

Vote 12

Provincial Treasury

Table 12.1: Summary of departmental allocation

R' 000	2009/10 To be appropriated	2010/11	2011/12
MTEF allocations	259 972	275 551	292 063
of which			
<i>Current payments</i>	255 359	270 624	286 842
<i>Transfers and subsidies</i>	-	-	-
<i>Payments for capital assets</i>	4 613	4 927	5 221
Statutory Amount	1 414	1 485	1 552
Political Office Bearer	MEC for Finance, Economic Development & Environmental Affairs		
Administering Department	Provincial Treasury		
Accounting Officer	Superintendent General		

1. Overview

1.1 Vision

The vision of the department is to be “a quality Treasury, leading in service excellence by serving with honesty, humility and integrity”.

1.2 Mission

The mission of the department is “to provide strategic and technical leadership in the allocation and utilization of the financial resources in order to improve the quality of life in the province”.

1.3 Core functions and responsibilities

The traditional functions of Treasury are located in essentially three distinct areas, i.e. the preparations and management of the provincial budget, oversight of departments and municipalities to promote efficiency, accountability and transparency in the rendering of the public services, while at same time promoting financial reforms in the areas of budgeting, procurement, banking and cash management services, governance, accounting and reporting.

Oversight of departments and municipalities includes supporting these entities with capacity building to ensure that there is an enabling environment in which best practices of sound financial management can be possible.

These functions are executed through four programmes as follows:

- Programme 1: Administration
- Programme 2: Sustainable Resource Management
- Programme 3: Asset & Liability Management
- Programme 4: Financial Governance

1.4 Main services

Over and above the normal functions of performing vote activities, preparing the provincial budgets, managing the budget execution and reporting, the department runs the following projects with a view to improving financial management in the province.

The following is an extract from the projects which were identified:

- Centralized Electronic Suppliers Database
- PFSA
- CFO Support Programme
- Audit Turnaround Strategy
- Financial Management Capacity Study
- Financial Management Improvement Plan 2 (Provincial)
- Financial Management Improvement Plan 2 (Municipal)
- Financial Capability Model
- Municipal Support Programme
- Budget Baseline Study

1.5 Acts, rules and regulations

The mandate, responsibilities and services provided by the department are determined and governed by a number of Acts, rules and regulations, including the following:

- Public Finance Management Act and the accompanying Treasury Regulations
- Municipal Finance Management Act
- Appropriations Acts
- Division of Revenue Act
- Public Service Act and the accompanying Public Service Regulations
- Labour Relations Act
- Employment Equity Act
- Skills Development Act
- Skills Development Levies and the South African Qualifications Act
- Basic Conditions of Employment Act
- Occupational Health and Safety Act
- Supply Chain Management Framework
- Preferential Procurement Policy Framework Act
- Promotion of Access to information Act

Other important documents that shape and guide the activities of the department include the following:

- Provincial Growth and Development Plan

- Medium Term Budget Policy Statement (issued by the National Treasury)
- Intergovernmental Fiscal Review (issued by the National Treasury)
- Report of the Auditor General on the Accounts of the Government
- Budget Review documents
- FFC Recommendations on the annual budget
- Circulars, practice notes, policy statements, etc. issued by the National Treasury

1.6 External activities and events relevant to budget decisions

The budget is mostly influenced by the legal mandate of Treasury in terms of section 18 of the PFMA and is driven mostly by established legal processes and policy priorities, including short term projects. The department plays a strategic role in making sure that government policy priorities are funded. Much as there is no external event affecting budget decision of the vote, the funding of transversal programmes are affected by the global financial crisis, giving rise to the tight fiscal framework that has contextualised the provincial budget.

2 Review of the current financial year (2008/09)

The adjusted budget allocation for the current financial year is R289, 160 million. This amount is distributed to the four programmes as follows:

- | | |
|--|-------------------|
| • Program 1: Administration | R129, 252 million |
| • Program 2: Sustainable Resource Management | R 60, 502 million |
| • Program 3: Assets and Liability Management | R 68, 447 million |
| • Program 4: Financial Governance | R 30, 959 million |

At 65.5 per cent of the adjusted budget as at 31 December 2008, spending shows a marked improvement, compared to the 2007/08 financial year, when expenditure was 59 per cent of adjusted budget. Indications are that the department will spend close to its budget at the end of the year. From a non-financial perspective all key programs identified for the current financial year are largely on schedule, with some delay noticeable on departmental projects. The following reflect the performance of the department on the areas identified for the current year.

2.1 Improving Financial Management Support

The year started with Treasury hosting achievability hearings in April 2008 with a view to assess readiness of the departments to implement the budget for the current financial year. Looking at issues like procurement and recruitment plans and how these were aligned to plans, Treasury was able to identify risks of under spending and/or non-alignment of cash flow and advised departments accordingly. Further to this monthly expenditure reports were tabled at the Executive Council and Legislature to keep them updated of the developments and for them to inform on corrective actions.

The expenditure trends for this financial year show a marked improvement, with the risk of under expenditure shifting to over expenditure, which is being managed.

During the year under review Treasury also assisted a number of municipalities with hands on support, through the deployment of the CFO support and Treasury staff in municipalities to help

with processing of the reports. The Provincial Treasury in collaboration with National Treasury has provided training on the compilation of the monthly budget statements to municipalities, particularly to those municipalities that are experiencing problems in submitting these statements on a monthly basis and on time as required by legislation.

The other area identified was the development of the Budget System Support which was to assist with smooth running of the budget preparation process. The project experienced some delays but nevertheless the department was able to prepare the provincial budget. It is expected that project will be carried over to 2009/10 financial year.

2.2 Continuous Implementation of service delivery initiatives

Most of the studies that were undertaken proceeded to completion during the second quarter of the 2008/09 financial year. The reports of these studies have been received and the department is evaluating the reports for taking recommendations made in these studies forward. For example the municipal viability study confirms the gravity of the lack of financial management capacity in municipalities and the urgency with which intervention are needed. In 2009/10 financial year, plans are made to roll out some of the interventions.

2.3 The Implementation of the Integrated Supplier Management System

The project experienced some delays during the year as a result of inadequate supporting infrastructure (connectivity and hardware). However, software development was completed and a modern training facility at the Global Life centre was developed. This facility will be used to conduct all Suppliers Database training, including transversal training of departmental users. The project is planned to be launched in the first quarter of the 2009/10 financial year.

2.4 Improving Internal Efficiency

The organizational structure is under review, with section on Shared Internal Audit Services being ready for consultation. Other aspects of the Human Resources Strategy will be carried to the next financial year. During current year the department accelerated its recruitment and skill development initiatives, thereby reducing its vacancy rate by 6 %, compared to the previous year. The PMDS implementation will still require improvement, which will be carried over to the 2009/10 financial year.

2.5 Intensification of the CFO Support Programme

The programme continued to intensify the implementation of the CFO support programme in order to provide financial management support to provincial departments. Ten more CFO Support staff have been added thus increasing the number of the CFO Support to sixteen and enabling the coverage of the support to nine departments. The key focus in the next financial year will be on increasing the participation of departments in ensuring that programme is efficient and effective. It is hoped that the programme will increase its impact in the next audit cycle.

2.6 Intensification of the Employee Assistance & Wellness Programme (EAWP)

The Employee Assistance & Wellness Programme was strengthened with the award of the contract. This is proving to be useful as the department has experienced higher demand for this service, as current financial crisis has had a negative impact on the psychological well being of our employees.

