

VOTE 6

Provincial Treasury

Operational budget	R 641 449 440
MEC remuneration	R 1 327 560
Total amount to be appropriated	R 642 777 000
Responsible MEC	Dr Z. L. Mkhize, MEC for Finance and Economic Development
Administrating department	Provincial Treasury
Accounting officer	Senior General Manager: Financial Management

1. Overview

Vision

The vision of the department is: *Be the centre of excellence in financial and fiscal management in the country.*

Mission statement

The mission of the department is to be a policy research hub of excellence that will contribute towards the realisation of government priorities through targeted research that informs the formulation of public policy and the subsequent development and implementation of government interventions. The department will also empower the people of the province through focused second economy interventions, equitable fiscal resource allocations and strategic leadership in financial/fiscal management and good governance.

Strategic objectives

The strategic goals of the Provincial Treasury are as follows:

- To grow the economy and broaden the participation of historically disadvantaged groups through the step-wise rise to prosperity strategy;
- To improve the financial management capability of all provincial government departments;
- To leverage fully the capacity of the social sector to achieve human capital development;
- To vigorously promote the use of research evidence in the allocation and management of resources;
- To inculcate and institutionalise the culture of high performance;
- To promote good governance in all provincial government departments; and
- To develop the KwaZulu-Natal Provincial Treasury into a highly effective and efficient learning organisation.

Core functions

The core functions of the department include the following:

- The mobilisation of funds for the provincial government;

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- The allocation of fiscal resources to provincial departments;
- The preparation of annual and Medium Term Expenditure Framework (MTEF) budgets;
- Province-wide cash management;
- Provincial financial management through:
 - Budget monitoring and reporting;
 - Internal auditing;
 - Financial accounting;
 - Financial systems maintenance; and
- Provision of advice on procurement policies and procedures in provincial government.

Legislative mandate

The department is governed by the following pieces of legislation and policy directives:

- Public Finance Management Act (Act No. 1 of 1999, as amended) and Treasury Regulations
- Municipal Finance Management Act (Act No. 56 of 2003)
- Public Service Act, (No. 103 of 1994, as amended), and Public Service Regulations of 2001
- Constitution of South Africa Act (Act No. 108 of 1996)
- Labour Relations Act (Act No. 66 of 1995)
- KZN Provincial Supply Chain Management Policy Framework (2006)
- Preferential Procurement Policy Framework Act (Act No. 5 of 2000)
- Income Tax Act (Act No. 58 of 1962)
- Intergovernmental Fiscal Relations Act (Act No. 97 of 1997)
- Bill of Exchange Act (Act No. 34 of 1964, as amended)
- Banking Act (Act No. 94 of 1990, as amended)
- Annual Division of Revenue Act

2. Review of the 2008/09 financial year

Section 2 provides a review of the 2008/09 financial year, outlining the main achievements and progress made by the department, as well as providing a brief discussion on challenges and new developments.

Administration

This programme provides administrative support for the Offices of the MEC and the Head of the Department who have, during the year, ensured that the province secures the highest possible funding for the services required to be rendered. Through communication and reporting, these offices have ensured that the budget process is informed by all of the people of this province, and that financial management is enhanced in the province.

Fiscal Resource Management

The Public Finance unit monitors three phases of the fiscal calendar by producing the close-out report for the province, providing ongoing monitoring of budget implementation and performance using tools such as the In-Year-Monitoring (IYM) report, the Performance Budgeting System (PBS) and the Quarterly Performance Report (QPR), as well as preparing the provincial budget for the ensuing year.

The 2008/09 fiscal year marked the onset of 'fiscal crunch' for the KwaZulu-Natal (KZN) *fiscus*. The ongoing over-expenditure by the Department of Health set the province in the precarious position of a fiscal deficit. Extensive resources were dedicated towards seeking and implementing measures to reign in the runaway expenditure. The process of reprioritisation, as well as additional allocations from the national *fiscus*, resulted in an adjustment allocation in excess of R1 billion for 2008/09, directed mainly to the social sector. Preparations for the 2009/10 MTEF proceeded smoothly, even though the evidence of the fiscal shrinkages began to emerge.

Downward adjustments had to be made to provincial own revenue, due to unrealised interest earnings owing to the negative bank balances of the Inter-Governmental Cash Co-ordination (IGCC) account, which is attributed to the province's over-expenditure in 2007/08, and the continued over-spending in 2008/09. It is envisaged that this area will be focused on in 2009/10, in an attempt to improve and maximise the extent to which the province can generate and collect revenue.

