Goods and services	1,115	1,901	2,675	2,541	2,801	2,107	2,680	2,792	2,896
<i>of which</i>									
<i>audit fees</i>									
<i>SITA data lines</i>									
<i>SITA main frame time</i>									
Interest and rent on land									
Interest									
Rent on land									
Financial transactions in assets and liabilities									
Unauthorized expenditure									
Transfers and subsidies to¹:	26	29		26	10	18			
Provinces and municipalities	26	29		26	10	10			
Provinces ²									
Provincial Revenue Funds									
Municipalities ³									
Municipalities		26	29	26	10	10			
<i>of which: Regional service council levies</i>		26	29	26	10	10			
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						8			
Households									
Social benefits									
Other transfers to households									
Payments for capital assets	361	552	285		290	248			
Buildings and other fixed structures									
Buildings									
Other fixed structures									
Machinery and equipment	361	551	285		290	248			
Transport equipment									
Other machinery and equipment	361	551	285		290	248			
Cultivated assets									
Software and other intangible assets		1							
Land and subsoil assets									
Total economic classification	7,315	10,056	11,326	11,636	11,636	10,054	13,507	14,088	14,823
<i>Of which: Capitalized compensation⁶</i>									

Table B.2.3: Payments and estimates by economic classification: Programme 3: Asset and Liability Management

R thousand	Outcome			Main appropriation	Adjusted appropriation	Estimated Actual	Medium-term estimates		
	Audited	Audited	Audited				2007/08	2008/09	2009/10
	2003/04	2004/05	2005/06						
Current payments	28,448	41,289	42,761	52,143	50,219	45,267	51,871	59,980	62,079
Compensation of employees	6,736	15,332	17,091	23,451	22,201	19,671	22,111	24,565	25,015
Salaries and wages	4,042	13,017	14,731	19,987	18,737	16,777	18,596	20,869	21,134
Social contributions	2,694	2,315	2,360	3,464	3,464	2,894	3,515	3,696	3,881
Goods and services	21,712	25,957	25,670	28,692	28,018	25,596	29,760	35,415	37,064
of which									
audit fees									
SITA data lines		1,048	1,775	2,200	2,200	163	2,500	2,750	2,888
SITA main frame time		19,591	20,971	22,800	22,189	10,479	25,100	26,920	28,266
Interest and rent on land									
Interest									
Rent on land									
Financial transactions in assets and liabilities									
Unauthorized expenditure									
Transfers and subsidies to¹:	52	65	83	16	45				
Provinces and municipalities	52	65	83	16	14				
Provinces ²									
Provincial Revenue Funds									
Municipalities ³									
Municipalities		52	65	83	16	14			
of which: Regional service council levies		52	65	83	16	14			
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						31			
Social benefits									
Other transfers to households						31			
Payments for capital assets	3,051	1,853	969	485	274	305	127	149	156
Buildings and other fixed structures									
Buildings									
Other fixed structures									
Machinery and equipment	3,051	1,472	944	485	269	305	127	149	156
Transport equipment									
Other machinery and equipment	3,051	1,472	944	485	269	305	127	149	156
Cultivated assets									
Software and other intangible assets		381	25		5				
Land and subsoil assets									
Total economic classification	31,499	43,194	43,795	52,711	50,509	45,617	51,998	60,129	62,235

Table B.2.4: Payments and estimates by economic classification: Programme 4: Financial Governance

R thousand	Outcome			Main appropriation	Adjusted appropriation	Estimated Actual	Medium-term estimates		
	Audited	Audited	Audited				2007/08	2008/09	2009/10
	2003/04	2004/05	2005/06						
Current payments	12,970	9,652	7,712	14,886	15,720	14,594	18,240	18,785	23,789
Compensation of employees	9,025	7,724	6,635	12,148	11,838	10,883	14,321	15,890	19,539
Salaries and wages	5,415	6,868	5,764	10,647	10,337	9,417	12,745	14,236	17,808
Social contributions	3,610	856	871	1,501	1,501	1,466	1,576	1,654	1,731
Goods and services	3,945	1,928	1,077	2,738	3,882	3,711	3,919	2,895	4,250
<i>of which</i>									
<i>audit fees</i>									
<i>SITA data lines</i>									
<i>SITA main frame time</i>									
Interest and rent on land									
Interest									
Rent on land									
Financial transactions in assets and liabilities									
Unauthorized expenditure									
Transfers and subsidies to¹:	25	22	48	9	8				
Provinces and municipalities	25	22	48	9	8				
Provinces ²									
Provincial Revenue Funds									
Municipalities ³									
Municipalities	25	22	48	9	8				
<i>of which: Regional service council levies</i>	25	22	48	9	8				
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	3,674	333	92	186	193	249	65	70	72
Buildings and other fixed structures									
Buildings									
Other fixed structures									
Machinery and equipment	3,674	333	92	186	193	249	65	70	72
Transport equipment									
Other machinery and equipment	3,674	333	92	186	193	249	65	70	72
Cultivated assets									
Software and other intangible assets									
Land and subsoil assets									
Total economic classification	16,644	10,010	7,826	15,120	15,922	14,851	18,305	18,855	23,861

Table B.2.5: Payments and estimates by economic classification: Development Projects

R thousand	Outcome			Main appropriation	Adjusted appropriation	Estimated Actual	Medium-term estimates		
	Audited	Audited	Audited						
	2003/04	2004/05	2005/06				2007/08	2008/09	2009/10
Current payments	17,360	17,075							
Compensation of employees									
Salaries and wages									
Social contributions									
Goods and services	17360	17,075							
<i>of which</i>									
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									
<i>of which: Regional service council levies</i>									
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							

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

R thousand	Outcome			Main appropriation	Adjusted appropriation	Estimated Actual	Medium-term estimates			
	Audited	Audited	Audited							
	2003/04	2004/05	2005/06							
				2006/07			2007/08	2008/09	2009/10	
Total departmental transfers - RSC Levies										
Category B										
Category C		260	181	249	65	53				
Motheo		260	181	249	65	53				
Unallocated										
Total departmental transfers				260	181	249	65	53		