2.7 Other achievements

Public Financial Services Agency (PFSA)

In an endeavour to improve financial management in the provincial departments, the programme continued to roll-out the financial management training through PFSA and the number of officials trained to date is estimated at 10 000 on short courses, 537 on certificate programmes and 676 on customised interventions in different areas of financial management. This programme has managed to mobilise a team of experienced facilitators from national as well as other provinces through this intervention.

European Union Local Economic Development Programme

The 5 year European Union Local Economic Development Programme continued during the year under review, with implementation and monitoring of the grants that were awarded in the previous year. The last calls for Tranche 2 are expected to be awarded in 2009/10 financial year.

Improvement of the audit outcome

During the financial year 2007/08, the department managed to obtain an unqualified audit opinion after some challenges in the two years prior to that reporting period.

3 Outlook for the coming financial year (2009/10)

Few projects are identified for the 2009/10 financial year, as the department will continue with the projects identified in the previous year, the main focus for this being the corrective measures on the challenges experienced in the initial phase of implementation. The 2009/10 financial year, therefore, will see the department continue with the following:

3.1 Centralized Electronic Suppliers Database

The project involved the development of the system software to support supply chain management decisions. This project seeks to establish centralised record of the suppliers that are doing business with government for vetting, profiling and management information on procurement policy goals.

It is hoped that once the system is functional the risks to departments of awarding contracts to businesses that are not legitimately established, not appropriately geared to execute the relevant contract, or with an inappropriate ownership profile will be minimized. The project has progressed well, albeit with some delays in the third quarter of the 2008/09 financial year. The delays were due to incompatible supporting infrastructure like bandwidth and hardware. However, these challenges have since been addressed and the system software development has been completed with the remaining task being testing. It is expected the system will be working in the third quarter of the financial year.

3.2 Public Financial Services Agency (PFSA)

PFSA has been the vehicle driving financial management training in the province. Provincial Treasury has improved its courses and strengthened its governance, resulting in improved profile. Provincial Treasury intends entering into a new contract for a further two years while future long term plans regarding financial management training are being explored. It is expected that the programme will perform even better in the current year.

3.3 Audit Turnaround Strategy

An audit intervention plan was proposed by Provincial Treasury and put before the Executive Committee in November 2007. The main objective of the plan was to address the worsening financial management performance in the province as evidenced by the Auditor-General's audit findings in the 2006/07 departmental audit reports. A number of interventions are planned to improve the audit outcome and these include the deployment of the contract personnel, known as CFO support, to boost the financial management in departments.

In the medium to long term there are plans to undertake a study on financial management capacity of the departments with a view developing a sustainable solution. The study will look at Human Resource Strategy supporting both the finance and corporate services functions, together with business process that drive accounting and delegation process in departments, including the decentralised function. With the complementary interventions from National Treasury, through the European Union, which includes the Financial Capability Model and the Financial Management Improvement Plan 2, it is expected that the project will get the necessary impetus to improve the audit outcomes over the period of three years.

3.4 Municipal Support Programme

A number of interventions such as MFMTAP (Municipal Finance Management Technical Assistance Programme), Project Consolidate and now Siyenza Manje are but some of the support measures national government has instituted in support of municipal capacity building.

Despite the various interventions and support measures instituted by the national government to provide technical financial management support and capacity building to municipalities, there is growing consensus that the current financing model for local government has challenges. The funding gap makes it difficult for municipalities to perform their developmental role as many municipalities do not only have challenges in reducing service delivery backlogs, but are also unable to sustain the required levels of human resource capacity.

Recognising the financial challenges faced by municipalities in its meeting held on 11 October 2007, the Budget Forum acknowledged that budgetary adjustments to weaker capacitated municipalities need to be made.

Given the above scenario, and the fact that the province has a high percentage of local and district municipalities with serious capacity constraints, the Provincial Treasury is compelled to adopt a hands on approach in supporting municipalities, and in some cases consider limited financial support, hence the introduction of Financial Management Support Programme (FMSP).

Working under the banner of the 5 year Local Government Strategic Agenda, the programme will run for two years and would largely be directed at targeting those interventions that improve financial management directly. This includes reducing the number of days lost by a vacancy in the Chief Financial Officer's office and accelerated mentorship where there are skills gaps, by :-

- Recruiting and deploying contract Senior Managers, Managers and Interns to targeted municipalities. The placement of the support staff is to be within the 29 municipalities targeted by the Municipal Viability Study but for exact placement Provincial Treasury will be awaiting the outcome of the study.
- Financial Management capacity Grant to guarantee payment of salaries for the top positions in the Chief Financial Officer's office. This will depend on other partners joining in funding salaries for areas like technical service and corporate services in line with the skills targeted under Section 57 of the MFMA.

- Exploring opportunities for shared services in the areas of procurement, internal audit and other similar services like Corporate Services, etc.

It is hoped that through FMSP intervention mentoring programmes will also be facilitated where they are warranted.

3.5 Budget Baseline Study

One of the key variables in budget allocation is allocative efficacy, an area where the province has had some difficulties. Budgets continue to be under pressure as requests exceed the available resources and the alignment of budget will policy continues to be under question.

Furthermore the current economic environment will require that we put greater emphasis on improving the efficacy of public spending to protect spending of frontline services, especially as they relate to government's key priorities. To respond to some of these challenges and in recognition of the need to increase the scope of manoeuvrability for new term of government, Provincial Treasury thought it appropriate to do a comprehensive review of the budget baselines of departments during the 2009/10 financial year. The study seeks to obtain baseline information in order to inform decisions on the budget.

3.6 Integration of Transkei Development Reserve Fund to the Provincial Revenue Fund

- The Transkei Development and Reserve Fund was established by an Act of Parliament (Act no. 3 of 1964) of the former Transkei Government. This Fund was established to perform specific functions identified by the Transkei Government in the field of:
 - Industry
 - Trade
 - Finance
 - Agriculture and Forestry

With a view to integrate the TDRF into the Revenue Fund, Provincial Treasury is considering transferring the fixed and immovable assets to either the department of Public Works or any other government entity that has requisite capacity and skill. In as far as the stake of government held in Meeg Bank, the disposal of this stake has been completed in 2008/09 financial year and the proceeds received. The plan is to ensure that relevant stake holder possibly register interest before the fund is wound up completely.

4. Summary of receipts

Table 12.2: Summary of departmental receipts

R' 000	2005/06	2006/07	2007/08	2008/09			2009/10	2010/11	2011/12	% change from 2008/09
	Audited			Main budget	Adjusted budget	Revised estimate	Medium-term estimates			
Treasury funding										
Equitable share	13 493	(158 984)	(319 334)	(51 397)	(71 010)	(62 747)	136 020	109 765	141 243	(316.78)
Conditional grants										
Total Treasury funding	13 493	(158 984)	(319 334)	(51 397)	(71 010)	(62 747)	136 020	109 765	141 243	(316.78)
Departmental receipts										
Tax receipts										
Sales of goods and services other than capital assets	116	111	114	100	100	86	105	109	114	22.09
Transfers received										
Fines, penalties and forfeits										
Interest, dividends and rent on land	105 195	291 485	486 323	300 070	360 070	348 792	123 847	165 677	150 706	(64.49)
Sales of capital assets										
Financial transactions in assets and liabilities	188	47	268			477				(100.00)
Total departmental receipts	105 499	291 643	486 705	300 170	360 170	349 355	123 952	165 786	150 820	(64.52)
Total receipts	118 992	132 659	167 371	248 773	289 160	286 608	259 972	275 551	292 063	(9.29)

The revenue for the department is mainly composed of interest generated from investment.