A total of 58 municipalities were delegated to the Provincial Treasury for monitoring and support. The lack of financial management capacity continued to adversely affect the budget preparation and evaluation processes. The Municipal Finance unit provided training and guidance to municipalities in this regard. The unit also established the Municipal Support Programme (MSP), which aims to support those municipalities that are currently experiencing challenges, and to implement the necessary financial reforms that are required to place the municipalities on a secure footing. The unit has progressed with the Provincial Debt Steering Committee (PDSC) to mediate in cases where national and provincial departments are failing to pay municipalities for rates and services.

The Infrastructure Delivery Improvement Programme (IDIP) continued in the Departments of Education, Works and Health, with the allocation of permanent technical assistants. There are continual improvements in other infrastructure departments, including the Department of Transport and other smaller departments, such as Arts, Culture and Tourism, Housing and Sport and Recreation.

Finally, the Economic Analysis unit produced the following key policy papers, namely: *The First and Second Economies in KwaZulu-Natal: Getting the Diagnosis Right, Is the KwaZulu-Natal Provincial Government getting the proportionate return on its spending*, and *An Economic Impact Analysis of the Proposed Shopping Mall in Zululand*. The unit further provided socio-economic profiles of three district municipalities, namely uThungulu, uMgungundlovu and Sisonke.

Financial Management

The roll-out of the Asset Management Plan continued in 2008/09, with some departments still struggling to achieve milestones set for previous financial years. Of particular concern is the difficulty experienced by some departments to reconcile the 2004/05 and 2005/06 financial asset purchases to HARDCAT. In spite of this, most departments have progressed in the years subsequent to these financial years, and milestones are slowly being achieved.

In fulfilling the monitoring and compliance requirements of the Municipal Finance Management Act (MFMA), municipal visits were conducted throughout the year in an awareness campaign on banking directives. Amendments to the tax legislation resulted in additional PERSAL tax functions being created by National Treasury and a new software called eFiling being implemented by the South African Revenue Services (SARS). The software was successfully utilised by all departments to submit their 2008 tax reconciliations timeously.

The Public Private Partnership (PPP) unit, with the assistance of a transaction advisor, finalised the feasibility study on the establishment of the Provincial Government Precinct for office accommodation requirements for provincial departments in Pietermaritzburg. The unit is also playing an active role in the PPP project for the new Provincial Legislature complex. The request for proposals has been issued, and it is anticipated that the negotiations will be concluded in August 2009. The unit is also advising on seven other projects initiated by departments, public entities and municipalities.

The Norms and Standards unit identified gaps in the generic regulatory environment for provincial departments, relative to the financial management sphere. Remedial measures were taken to address such

deficiencies, by the issue and review of ten practice notes. Training material was developed and provided to departments, prior to the implementation dates. Under the auspices of the Technical Working Committee, comprising officials of Provincial Treasury and the Department of Local Government and Traditional Affairs, progress was made on various tasks relating to municipalities. This was specific to internal policies and working practices, including a survey to determine the extent of assistance required in the development of generic policies.

Internal Audit Services

Assurance Services: The improved effectiveness of the unit was attested through the results of reviews conducted by the Auditor-General. These improvements were achieved through new strategies that were implemented to maintain a positive image of the unit, and which will, in the future, sustain the Internal Audit Systems of the province.

Further interaction by the newly appointed Provincial Audit and Risk Committee with departments and the Auditor-General was visible. The committee's increased relationship with the client departments and the Auditor-General enhanced the effectiveness of its oversight role. Furthermore, the committee is capacitated to access top departmental management structures to ensure that risk exposures are addressed.

The Accelerated Programme, which is aimed at retaining current staff and promoting staff internally, continued to be successfully rolled out, and is complemented by the Internal Audit Technician (IAT) programme, which is also aimed at retaining staff.

Risk and Advisory Services: The unit conducted Operational Risk Assessments for municipalities that are included in the Municipal Support Programme, and is in the process of assisting these municipalities to implement effective systems of risk management, such that the control environment is enhanced.

The development of the Provincial Risk Management Framework, which is aligned to the revised National Risk Management Framework, was finalised. The framework was submitted to various stakeholders in the provincial administration, including accounting authorities of public entities. Pilot institutions were identified for rolling out the framework, and the process has started.

The Provincial Financial and Human Resources IT systems are significantly exposed to fraud and corruption. To address the vulnerabilities of these IT systems, the Project *Unembeza* was rolled out in provincial departments. The programme mainly focuses on identifying the vulnerabilities and developing preventative strategies to strengthen the internal control environment on these IT systems. The provincial risk profile is being updated with the outcome of Project *Unembeza*.

Forensic Audit Services: The unit, together with the Office of the Premier, is currently implementing new strategies to address fragmented processes of investigations in the provincial government. This will enable the unit to report on the extent of fraud and corruption, and to perform an analysis of the types of investigations conducted province-wide. The strategies include improving the working relationship among key stakeholders entrusted with the responsibility of promoting a fraud free environment.

The unit investigated 25 cases amounting to R41 million relating to allegations of fraud, corruption, theft, mismanagement of public funds, maladministration and other irregularities. Some of these cases, as well as previously investigated cases, are before the courts. Other cases relating to BAS fraud, amounting to R199.7 million, were identified and registered with law enforcement agencies for criminal investigations.

3. Outlook for the 2009/10 financial year

Section 3 looks at the key focus areas of 2009/10, outlining what the department is hoping to achieve, as well as briefly looking at the challenges facing the department, and proposed new developments.

The Provincial Treasury, like other departments in the province, is experiencing a real challenge in sourcing office accommodation. The shortage of office accommodation continued to contribute to the slow progress in the filling of some critical vacant posts, which has led to capacity problems.

Fiscal Resource Management

The Public Finance unit plans to intensify its role in monitoring the three phases of the fiscal calendar during the 2009/10 MTEF period. The utilisation of the available systems (IYM and QPR), as well as PBS will be increased to attain maximum value derived from their utilisation.

The lack of financial management capacity at municipalities continues to be a major constraint faced by the Municipal Finance unit. The unit aims to increase the number of resources to better support the 58 municipalities. The unit will perform rigorous analysis of municipalities' expenditure reports, in an attempt to address root causes of financial mismanagement to aid municipalities to enhance service delivery and to further improve financial discipline. Furthermore, 15 municipalities will be supported by the MSP in 2009/10.

The Infrastructure unit will assist departments to finalise their long-term infrastructure plans to enable the development of a comprehensive provincial plan. This is deemed feasible with the full participation of major infrastructure departments (such as Transport) in IDIP, and the infrastructure planning taking place in these departments.

Financial Management

On an on-going basis, training and support is readily available to assist departments to achieve their Asset Management initiatives. Specifically for the 2009/10 financial year, departments experiencing difficulties in achieving their Asset Management goals will be targeted, and on site assistance will be provided.

The tax and banking support, monitoring and compliance functions will continue with all 16 departments. The focus will be directed at municipalities who continue to disregard the requirements of the MFMA.

The lack of capacity in provincial departments and municipalities in identifying and managing PPP projects remains a challenge, which will be addressed by means of an integrated human resource strategy aimed at in-sourcing additional specialist skills and resources in key posts, and regular training and capacity building in identification and compliance with National Treasury requirements on PPP projects.

To improve the effectiveness of the Financial Reporting unit, focus will be placed on the following areas:

- Implementation of the learnership programme and staff development;
- Creation of synergies with the relevant units within Provincial Treasury; and
- Visits to departments, public entities and municipalities to enhance accounting performance.

The Norms and Standards unit will continue to monitor compliance with regulatory practices to address non-compliance by departments and municipalities. A concerted effort will be made to understand municipal working procedures relative to financial management practices, by selecting well performing municipalities and observing and recording their internal practices. This will result in the development of best practices and, similarly, will highlight areas requiring improvement.

Internal Audit Services

The unit's main focus for this financial year is to ensure that the provincial financial management and the payroll systems, as well as the network systems through which these applications run, are secured from external and internal manipulation, through the continuation of Project *Unembeza*.

The unit will also focus on advancing the development and implementation of modern management practices towards good governance, with special emphasis on risk-based performance auditing and auditing of Information Technology systems.

The unit plans to contribute towards building a risk-smart workforce and an environment that allows for innovation and responsible risk-taking, while ensuring legitimate precautions are taken to protect the public interest, maintain public trust, and ensure due diligence.

4. Receipts and financing

4.1 Summary of receipts and financing

Table 6.1 below shows the sources of funding for Vote 6 over the seven-year period 2005/06 to 2011/12. The table also compares actual and budgeted receipts against actual and budgeted payments.

Table 6.1: Summary of receipts and financing

R000	Outcome			Main Budget	Adjusted Budget 2008/09	Estimated Actual	Medium-term Estimates		
	Audited 2005/06	Audited 2006/07	Audited 2007/08				2009/10	2010/11	2011/12
Provincial allocation	791 581	627 687	518 279	522 072	522 072	522 072	642 777	604 161	753 651
Conditional grants	-	-	-	-	-	-	-	-	-
Total receipts	791 581	627 687	518 279	522 072	522 072	522 072	642 777	604 161	753 651
Total payments	630 979	506 002	379 645	522 072	570 139	564 500	642 777	604 161	753 651
Surplus/(Deficit) before financing	160 602	121 685	138 634	-	(48 067)	(42 428)	-	-	-
Financing									
of which									
Provincial roll-overs	16 012	135 635	10 280	-	11 252	11 252	-	-	-
Provincial cash resources	79 500	-	50 105	-	36 815	36 815	-	-	-
Surplus/(deficit) after financing	256 114	257 320	199 019	-	-	5 639	-	-	-

The fluctuations noted in the department's total receipts over the seven-year period are mainly attributed to the fact that the provincial allocation included funding for the Growth and Development Fund until 2006/07, whereafter the allocations associated with the fund were moved to Vote 4: Economic Development.