Donor Funding

The Eastern Cape provincial administration received a five year donor funded Local Economic Development (LED) Support Programme from the European Union. The Programme is being implemented by three Eastern Cape Provincial Government departments: (i) the Provincial Treasury, as Programme Contracting Authority, the Department of Economic Development and Environmental Affairs (DEDEA and its public entity the Eastern Cape Development Corporation (ECDC); and Department of Local Government and Traditional Affairs (DLGTA). The Office of the Premier of the Eastern Cape undertakes overall strategic direction and coordination. The department of Agriculture has been co-opted in the arrangement in order to provide mentoring to grant beneficiaries who received farming and agricultural grants. The donor funding is received in two tranches at R65 million for Tranche 1 implementable from 2007/08 and 2008/09 financial years and Tranche 2 for R66, 7 million implementable from 2009/10 to 2010/11.

5. Payments summary

Table 12.3: Summary of departmental payments and estimates by programme

R' 000	2005/06	2006/07	2007/08	2008/09			2009/10	2010/11	2011/12	% change from 2008/09
	Audited			Main budget	Adjusted budget	Revised estimate	Medium-term estimates			
1. Administration	35,997	45,848	76,926	112,330	129,252	130,157	93,674	99,747	105,725	(28.03)
2. Sustainable Resource Management	9,840	20,620	31,625	55,294	60,502	61,662	54,295	57,549	60,997	(11.95)
3. Asset And Liability Management	54 127	42 642	38 701	47 879	68 447	64 759	44 415	47 077	49 898	(31.41)
4. Financial Governance	19 028	23 549	20 119	33 270	30 959	30 030	67 588	71 178	75 443	125.07
Total payments and estimates	118 992	132 659	167 371	248 773	289 160	286 608	259 972	275 551	292 063	(9.29)

Table 12.3.1: Summary of departmental payments and estimates by economic classification

R' 000	2005/06	2006/07	2007/08	2008/09			2009/10	2010/11	2011/12	% change from 2008/09
	Audited			Main budget	Adjusted budget	Revised estimate	Medium-term estimates			
Current payments	109 421	123 803	164 617	242 207	263 723	261 001	255 359	270 624	286 842	(2.16)
Compensation of employees	69 521	68 692	90 481	136 276	141 057	138 977	168 583	178 563	189 263	21.30
Goods and services	39 085	55 111	70 843	105 931	122 666	122 024	86 776	92 061	97 579	(28.89)
Interest and rent on land	815									
Financial transactions in assets and liabilities			3 293							
Transfers and subsidies to	8 208	4 440	726	260	11 162	11 319				(100.00)
Provinces and municipalities	195	71			10 000	10 000				(100.00)
Public corporations and private enterprises	7 668	3 460								
Households	345	909	726	260	1 162	1 319				(100.00)
Payments for capital assets	1 363	4 415	2 028	6 306	14 275	14 288	4 613	4 927	5 221	(67.71)
Buildings and other fixed structures										
Machinery and equipment	1 272	3 806	2 028	6 306	14 275	14 288	4 613	4 927	5 221	(67.71)
Software and other intangible assets	91	609								
Total economic classification	118 992	132 659	167 371	248 773	289 160	286 608	259 972	275 551	292 063	(9.29)

Table 12.3.1 reflects an increase of 19, 5 % in compensation of employees in the 2009/10 appropriation and is mainly due to the provision of interns in Programme 3 that will be involved in the capturing of the supplier documents for the Provincial Electronic Supplier Database project and the Department's plans to significantly strengthen its capacity in the Shared Internal Audit Service under Programme 4.

Goods and services has decreased by 29, 3% against the adjusted budget for 2008/09. The budget for certain committed projects had to be reduced due to budget constraints. The following provisions have been made:

- CFO Support R 19 million
- Centralised Electronic Supplier Database R 4 million
- Provincial Budget System Support R 500 000
- Integrated Electronic Document and Management System R 1, 6 million
- PFSA R 10 million
- Leasing of Computer Equipment R 1, 3 million

Payment of capital expenditure has decreased in the 2009/10 appropriation due to initial set up costs for the Centralised Electronic Supplier Database in the 2008/09 financial year. The 2009/10 capital budget entails the purchase of new computers and software at R 1.1 million and equipment and office furniture at R 3, 5 million.

Table 12.5: Summary of departmental transfers to local government

R' 000	2005/06	2006/07	2007/08	2008/09			2009/10	2010/11	2011/12	% change from 2008/09
	Audited			Main budget	Adjusted budget	Revised estimate	Medium-term estimates			
Category A										
Category B					8 569	8 569				(100.00)
Category C	194	71			1 431	1 431				(100.00)
Unallocated										
Total transfers to local government	194	71			10 000	10 000				(100.00)

Table 12.5 reflects a once-off provision of R10 million as a transfer to local government in respect of audit fees owed by municipalities to the Office of the Auditor General

6. Programme Description

Programme 1: Administration

Purpose: To provide leadership, strategic management in accordance with legislation, regulations, and policies and ensure appropriate support service to all other programs.

Analysis per sub-programme:

Office of the MEC

To set priorities and political directives in order to meet the objectives of the department.

Management Services

To translate policies and priorities into strategies for effective service delivery and to manage, monitor and control performance and to provide Strategic Direction, Legal Customer Care, Total Quality Management and Communication Service.

Corporate Services

To provide an internal enabling function and support service to the other programs with regard to Human Resource Management and Development and Information Technology.

Financial Management

To provide Chief Financial Officer service to the Accounting Officer including Financial Management, Supply Chain Management and Internal Control Services.

Table 12.8.1(a): Summary of departmental payments and estimates - Programme 1: Administration

R' 000	2005/06	2006/07	2007/08	2008/09			2009/10	2010/11	2011/12	% change from 2008/09
	Audited			Main budget	Adjusted budget	Revised estimate	Medium-term estimates			
1. Office of the MEC	3,394	4,069	2,973	3,825	4,281	4,110	5,110	5,416	5,741	24.33
2. Management Services	5,447	7,057	32,503	31,365	52,676	56,807	15,241	16,154	17,122	(73.17)
3. Corporate Services	5,965	11,201	14,796	32,577	28,499	27,088	29,656	31,433	33,317	9.48
4. Financial Management	21,191	23,521	26,654	44,563	43,796	42,152	43,667	46,744	49,545	3.59
Total payments and estimates	35 997	45 848	76 926	112 330	129 252	130 157	93 674	99 747	105 725	(28.03)

Table 12.8.1(b): Summary of departmental payments and estimates by economic classification - Programme 1: Administration

R' 000	2005/06	2006/07	2007/08	2008/09			2009/10	2010/11	2011/12	% change from 2008/09
	Audited			Main budget	Adjusted budget	Revised estimate	Medium-term estimates			
Current payments	35 726	43 521	74 923	106 024	122 796	123 493	89 061	94 820	100 504	(27.88)
Compensation of employees	21 816	22 414	28 802	43 367	45 496	44 647	52 455	55 842	59 189	17.49
Goods and services	13 910	21 107	46 121	62 657	77 300	78 846	36 606	38 978	41 315	(53.57)
Transfers and subsidies to	199	49	56		150	284				(100.00)
Provinces and municipalities	67	25								
Households	132	24	56		150	284				(100.00)
Payments for capital assets	72	2 278	1 947	6 306	6 306	6 380	4 613	4 927	5 221	(27.70)
Machinery and equipment	72	2 278	1 947	6 306	6 306	6 380	4 613	4 927	5 221	(27.70)
Total economic classification	35 997	45 848	76 926	112 330	129 252	130 157	93 674	99 747	105 725	(28.03)

Table 12.8.1(b) reflects a budget of R 93, 7 million in 2009/10 which represents a decrease of 27, 5% of the 2008/09 adjusted budget of R 129, 2 million. In terms of economic classification, this translates to R 6,959 million increase in compensation of employees, R 40,7 million decrease in goods and services and R1, 7 million in payments fro capital assets. The substantial decrease in

goods and services is ascribed to the function shift wherein the CFO Support program and PFSA with a budget of R19,8 million and R10 million respectively have moved from Programme 1 to Programme 4.