The surplus reflected in 2005/06 was mainly due to an unspent portion of the Growth and Development Fund, which was surrendered to the Provincial Revenue Fund, while some of the surplus was rolled over to 2006/07 for the Small, Micro and Medium Enterprises (SMMEs) and other committed projects. An amount of R100 million was rolled over to the Department of Economic Development for the Dube TradePort, to where the function was shifted.

The surplus reflected under 2006/07 relates mainly to unspent allocations for the Government Employees Medical Scheme (GEMS), the Performance Budgeting System (PBS) and the Growth and Development Fund. While an amount of R10.28 million was rolled over to 2007/08 towards committed projects, the remaining unspent amounts for 2006/07 were surrendered to the Provincial Revenue Fund. The reflected surplus is the remaining unspent allocations for GEMS, the Provincial Government Precinct and the Legislature complex, which were surrendered to the Provincial Revenue Fund.

The surplus in 2007/08 relates to the suspension of funds to other departments following the decentralisation of the Tax and Banking function, as well as the surrendering of part of GEMS funds to the Provincial Revenue Fund. The provision for GEMS was distributed to all departments in 2007/08 to cater for any future increase in the GEMS membership in departments.

The increase in the 2008/09 Adjusted Budget is due to additional funding allocated to the department for a number of projects such as Project *Unembeza*, as well as the higher than anticipated 2008 wage agreement, and a roll-over from the previous financial year, relating to the feasibility study of the Provincial Government Precinct.

The provincial allocation also includes R150 million per year in 2008/09 and 2009/10 in respect of the province's contribution towards the construction of the Moses Mabhida Soccer Stadium.

As at end of December 2008, the department is projecting to end the 2008/09 financial year with an under-expenditure of R5.639 million, mainly attributed to the non-filling of vacant posts.

4.2 Departmental receipts collection

Table 6.2 below gives a summary of the departmental receipts for Vote 6. The details are presented in the *Annexure – Vote 6: Provincial Treasury*.

Table 6.2: Details of departmental receipts

R000	Outcome			Main Budget	Adjusted Budget 2008/09	Estimated Actual	Medium-term Estimates		
	Audited 2005/06	Audited 2006/07	Audited 2007/08				2009/10	2010/11	2011/12
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sale of goods and services other than capital assets	104	126	119	87	87	203	120	130	140
Transfers received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	90 280	169 453	156 402	139 434	139 434	6 984	20 000	164 641	181 108
Sale of capital assets	1	-	-	-	-	-	-	-	-
Financial transactions in assets and liabilities	732	282	400	-	-	839	-	-	-
Total	91 117	169 861	156 921	139 521	139 521	8 026	20 120	164 771	181 248

The department collects the bulk of its own revenue from interest earned on the Inter-Governmental Cash Co-ordination account and the Pay Master-General account. The fluctuations over the seven-year period under review are directly linked to the amount of cash on hand and changes in interest rates.

The funds available for investment in the IGCC account decreased significantly in 2008/09, as a result of the over-expenditure by provincial departments in 2007/08 and the continued over-spending in 2008/09. This affected the collection of interest significantly and, as a result, the revenue for 2008/09 was adjusted downward by R132.45 million. For the same reason, the department is projecting to end the financial year with a revenue collection of R8.026 million, which is far lower than the revenue budgeted for the year.

Due to the current overdraft status of the IGCC account and the Pay Master-General account, the revenue projections for 2009/10 were amended. However, the department expects the cumulative balances in the IGCC account to increase from 2010/11 onwards, and hence the increased revenue projections reflected against the category *Interest, dividends and rent on land* from this year onwards.

The collection in respect of *Financial transactions in assets and liabilities* is predominantly made up of the recovery of debts and refunds relating to previous year's expenditure. Projections are not reflected against this category due to uncertainty as to whether any funds will be collected over the 2009/10 MTEF.

Revenue collected under *Sale of goods and services other than capital assets* is mostly in respect of gaming fees (collected from various game reserves by game lodges depending on the location of the game lodge, the number of people visiting and the season of the year), paid over to the Provincial Treasury, staff parking fees and commission received from insurance companies for the collection of monthly contributions. The increase in the budgeted revenue is based on the inflationary incremental estimation.

5. Payment summary

This section provides information pertaining to the vote as a whole at an aggregated level, including payments and budgeted estimates in terms of programmes and economic classification. Further details are given in Section 6 below, as well as in the *Annexure – Vote 6: Provincial Treasury*.

5.1 Key assumptions

The budget for the 2009/10 MTEF period is based on the department's approved Strategic and Annual Performance Plan, in line with the service delivery requirements and improvements of the department. Some of the main assumptions underpinning the MTEF budget are as follows:

- Inflation, as well as the associated costs with the filling of additional posts to support the service delivery requirements of the department, were taken into account in calculating personnel costs;
- Provision was made for the carry-through costs of the 2008 wage agreement, as well as the inflationary linked wage adjustment of 5.5 per cent, 4.9 per cent and 4.5 per cent for 2009/10, 2010/11 and 2011/12 and an annual 1 per cent pay progression; and
- The bulk of the department's expenditure is incurred under *Goods and services*, and relates to consultancy fees for short and long-term projects, as well as other current operational costs.

5.2 Additional allocation for the 2007/08 to 2009/10 MTEF

Table 6.3 shows additional funding received by the department over the three MTEF periods: 2007/08, 2008/09 and 2009/10. The purpose of such a table is two-fold. Firstly, it shows the quantum of additional funding allocated to the department in the past and current MTEF periods. Secondly, it indicates the policies and purposes for which the additional funding was allocated.

The carry-through allocations for the 2008/09 MTEF period (i.e. for the financial year 2011/12) are based on the incremental percentage used in the 2007/08 MTEF and 2008/09 MTEF. A similar approach was used for the carry-through allocations for the 2009/10 MTEF period.

Table 6.3: Summary of additional provincial allocations for 2007/08 to 2011/12

R000	2007/08	2008/09	2009/10	2010/11	2010/12
2007/08 MTEF period¹	(939 459)	(896 000)	(969 650)	-	-
Carry-through costs of 2006/07 Adjustments Estimate	18 500	6 000	-	-	-
<i>Feasibility study of Provincial Government Precinct</i>	6 000	6 000	-	-	-
<i>A1 Grand Prix</i>	12 500	-	-	-	-
Growth Fund (decrease)	(160 000)	(160 000)	-	-	-
SMMEs Fund (decrease)	(20 000)	-	-	-	-
Growth Fund (Function shift to Economic Development)	(500 000)	(500 000)	(709 500)	-	-
SMMEs Fund (Function shift to Economic Development)	(200 000)	(242 000)	(260 150)	-	-
2007/08 Adj. Estimates - Casino taxes, Ifihlile, Biometric Access, feasibility study, Internal Audit	50 105	-	-	-	-
2007/08 Adj. Estimates - Re-location of GEMS to other spending pressures.	(128 064)	-	-	-	-
2008/09 MTEF period¹		(252 980)	(383 296)	(568 662)	(602 781)
Operational budget		73 554	10 988	14 729	15 613
<i>Carry-through costs of 2007/08 Adjustments Estimate - Biometric Access</i>		26 000	-	-	-
<i>Personnel inflation adjustment</i>		1 007	1 670	2 033	2 155
<i>Government Employees Medical Scheme</i>		695	818	1 696	1 798
<i>Strengthen research capacity for policy development</i>		2 000	2 500	3 000	3 180
<i>Internal Audit Improvement Plan</i>		6 000	-	-	-
<i>Municipal Support</i>		10 000	6 000	8 000	8 480
<i>2008/09 Adj.Estimates - Wage agreement, Unembeza</i>		27 852	-	-	-
Growth & Development		(326 534)	(394 284)	(583 391)	(618 394)
<i>Ifihlile Training Academy</i>		14 977	11 518	5 759	6 105
<i>Feasibility study of Provincial Government Precinct</i>		6 700	-	-	-
<i>Government Employees Medical Scheme</i>		(518 426)	(555 802)	(589 150)	(624 499)
<i>2010 Soccer Stadium (Provincial Contribution)</i>		150 000	150 000	-	-
<i>2008/09 Adj.Estimates - Casino Taxes, feasibility study</i>		20 215	-	-	-
2009/10 MTEF period¹			147 511	241 440	369 167
Carry through of 2008/09 Adjustments Estimate:			24 402	25 774	27 979
<i>2008 wage adjustment</i>			8 168	8 674	9 169
<i>Project Unembeza</i>			16 234	17 100	18 810
OSD for Doctors (for Dept. of Health)			108 109	215 666	322 669
Municipal Support Programme			15 000	-	-
Overdraft interest charges			-	-	18 519
Total	(939 459)	(1 148 980)	(1 205 435)	(327 222)	(233 614)
1. Excludes function shift to other departments i.r.o banking and tax function	(3 150)	(4 388)	(4 558)	(4 724)	(5 007)

The table reflects that the entire allocation for the Growth and SMME Funds was shifted to the Department of Economic Development during the 2007/08 MTEF. The department was allocated additional funding for the A1 Grand Prix and for the feasibility study of the Provincial Government Precinct in the 2006/07 Adjustments Estimate, with carry-through costs in the 2007/08 MTEF for the A1

Grand Prix, and in 2007/08 and 2008/09 for the feasibility study. A further amount of R6.7 million was allocated in 2008/09 for the feasibility study.