Service delivery measures

SERVICE DELIVERY MEASURES-PROGRAMME 1: ADMINISTRATION			
Output Type	Performance Measures	Performance Targets	
		2008/09 (Est. Actual)	2009/10 (Estimate)
An effective communication strategy to promote the image of the department is developed and implemented.	Approved communication strategy developed and implemented	1	1
Service delivery monitoring frameworks implemented	Approved Service Delivery Improvement Plan	1	1
To coordinate and monitor the implementation of the PMDS in the department for SMS members	Number of approved SMS performance agreements signed	44	44
HRD strategy implemented to capacitate employees of the department.	Quarterly report on the HRD strategy implemented	4	4
Employee Wellness Programmes (EWP) facilitated for the department	Quarterly report on integrated HIV/AIDS, EWP AND OHSA policies implemented and campaigns conducted	4	4
IT strategy and infrastructure programme for the department Implemented	Half year report on the implementation of the IT plan	2	2
Budget management processes implemented for the department	Approved and integrated departmental budget	2	2
Supply chain management strategy and processes implemented for the department	Quarterly report on reviewed policies, procedures and protocols by the Accounting Officer (AO)	4	4
Systems for provision and management of assets to ensure conducive working environment in place	Reviewed Asset Management policies and protocols	1	1

Programme 2: Sustainable Resource Management

Purpose: To provide professional advice and support on Provincial economic analysis, fiscal policy, public finance development and management of the annual Provincial budget process and co-ordinate the implementation of the Municipal Finance Management Act (Act 56 of 2003) (MFAM) and ensure that municipalities develop skills to comply with the Act

Analysis per sub-programme:

Program Support

Provide for the administrative cost, capacity development and salary of the program manager.

Economic Analysis

To provide for provincial economic and social research and analysis, that informs the fiscal policy development and annual budget process, thereby contributing to the provincial growth and development plan.

Fiscal Policy

To provide fiscal policy advice, determine the Medium Term Fiscal Framework, develop and optimize the provincial revenue base and develop a provincial borrowing framework. To determine the overall financing envelope for the MTEF including the administering the medium term revenue

planning process, assessing and optimizing national revenue, ensure effective and efficient development of provincial revenue including the assessments of revenue trends and compilation and submission of revenue reports.

Budget Management

To oversee the departmental allocation process aligned with provincial policies/growth and development plan. To provide advice, drive the MTEF and annual budget process and determine annual budget allocations per department including resource shifts between departments.

Public Finance

To drive and coordinate the Provincial Treasury responsibilities in terms of the Municipal Finance Management Act, 2003 (MFMA).

Table 12.8.2(a): Summary of departmental payments and estimates - Programme 2: Sustainable Resource Management

R' 000	2005/06	2006/07	2007/08	2008/09			2009/10	2010/11	2011/12	% change from 2008/09
	Audited			Main budget	Adjusted budget	Revised estimate	Medium-term estimates			
1. Programme Support	2,139	726	1,509	2,720	2,637	2,546	3,154	3,343	3,543	23.88
2. Economic Analysis	-	-	620	2,338	1,957	1,921	2,389	2,532	2,684	24.36
3. Fiscal Policy	1 083	1 685	3 941	4 063	5 324	5 166	3 690	3 911	4 146	(28.57)
4. Budget Management	936	1 774	6 558	13 084	11 456	11 228	14 487	15 355	16 275	29.03
5. Public Finance	5 682	16 435	18 997	33 089	39 128	40 801	30 575	32 408	34 349	(25.06)
Total payments and estimates	9 840	20 620	31 625	55 294	60 502	61 662	54 295	57 549	60 997	(11.95)

Table 12.8.2(b): Summary of departmental payments and estimates by economic classification - Programme 2: Sustainable Resource Management

R' 000	2005/06	2006/07	2007/08	2008/09			2009/10	2010/11	2011/12	% change from 2008/09
	Audited			Main budget	Adjusted budget	Revised estimate	Medium-term estimates			
Current payments	9 609	20 440	31 370	55 034	50 502	51 652	54 295	57 549	60 997	5.12
Compensation of employees	8 452	18 138	24 616	44 032	38 826	38 247	49 531	52 499	55 645	29.50
Goods and services	1 157	2 302	3 461	11 002	11 676	13 405	4 764	5 050	5 352	(64.46)
Financial transactions in assets and liabilities			3 293							
Transfers and subsidies to	231	180	255	260	10 000	10 010				(100.00)
Provinces and municipalities	23	12			10 000	10 000				(100.00)
Households	208	168	255	260		10				(100.00)
Payments for capital assets										
Total economic classification	9 840	20 620	31 625	55 294	60 502	61 662	54 295	57 549	60 997	(11.95)

Table 12.8.2(b) reflects a budget of R 54, 3 million in 2009/10 which represents a decrease of 10, 3% from the adjusted budget of R60, 5 million. The adjusted budget for 2008/09 included once-off projects namely, Own Revenue Study and Municipality Viability Studies which were completed during the course of the financial year. In terms of economic classification, this translates to R 10, 7 million increase in compensation of employees and R 6, 9 million decrease in goods and services.

Service delivery measures

SERVICE DELIVERY MEASURES-PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT			
Output Type	Performance Measures	Performance Targets	
		2008/09 (Est. Actual)	2009/10 (Estimate)
Conduct quantitative analysis of macro economic issues in order to inform the budget process	Publication on provincial economic review and outlook produced	1	1
Co-ordinate the development of the Provincial Medium Term Budget Policy Statement	Provincial Medium Term Budget Policy Statement	1	1
Develop and present a provincial framework for the allocation of financial resources to the province	Approved Provincial Fiscal Framework	1	1
Facilitate the allocation of financial resources to the province	Approved submissions on the Division of Revenue Bill	1	1
Conduct assessment of previous year's budget processes	Assessment report	1	1
Conduct the MTEC hearings	Approved MTEC report and recommendations on equitable allocation of resources	1	1
Coordinate the compilation of the Provincial Budget "Adjustment Estimate"	Approved Adjusted Budget	1	1
Coordinate the provincial In-Year Monitoring (IYM) processes	Approved monthly IYM reports	12	12
Compile the quarterly conditional grant and expenditure management report	Approved quarterly reports	4	4
Conduct budget baseline study to facilitate better alignment of budgets by provincial departments and public entities	Approved evaluation report	1	1
Monitor and enforce the implementation of MFMA and its regulations, guidelines, circulars and formats.	Monitoring and implementation report	4	4
Provide technical support to strengthen the functioning of budget and treasury offices in municipalities.	Report on technical support provided.	4	4

Program 3: Asset and Liability Management

Purpose: To render effective, efficient and transparent accounting services to provincial departments.

Analysis per sub-programme:

Program Support

To provide for the cost related to efficient running of the program.

Asset Management

To facilitate the effective and efficient management of physical and financial assets. Management and oversight over government procurement to ensure fair, equitable and transparent acquisition and disposal of assets. Economic development through infrastructure and targeted government procurement. Stewardship over financial and physical assets.

Liability Management

To facilitate the effective and efficient management of liabilities.

Supporting and Interlinked Financial Systems

To provide for the oversight and management of existing financial systems and the transition to the Integrated Financial Management System enhancing compliance with the PFMA and other relevant legislation. Provision, support and enhancement of systems to support the Business processes of government. Capacity building in financial skills aimed at better Provincial financial management.

Table 12.8.3(a): Summary of departmental payments and estimates - Programme 3: Asset And Liability Management

R' 000	2005/06	2006/07	2007/08	2008/09			2009/10	2010/11	2011/12	% change from 2008/09
	Audited			Main budget	Adjusted budget	Revised estimate	Medium-term estimates			
1. Programme Support	1,411	265	1,162	1,476	1,230	1,196	-	-	-	(100.00)
2. Asset Management	17,811	12,183	28,623	31,484	52,337	49,243	29,807	31,593	33,486	(39.47)
3. Liability Management	13 532	2 787	2 903	2 837	4 556	4 480	3 449	3 656	3 875	(23.01)
4. Supporting and Interlinked Financial Systems	21 373	27 407	6 013	12 082	10 324	9 840	11 159	11 828	12 537	13.40
Total payments and estimates	54 127	42 642	38 701	47 879	68 447	64 759	44 415	47 077	49 898	(31.41)

Table 12.8.3(b) reflects a budget of R 44, 4 million in 2009/10 which represent a decrease of (35, 1%) of the 2008/09 adjusted budget of R 68, 4 million. Due to budget constraints, a provision of R4 million has been made for the maintenance costs for the Centralised Electronic Suppliers Database resulting in an estimated shortfall of R16, 8 million.

Service delivery measures

SERVICE DELIVERY MEASURES-PROGRAMME 3: ASSETS AND LIABILITIES MANAGEMENT			
Output Type	Performance Measures	Performance Targets	
		2008/09 (Est. Actual)	2009/10 (Estimate)
Implement measures to manage effectively the Provincial Revenue Fund	Monthly reports on revenue pay-over reports and outstanding departmental surrenders to the PRF	12	12
Measures developed and implemented in accordance Regulation 16 in terms of Public Private Partnerships	Number of PPP interventions conducted	7	7
Consolidated infrastructure development strategy developed and implemented for the province	10 year infrastructure plans approved by National Treasury	1	1
Central electronic supplier database implemented for the province	Quarterly reports on screening and management of provincial suppliers	4	4
Facilitate the implementation of debt management solutions in departments	Monthly report on departments assisted	8	8
Facilitate access for utilisation of financial systems by departments	Quarterly reports on utilisation of financial systems by dept.	14	14

Program 4: Financial Governance

Purpose: Promote accountability through substantive reflection of financial activities of the province as well as compliance with financial norms and standards.

Analysis per sub-programme:

Program Support

Provide planning, wherewithal, motivation, leadership and guidance in accordance with law to the other programs and be the program's window to the rest of the Province. The office of the Provincial Accountant-General is located in this program.

Accounting Services

To ensure the effective implementation of accounting practices in line with Generally Recognized Accounting Practice (GRAP), Generally Accepted Accounting Practice (GAAP) and applicable laws, prepare consolidated financial statements that reflect the financial position of the province and interpret the same to the general public.

Norms and Standards

To develop and implement financial and associated governance norms and standards to enhance performance orientated financial results and accountability within provincial departments as prescribed.

Risk Management

To promote effective optimal financial resource utilization through analysis identification and minimization of risks and attendant imponderables.

Table 12.8.4(a): Summary of departmental payments and estimates - Programme 4: Financial Governance

R' 000	2005/06	2006/07	2007/08	2008/09			2009/10	2010/11	2011/12	% change from 2008/09
	Audited			Main budget	Adjusted budget	Revised estimate	Medium-term estimates			
1. Program Support	930	873	486	1,365	555	529	2,628	2,786	2,952	396.79
2. Accounting Services	4,209	4,396	4,125	8,347	6,551	6,305	35,881	38,031	40,310	469.09
3. Norms and Standards	3 668	2 876	2 482	3 160	4 906	4 920	4 843	5 133	5 441	(1.57)
4. Risk Management			8	802	1 837	1 732	2 021	2 142	2 270	16.69
5. Internal Audit Services	10 221	15 404	13 018	19 596	17 110	16 544	22 215	23 086	24 470	34.28
Total payments and estimates	19 028	23 549	20 119	33 270	30 959	30 030	67 588	71 178	75 443	125.07

Table 12.8.4(b): Summary of departmental payments and estimates by economic classification - Programme 4: Financial Governance

R' 000	2005/06	2006/07	2007/08	2008/09			2009/10	2010/11	2011/12	% change from 2008/09
	Audited			Main budget	Adjusted budget	Revised estimate	Medium-term estimates			
Current payments	18 788	23 104	19 623	33 270	30 592	29 663	67 588	71 178	75 443	127.85
Compensation of employees	15 776	18 023	16 686	26 125	24 309	24 094	31 965	33 515	35 521	32.67
Goods and services	3 012	5 081	2 937	7 145	6 283	5 569	35 623	37 663	39 922	539.67
Transfers and subsidies to	52	20	415		367	367				(100.00)
Provinces and municipalities	47	20								
Households	5		415		367	367				(100.00)
Payments for capital assets	188	425	81							
Machinery and equipment	97	425	81							
Software and other intangible assets	91									
Total economic classification	19 028	23 549	20 119	33 270	30 959	30 030	67 588	71 178	75 443	125.07

Table 12.8.4(a) reflects budget of R 67, 6 million in 2009/10 which represents an increase of 125 per cent from the 2008/09 adjusted budget of R30, 9 million and is due to a function shift wherein the CFO Support Program and the PFSA with a budget of R19, 8 million and R10 million respectively, have moved from Programme 1 to Programme 4. This is also compounded by the Department's plans to significantly strengthen its capacity in the Shared Internal Audit Service.