The GEMS funding was reduced in 2007/08 by R128.064 million, due to the take-up rate of GEMS being significantly lower than expected. These amounts were surrendered to the Provincial Revenue Fund. The remaining amounts of the GEMS allocation, over the 2008/09 MTEF, were distributed to all departments to cater for any increase in the GEMS membership in departments in the future. During the 2007/08 Adjustments Estimate, additional funding amounting to R50.105 million was allocated to the department for a number of projects, as listed in Table 6.3 above. Some of these allocations had carry-through amounts allocated over the 2008/09 MTEF.

The increase in funding over the 2008/09 MTEF was towards strengthening research capacity for policy development, the personnel inflationary adjustment in respect of the annual salary increase, the feasibility study of the Provincial Government Precinct, training and development of Historically Disadvantaged Individuals (HDI), the carry-through costs for the Biometric Access Solution, the Municipal Support Programme, the Internal Audit Improvement Plan and the department's portion of the re-allocation of GEMS. During the 2008/09 Adjustments Estimate, the department received additional funding in respect of Project *Unembeza*, the higher than anticipated 2008 wage agreement, the prescribed pay-over of local government levies derived from casino taxes to a number of municipalities, as well as a roll-over from 2007/08 for the feasibility study of the Provincial Government Precinct.

An amount of R300 million was also allocated to the department in the 2008/09 MTEF process for transfer to the eThekweni Municipality in 2008/09 and 2009/10, as part of the province's contribution towards the construction of the Moses Mabhida Soccer Stadium.

As reflected in the footnote of Table 6.3, R3.15 million, with carry-through costs, was suspended over the 2008/09 MTEF to various departments, following the decentralisation of the Tax and Banking Function.

Finally, the department received funding over the 2009/10 MTEF towards the personnel inflationary adjustment in respect of the annual salary increase, Project *Unembeza*, overdraft interest charges, the Municipal Support Programme, and OSD for doctors and specialists for the Department of Health. As per National Treasury instruction, the funding for the doctors' and specialists' OSD should be kept against the Provincial Treasury's vote, until such time as the details of the OSD implementation are finalised.

5.3 Summary by programme and economic classification

The services rendered by the department are categorised under five programmes, namely Administration, Fiscal Resource Management, Financial Management, Internal Audit and Growth and Development. These programmes are linked to the core functions of the department.

The department does not fully conform to the generic programme structure for the sector. However, it is engaging in discussion with National Treasury in this regard.

Tables 6.4 and 6.5 below provide a summary of the vote's payments and budgeted estimates over the seven-year period, by programme and by economic classification, respectively.

Table 6.4: Summary of payments and estimates by programme

R000	Outcome			Main Budget	Adjusted Budget 2008/09	Estimated Actual	Medium-term Estimates		
	Audited 2005/06	Audited 2006/07	Audited 2007/08				2009/10	2010/11	2011/12
1. Administration	163 370	140 626	165 391	178 146	179 448	179 327	177 639	190 329	201 752
2. Fiscal Resource Management	17 644	36 757	53 141	63 976	65 976	63 459	56 000	46 369	49 118
3. Financial Management	63 642	34 768	35 056	38 655	41 105	41 098	42 606	44 803	47 493
4. Internal Audit	63 423	33 851	53 134	53 018	75 118	72 124	80 805	84 147	89 882
5. Growth and Development	322 900	260 000	72 923	188 277	208 492	208 492	285 727	238 513	365 406
Total	630 979	506 002	379 645	522 072	570 139	564 500	642 777	604 161	753 651

Note: Programme 1 includes MEC Remuneration payable: All inclusive package R1 327 560