Service delivery measures

SERVICE DELIVERY MEASURES-PROGRAMME 4: FINANCIAL GOVERNANCE			
Output Type	Performance Measures	Performance Targets	
		2008/09 (Est. Actual)	2009/10 (Estimate)
Technical support provided to departments and municipalities in order to promote implementation of the PFMA, MFMA and all applicable legislation	Quarterly compliance reports	4	4
Review departmental annual reports for completeness and compliance with regulations and guidelines	Number of annual reports reviewed	14	14
Facilitate departmental and public entity reporting for compliance with the PFMA	Quarterly reports issued on compliance with the PFMA	4	4
Monitor Public Entities compliance with the governance framework	Quarterly monitoring reports that comply with uniform governance framework	4	4
Develop and monitor the implementation of mechanisms for recording departmental unauthorised expenditure	Annual Report on the status of unauthorised expenditure in the province	1	1
Facilitate the implementation of the SCOPA resolutions by departments	Annual report generated on the implementation of SCOPA resolutions	1	1
Provide the interpretation and analysis of financial management information to the relevant financial management structures and stakeholders in the province to ensure compliance in all financial related matters	Quarterly report submitted to financial management structures	4	4

7. Other programme information

7.1 Personnel numbers and costs

Table 12.9: Personnel numbers and costs

Programme R'000	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	As at 31 March 2011	As at 31 March 2012
1. Administration	115	89	36	188	188	188	194
2. Sustainable Resource Management	70	70	176	191	191	191	191
3. Asset And Liability Management	138	97	97	108	108	108	130
4. Financial Governance	21	45	119	115	115	115	185
Total personnel numbers	344	301	428	602	602	602	700
Total personnel cost (R'000)	69 521	68 692	90 481	138 977	168 583	178 563	189 263
Unit cost (R'000)	202	228	211	231	280	297	270

Table 12.10: Departmental personnel numbers and costs

R' 000	2005/06	2006/07	2007/08	2008/09			2009/10	2010/11	2011/12	% change from 2008/09
	Audited			Main budget	Adjusted budget	Revised estimate	Medium-term estimates			
Total for department										
Personnel numbers (head count)	344	301	428	602	602	602	700	700	700	16.28
Personnel cost (R'000)	69 521	68 692	90 481	136 276	141 057	138 977	168 583	178 563	189 263	21.30
<i>of which</i>										
Human resources component										
Personnel numbers (head count)	23	34	40	70	70	70	73	73	73	4.29
Personnel cost (R'000)	3 995	9 596	11 744	14 882	14 452	14 081	17 122	18 148	19 236	21.60
Head count as % of total for department	6.69	11.30	9.35	11.63	11.63	11.63	10.43	10.43	10.43	(10.31)
Personnel cost as % of total for department	5.75	13.97	12.98	10.92	10.25	10.13	10.16	10.16	10.16	0.24
Finance component										
Personnel numbers (head count)	321	382	482	75	75	75	81	81	81	8.00
Personnel cost (R'000)	65 514	59 096	81 789	17 067	19 191	18 855	23 148	24 779	26 264	22.77
Head count as % of total for department	93.31	126.91	112.62	12.46	12.46	12.46	11.57	11.57	11.57	
Personnel cost as % of total for department	94.24	86.03	90.39	12.52	13.61	13.57	13.73	13.88	13.88	
Full time workers										
Personnel numbers (head count)	341	416	500	384	384	384	461	461	461	20.05
Personnel cost (R'000)	68 067	68 692	89 939	96 742	99 184	97 800	124 217	131 295	139 161	27.01
Head count as % of total for department	99.13	138.21	116.82	63.79	63.79	63.79	65.86	65.86	65.86	3.24
Personnel cost as % of total for department	97.91	100.00	99.40	70.99	70.31	70.37	73.68	73.53	73.53	4.71
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)	3	10	22	74	74	74	85	85	85	14.86
Personnel cost (R'000)	1 442	1 797	3 594	7 585	8 230	8 241	8 212	8 678	9 156	(0.35)
Head count as % of total for department										
Personnel cost as % of total for department										

7.2 Training

Table 12.11: Payments on training

R' 000	2005/06	2006/07	2007/08	2008/09			2009/10	2010/11	2011/12	% change from 2008/09
	Audited			Main budget	Adjusted budget	Revised estimate	Medium-term estimates			
1. Administration	1 099	884	755	1 489	1 284	1 284	204	216	229	(84.11)
Subsistence and travel										
Payments on tuition	1 099	884	755	1 489	1 284	1 284	204	216	229	(84.11)
Other										
2. Sustainable Resource Management										
Subsistence and travel										
Payments on tuition										
Other										
3. Asset And Liability Management										
Subsistence and travel										
Payments on tuition										
Other										
4. Financial Governance										
Subsistence and travel										
Payments on tuition										
Other										
Total payments on training	1 099	884	755	1 489	1 284	1 284	204	216	229	(84.11)

Table 12.12: Payments on training

R' 000	2005/06	2006/07	2007/08	2008/09			2009/10	2010/11	2011/12	% change from 2008/09
	Audited			Main budget	Adjusted budget	Revised estimate	Medium-term estimates			
Number of staff	344	301	428	602	602	602	700	700	700	16.28
Number of personnel trained	40	50	60	84	84	84	100	120	125	19.05
<i>of which</i>										
Male	13	18	23	25	25	25	35	45	47	40.00
Female	27	32	37	59	59	59	65	75	78	10.17
Number of training opportunities	40	50	60	60	60	60	65	70	73	8.33
<i>of which</i>										
Tertiary										
Workshops	40	50	60	60	60	60	65	70	73	8.33
Seminars										
Other										
Number of bursaries offered	60	70	80	60	60	60	110	160	167	83.33
Number of interns appointed			50	50	50	50	60	80	84	20.00
Number of learnerships appointed										
Number of days spent on training	30	40	50	50	50	50	60	60	63	20.00

7.3 Reconciliation of structural changes

There were no structural changes

Annexure to Budget Statement 2
Provincial Treasury

Table 12.B1: Specification of departmental own receipts

R' 000	2005/06	2006/07	2007/08	2008/09			2009/10	2010/11	2011/12	% change from 2008/09
	Audited			Main budget	Adjusted budget	Revised estimate	Medium-term estimates			
Tax receipts										
Casino taxes										
Motor vehicle licences										
Horseracing										
Other taxes										
Sales of goods and services other than capital assets	116	111	114	100	100	86	105	109	114	22.09
Sales of goods and services produced by department	116	111	114	100	100	86	105	109	114	22.09
Sales by market establishments										
Administrative fees										
Other sales	116	111	114	100	100	86	105	109	114	22.09
<i>Of which</i>										
Commission on insurance										
Other	116	111	114	100	100	86	105	109	114	22.09
Sales of scrap, waste, arms and other used current goods										
Transfers received from										
Fines, penalties and forfeits										
Interest, dividends and rent on land	105 195	291 485	486 323	300 070	360 070	348 792	123 847	165 677	150 706	(64.49)
Interest	105 195	291 485	486 323	300 070	360 070	348 792	123 847	165 677	150 706	(64.49)
Sales of capital assets										
Financial transactions in assets and liabilities	188	47	268			477				(100.00)
Total departmental receipts	105 499	291 643	486 705	300 170	360 170	349 355	123 952	165 786	150 820	(64.52)

Table 12.B2: Details of departmental payments and estimates by economic classification

R' 000	2005/06	2006/07	2007/08	2008/09			2009/10	2010/11	2011/12	% change from 2008/09
	Audited			Main budget	Adjusted budget	Revised estimate	Medium-term estimates			
Current payments	109 421	123 803	164 617	242 207	263 723	261 001	255 359	270 624	286 842	(2.16)
Compensation of employees	69 521	68 692	90 481	136 276	141 057	138 977	168 583	178 563	189 263	21.30
Salaries and wages	69 521	68 692	90 481	136 276	141 057	138 977	168 583	178 563	189 263	21.30
Social contributions										
Goods and services	39 085	55 111	70 843	105 931	122 666	122 024	86 776	92 061	97 579	(28.89)
<i>Of which</i>										
Administrative fees	17	29	59	54	89	89	72	77	82	(19.10)
Advertising	447	813	1 224	945	875	875	1 344	1 427	1 511	53.60
Assets <R5000	215	947	876	824	1 124	1 124	782	837	887	(30.43)
Audit cost: External	1 848	2 905	3 088	4 240	3 092	3 092	3 300	3 526	3 737	6.73
Bursaries (employees)	447	491	747	3 060	2 460	2 460	2 150	2 279	2 415	(12.60)
Catering: Departmental activities		18	783	1 726	948	948	859	911	965	(9.39)
Communication	3 412	2 994	4 249	6 474	7 159	6 026	7 563	8 045	8 529	25.51
Computer	4			1 400	909	909	1 030	1 092	1 157	13.31
Cons/prof:business & advisory services	24 297	34 274	41 833	51 309	76 558	77 320	42 411	44 912	47 604	(45.15)
Cons/prof: Legal cost	565			800	800	800	1 000	1 060	1 123	25.00
Contractors			500	640	640	640	1 420	1 513	1 606	121.88
Entertainment	110	145	264	499	459	459	466	496	525	1.53
Inventory: Other consumables				75	345	345	40	43	45	(88.41)
Inventory: Stationery and printing	1 508	3 710	2 871	4 202	4 157	4 157	1 856	1 986	2 105	(55.35)
Lease payments		907	2 458	5 380	4 480	4 480	4 960	5 296	5 613	10.71
Owned & leasehold property expenditure				1 570	1 530	1 530	2 070	2 213	2 345	35.29
Travel and subsistence	3 224	4 762	5 727	13 811	10 064	9 843	9 255	9 789	10 377	(5.97)
Training & staff development	1 399	949	921	1 689	1 384	1 384	204	216	229	(85.26)
Operating expenditure	655	1 101	4 349	4 001	3 486	3 436	4 243	4 488	4 760	23.49
Venues and facilities	937	1 067	894	3 232	2 107	2 107	1 751	1 855	1 964	(16.90)
Other										
Interest and rent on land	815									
Interest	815									
Financial transactions in assets and liabilities			3 293							
Transfers and subsidies to (Current)	8 208	4 440	726	260	11 162	11 319				(100.00)
Provinces and municipalities	195	71			10 000	10 000				(100.00)
Provinces	1									
Provincial agencies and funds	1									
Municipalities	194	71			10 000	10 000				(100.00)
Municipalities	194	71			10 000	10 000				(100.00)
Public corporations and private enterprises	7 668	3 460								
Public corporations	7 668	3 460								
Other transfers	7 668	3 460								
Households	345	909	726	260	1 162	1 319				(100.00)
Social benefits			311							
Other transfers to households	345	909	415	260	1 162	1 319				(100.00)
Transfers and subsidies to (Total)	8 208	4 440	726	260	11 162	11 319				(100.00)
Provinces and municipalities	195	71			10 000	10 000				(100.00)
Provinces	1									
Municipalities	194	71			10 000	10 000				(100.00)
Municipalities	194	71			10 000	10 000				(100.00)
Public corporations and private enterprises	7 668	3 460								
Households	345	909	726	260	1 162	1 319				(100.00)
Social benefits			311							
Other transfers to households	345	909	415	260	1 162	1 319				(100.00)
Payments for capital assets	1 363	4 415	2 028	6 306	14 275	14 288	4 613	4 927	5 221	(67.71)
Machinery and equipment	1 272	3 806	2 028	6 306	14 275	14 288	4 613	4 927	5 221	(67.71)
Other machinery and equipment	1 272	3 806	2 028	6 306	14 275	14 288	4 613	4 927	5 221	(67.71)
Software and other intangible	91	609								
Total economic classification	118 992	132 659	167 371	248 773	289 160	286 608	259 972	275 551	292 063	(9.29)

Table 12.B2.1: Details of departmental payments and estimates by economic classification - Programme 1: Administration

R' 000	2005/06	2006/07	2007/08	2008/09			2009/10	2010/11	2011/12	% change from 2008/09
	Audited			Main budget	Adjusted budget	Revised estimate	Medium-term estimates			
Current payments	35 726	43 521	74 923	106 024	122 796	123 493	89 061	94 820	100 504	(27.88)
Compensation of employees	21 816	22 414	28 802	43 367	45 496	44 647	52 455	55 842	59 189	17.49
Salaries and wages	21 816	22 414	28 802	43 367	45 496	44 647	52 455	55 842	59 189	17.49
Goods and services	13 910	21 107	46 121	62 657	77 300	78 846	36 606	38 978	41 315	(53.57)
<i>Of which</i>										
Administrative fees	17	29	59	54	89	89	72	77	82	(19.10)
Advertising	416	813	1 224	915	875	875	1 284	1 363	1 444	46.74
Assets <R5000	67	509	876	824	1 124	1 124	782	837	887	(30.43)
Audit cost: External	1 748	2 745	2 984	2 900	2 600	2 600	2 700	2 890	3 063	3.85
Bursaries (employees)	447	491	747	3 060	2 460	2 460	2 150	2 279	2 415	(12.60)
Catering: Departmental activities			515	974	541	541	522	554	587	(3.51)
Communication	3 254	2 740	3 821	5 335	5 339	4 218	4 839	5 166	5 476	14.72
Computer							1 030	1 092	1 157	
Cons/prof:business & advisory services	2 865	6 294	23 694	23 017	43 545	46 394	3 805	4 038	4 280	(91.80)
Cons/prof: Legal cost	565			800	800	800	1 000	1 060	1 123	25.00
Contractors			500	640	640	640	1 420	1 513	1 606	121.88
Entertainment	42	71	152	308	303	303	277	296	312	(8.58)
Inventory: Other consumables				75	345	345	40	43	45	(88.41)
Inventory: Stationery and printing	1 488	3 610	2 870	4 202	4 157	4 157	1 856	1 986	2 105	(55.35)
Lease payments		907	2 458	5 380	4 480	4 480	4 960	5 296	5 613	10.71
Owned & leasehold property expenditure				1 570	1 530	1 530	2 070	2 213	2 345	35.29
Travel and subsistence	1 457	1 412	2 514	7 774	4 687	4 505	4 197	4 456	4 724	(6.84)
Training & staff development	1 099	949	837	1 689	1 384	1 384	204	216	229	(85.26)
Operating expenditure	122	228	2 188	1 756	1 262	1 262	2 423	2 569	2 727	92.00
Venues and facilities	323	309	682	1 384	1 139	1 139	975	1 034	1 095	(14.40)
Other										
Transfers and subsidies to (Total)	199	49	56		150	284				(100.00)
Provinces and municipalities	67	25								
Municipalities	67	25								
Municipalities	67	25								
Households	132	24	56		150	284				(100.00)
Other transfers to households	132	24			150	284				(100.00)
Payments for capital assets	72	2 278	1 947	6 306	6 306	6 380	4 613	4 927	5 221	(27.70)
Machinery and equipment	72	2 278	1 947	6 306	6 306	6 380	4 613	4 927	5 221	(27.70)
Other machinery and equipment	72	2 278	1 947	6 306	6 306	6 380	4 613	4 927	5 221	(27.70)
Total economic classification	35 997	45 848	76 926	112 330	129 252	130 157	93 674	99 747	105 725	(28.03)

Table 12.B2.2: Details of departmental payments and estimates by economic classification - Programme 2: Sustainable Resource Management