Table 6.5: Summary of payments and estimates by economic classification

R000	Outcome			Main Budget	Adjusted Budget	Estimated Actual	Medium-term Estimates		
	Audited	Audited	Audited				2009/10	2010/11	2011/12
	2005/06	2006/07	2007/08	2008/09					
Current payments	293 784	263 617	340 729	365 930	403 758	392 397	484 126	596 964	745 855
Compensation of employees	57 081	69 368	83 394	119 207	109 764	103 152	246 075	363 602	478 343
Goods and services	235 639	193 369	256 546	246 723	293 907	289 158	238 051	233 362	248 993
Other	1 064	880	789	-	87	87	-	-	18 519
Transfers and subsidies to:	323 396	235 312	22 200	150 102	160 341	160 673	150 108	118	125
Provinces and municipalities	159	48	21 563	150 000	158 963	158 963	150 000	-	-
Departmental agencies and accounts	69	-	130	102	102	102	108	118	125
Universities and technikons	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	322 900	235 000	14	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	3	3	-	-	-
Households	268	264	493	-	1 273	1 605	-	-	-
Payments for capital assets	13 799	7 073	16 716	6 040	6 040	11 430	8 543	7 079	7 671
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	1 689	5 820	7 686	3 636	3 636	9 713	4 420	3 475	3 471
Cultivated assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	12 110	1 253	9 030	2 404	2 404	1 717	4 123	3 604	4 200
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Total	630 979	506 002	379 645	522 072	570 139	564 500	642 777	604 161	753 651

The budget of Programme 1: Administration reflects a generally steady increase over the period 2005/06 to 2011/12. The high expenditure in 2005/06 compared to 2006/07 was due to additional allocations to the department for the KORA Music Awards, SITA costs, QPR maintenance fees, implementation of the Intenda System and administration costs of the Co-operatives programme, while it was under Vote 6. The discontinuation of the Programme: Special Functions (thefts and losses) partly contributed to the increase in this programme from 2005/06 onwards. The increase in 2007/08 and in 2008/09 is due to an additional allocation for the Biometrics Access Solution, which is expected to be fully implemented by the end of 2008/09. The higher than anticipated 2008 wage agreement accounted for the increase in the 2008/09 Adjusted Budget.

Programme 2: Fiscal Resource Management increases substantially in 2006/07 onwards, largely due to the implementation of the Performance Budgeting System, which started in 2006/07 and is expected to be fully implemented by the end of 2009/10. This, in turn, explains the decrease against this programme in 2009/10. The additional funding allocated towards the strengthening of research capacity for policy development and the Municipal Support Programme relating to capacity building interventions at various municipalities, accounts for the increase in 2008/09 and in 2009/10, and this explains the subsequent reduction in 2010/11. Furthermore, the increase in the 2008/09 Adjusted Budget relates to additional funding allocated in respect of the higher than anticipated 2008 wage agreement.

The audited expenditure reflected against Programme 3: Financial Management in 2005/06 was due to a number of projects (such as the Asset Management Implementation, Supply Chain Management and Immovable Asset Tender) that were undertaken in that year. The increase in the 2008/09 Adjusted Budget relates to additional funding allocated to this programme for the Financial Management Improvement Plan for all departments.

The audited expenditure in 2005/06 under Programme 4: Internal Audit was in respect of the Social Development Forensic Audit project, which started in 2004/05 and was completed in 2005/06. The increase in 2007/08 is mainly attributable to the additional funding allocated in the Adjustments Estimate for the *ad hoc* investigations such as the forensic investigation at the Department of Agriculture and Environmental Affairs and other new initiatives. The significant increase in the 2008/09 Adjusted Budget and over the 2009/10 MTEF is due to the additional funding allocated in respect of the implementation of Project *Unembeza*, a pro-active strategy aimed at curbing the scourge of fraud and corruption in the provincial administration.

The fluctuations noted against Programme 5: Growth and Development over the seven-year period can largely be ascribed to the fact that the 2005/06 and 2006/07 Audited amounts included expenditure in

respect of the Growth and Development Fund. In 2007/08, the Budget Road Shows function was shifted to this programme. The decrease in 2007/08 relates to the surrendering of part of the GEMS allocation to the Provincial Revenue Fund. The increase in the 2008/09 Adjusted Budget is due to additional funding allocated to the department to be paid over to municipalities for the prescribed local government levy. The prescribed levy is inclusive of casino taxes collected by the Gambling Board and paid over to the Provincial Revenue Fund. Furthermore, an amount of R11.252 million was rolled over from 2007/08, to fund the feasibility study of the Provincial Government Precinct. Programme 5 also includes an amount of R150 million in both 2008/09 and 2009/10, as part of the province's contribution towards the construction of the Moses Mabhida Soccer Stadium. The funds reflected over the 2009/10 MTEF also include the allocation for the OSD for doctors and specialists, to be allocated to Health.

The decrease in the 2008/09 Adjusted Budget can be attributed to the non-filling of vacant posts due to high labour turn-over, as well as office accommodation challenges. The increase in the category *Compensation of employees* over the 2009/10 MTEF is due to the fact that the department expects to fill additional posts in line with service delivery requirements. Also included, is the allocation of Health's OSD for doctors and specialists.