R' 000	2005/06	2006/07	2007/08	2008/09			2009/10	2010/11	2011/12	% change from 2008/09
	Audited			Main budget	Adjusted budget	Revised estimate	Medium-term estimates			
Current payments	9 609	20 440	31 370	55 034	50 502	51 652	54 295	57 549	60 997	5.12
Compensation of employees	8 452	18 138	24 616	44 032	38 826	38 247	49 531	52 499	55 645	29.50
Salaries and wages	8 452	18 138	24 616	44 032	38 826	38 247	49 531	52 499	55 645	29.50
Social contributions										
Goods and services	1 157	2 302	3 461	11 002	11 676	13 405	4 764	5 050	5 352	(64.46)
<i>Of which</i>										
Catering: Departmental activities			133	395	108	108	222	235	249	105.56
Communication	42	72	174	577	666	666	1 186	1 258	1 333	78.08
Cons/prof:business & advisory services	5	500	1 047	4 274	8 099	9 920	500	530	562	(94.96)
Entertainment	23	28	32	91	53	53	74	78	84	39.62
Inventory: Stationery and printing			50							
Travel and subsistence	785	1 049	1 067	2 241	1 821	1 803	2 015	2 135	2 264	11.76
Operating expenditure	80	321	916	1 874	788	714	630	668	706	(11.76)
Venues and facilities	222	282	92	1 550	141	141	137	146	154	(2.84)
Other										
Financial transactions in assets and liabilities			3 293							
Transfers and subsidies to (Total)	231	180	255	260	10 000	10 010				(100.00)
Provinces and municipalities	23	12			10 000	10 000				(100.00)
Provinces	1									
Provincial agencies and funds	1									
Municipalities	22	12			10 000	10 000				(100.00)
Municipalities	22	12			10 000	10 000				(100.00)
Households	208	168	255	260		10				(100.00)
Social benefits			255							
Other transfers to households	208	168		260		10				(100.00)
Payments for capital assets										
Total economic classification	9 840	20 620	31 625	55 294	60 502	61 662	54 295	57 549	60 997	(11.95)

Table 12.B2.3: Details of departmental payments and estimates by economic classification - Programme 3: Asset And Liability Management

R' 000	2005/06	2006/07	2007/08	2008/09			2009/10	2010/11	2011/12	% change from 2008/09
	Audited			Main budget	Adjusted budget	Revised estimate	Medium-term estimates			
Current payments	45 298	36 738	38 701	47 879	59 833	56 193	44 415	47 077	49 898	(20.96)
Compensation of employees	23 477	10 117	20 377	22 752	32 426	31 989	34 632	36 707	38 908	8.26
Salaries and wages	23 477	10 117	20 377	22 752	32 426	31 989	34 632	36 707	38 908	8.26
Social contributions										
Goods and services	21 006	26 621	18 324	25 127	27 407	24 204	9 783	10 370	10 990	(59.58)
<i>Of which</i>										
Advertising	31			30			60	64	67	
Assets <R5000	148	438								
Audit cost: External				140	492	492	300	318	337	(39.02)
Catering: Departmental activities		18	68	187	147	147	99	105	111	(32.65)
Communication	73	120	213	399	707	695	792	839	889	13.96
Computer	4			1 400	909	909				(100.00)
Cons/prof:business & advisory services	19 415	24 786	16 546	21 001	22 584	19 393	6 130	6 498	6 887	(68.39)
Entertainment	23	19	58	60	59	59	65	69	73	10.17
Travel and subsistence	422	673	599	1 429	1 208	1 208	1 240	1 314	1 394	2.65
Training & staff development	300									
Operating expenditure	300	283	774	243	640	640	600	636	674	(6.25)
Venues and facilities	290	284	66	238	661	661	497	527	558	(24.81)
Other										
Interest and rent on land	815									
Interest	815									
Transfers and subsidies to (Total)	7 726	4 192			645	658				(100.00)
Provinces and municipalities	58	15								
Municipalities	58	15								
Municipalities	58	15								
Public corporations and private enterprises	7 668	3 460								
Public corporations	7 668	3 460								
Other transfers	7 668	3 460								
Households		717			645	658				(100.00)
Other transfers to households		717			645	658				(100.00)
Payments for capital assets	1 103	1 712			7 969	7 908				(100.00)
Machinery and equipment	1 103	1 712			7 969	7 908				(100.00)
Other machinery and equipment	1 103	1 712			7 969	7 908				(100.00)
Total economic classification	54 127	42 642	38 701	47 879	68 447	64 759	44 415	47 077	49 898	(31.41)

Table 12.B2.4: Details of departmental payments and estimates by economic classification - Programme 4: Financial Governance

R' 000	2005/06	2006/07	2007/08	2008/09			2009/10	2010/11	2011/12	% change from 2008/09
	Audited			Main budget	Adjusted budget	Revised estimate	Medium-term estimates			
Current payments	18 788	23 104	19 623	33 270	30 592	29 663	67 588	71 178	75 443	127.85
Compensation of employees	15 776	18 023	16 686	26 125	24 309	24 094	31 965	33 515	35 521	32.67
Salaries and wages	15 776	18 023	16 686	26 125	24 309	24 094	31 965	33 515	35 521	32.67
Social contributions										
Goods and services	3 012	5 081	2 937	7 145	6 283	5 569	35 623	37 663	39 922	539.67
<i>Of which</i>										
Audit cost: External	100	160	104	1 200			300	318	337	
Catering: Departmental activities			67	170	152	152	16	17	18	(89.47)
Communication	43	62	41	163	447	447	746	782	831	66.89
Cons/prof:business & advisory services	2 012	2 694	546	3 017	2 330	1 613	31 976	33 846	35 875	1882.39
Entertainment	22	27	22	40	44	44	50	53	56	13.64
Inventory: Stationery and printing	20	50	1							
Travel and subsistence	560	1 628	1 547	2 367	2 348	2 327	1 803	1 884	1 995	(22.52)
Training & staff development			84							
Operating expenditure	153	269	471	128	796	820	590	615	653	(28.05)
Venues and facilities	102	192	54	60	166	166	142	148	157	(14.46)
Other										
Transfers and subsidies to (Total)	52	20	415		367	367				(100.00)
Provinces and municipalities	47	20								
Municipalities	47	20								
Municipalities	47	20								
Households	5		415		367	367				(100.00)
Other transfers to households	5		415		367	367				(100.00)
Payments for capital assets	188	425	81							
Machinery and equipment	97	425	81							
Other machinery and equipment	97	425	81							
Software and other intangible	91									
Total economic classification	19 028	23 549	20 119	33 270	30 959	30 030	67 588	71 178	75 443	125.07

Table 12.B4: Summary of departmental allocation

R' 000	2005/06	2006/07	2007/08	2008/09			2009/10	2010/11	2011/12	% change from 2008/09
	Audited			Main budget	Adjusted budget	Revised estimate	Medium-term estimates			
Category A										
Nelson Mandela Metro	-	-	-	-	-	-	-	-	-	
Category B					8 569	8 569				(100.00)
Category C	194	71			1 431	1 431				(100.00)
Alfred Nzo	-	-	-	-	483	483	-	-	-	(100.00)
Amathole	194	71	-	-	-	-	-	-	-	
Cacadu	-	-	-	-	-	-	-	-	-	
Chris Hani	-	-	-	-	-	-	-	-	-	
OR Tambo	-	-	-	-	-	-	-	-	-	
Ukhahlamba	-	-	-	-	948	948	-	-	-	(100.00)
Unallocated										
Unallocated / unclassified		0								
Total transfers to local government	194	71			10 000	10 000				(100.00)

A provision of R10 million was made as a transfer to local government to cater for backlogs on audit fees owed by municipalities to the Office of the Auditor General.