The increase in *Goods and services* in 2007/08 includes the final expenditure for the A1 Grand Prix, and additional funding allocated to fund the shortfall in respect of the feasibility study of the Provincial Government Precinct and training and skills development of Historically Disadvantaged Individuals, as well as a roll-over of R10.28 million from 2006/07 for a number of projects, which explains the subsequent decrease in the 2008/09 Main Budget and over the 2009/10 MTEF. The increase in the 2008/09 Adjusted Budget includes additional funding towards Project *Unembeza* and funds rolled over from 2007/08 for the feasibility study of the Provincial Government Precinct.

The transfers reflected against the category *Transfers and subsidies to: Provinces and municipalities* in 2007/08 and the 2008/09 Adjusted Budget relate to the additional funding allocated to the department to be paid over to a number of municipalities for the prescribed local government levy. This prescribed levy is inclusive of casino taxes collected by the Gambling Board, and is paid over to the Provincial Revenue Fund. Also reflected against this category is an amount of R150 million in both 2008/09 and 2009/10, which was allocated as part of the province's contribution towards the construction of the Moses Mabhida Soccer Stadium.

With regard to *Transfers and subsidies to: Households*, the amounts reflected caters for severance packages and leave gratuities. The major fluctuations can be ascribed to the difficulty in budgeting for this item due to the number of unplanned exits.

The increase in 2007/08 against *Machinery and equipment* the decrease in 2008/09 is explained under Programme 1: Administration below.

5.4 Summary of payments and estimates by district municipal area

Table 6.6 below illustrates departmental spending, including operational costs, within district municipal areas. The department's spending mainly occurs within the uMgungundlovu District Municipality and most of its spending occurs within that region, where the department is based. Although the department provides public finance management support to all provincial departments and municipalities, it is impractical to allocate its budget at this level.

The expenditure reflected in the eThekweni Metro area is mainly due to the capital infrastructure transfer in 2008/09 and 2009/10 of R150 million as part of the province's contribution towards the construction of the Moses Mabhida Soccer Stadium.

The amounts reflected against other district municipal areas consist largely of the casino taxes pay-over to be paid to a number of municipalities for the prescribed local government levy. This prescribed levy is inclusive of casino taxes collected by the Gambling Board, and is paid over to the Provincial Revenue Fund.

Table 6.6: Summary of payments and estimates by district municipal area

District Municipal Area	Outcome		Estimated Actual 2008/09	Medium-term Estimates		
	Audited 2007/08	Audited 2007/08		2009/10	2010/11	2011/12
R000						
eThekweni	17 123		156 877	150 000	-	-
Ugu	-		264	-	-	-
uMgungundlovu	360 573		303 333	364 249	274 076	275 308
Uthukela	-		3	-	-	-
Umzinyathi	-		2	-	-	-
Amajuba	704		346	-	-	-
Zululand						
Umkhanyakude						
uThungulu	1 245		515	-	-	-
Ilembe	-		8	-	-	-
Sisonke						
Total	379 645		461 348	514 249	274 076	275 308

5.5 Summary of infrastructure payments and estimates

Table 6.7 below summarises the infrastructure payments and estimates relating to the department. An amount of R150 million was allocated to the department in both 2008/09 and 2009/10 as an infrastructure transfer to the eThekweni Municipality, as part of the province's contribution towards the construction of the Moses Mabhida Soccer Stadium.

Table 6.7: Summary of infrastructure payments and estimates

R000	Outcome			Main Budget	Adjusted Budget	Estimated Actual	Medium-term Estimates		
	Audited 2005/06	Audited 2006/07	Audited 2007/08				2008/09	2009/10	2010/11
New infrastructure assets									
Existing infrastructure assets	-	-	-	-	-	-	-	-	-
Maintenance and repair									
Upgrading and additions									
Rehabilitation and refurbishment									
Infrastructure transfer	-	-	-	150 000	150 000	150 000	150 000	-	-
Current									
Capital	-	-	-	150 000	150 000	150 000	150 000	-	-
<i>Capital infrastructure</i>	-	-	-	150 000	150 000	150 000	150 000	-	-
<i>Current infrastructure</i>	-	-	-	-	-	-	-	-	-
Total	-	-	-	150 000	150 000	150 000	150 000	-	-

5.6 Transfers to municipalities

Tables 6.8 and 6.9 provide a summary of transfers to municipalities.

Table 6.8: Summary of departmental transfers to municipalities by category

R000	Outcome			Main Budget	Adjusted Budget	Estimated Actual	Medium-term Estimates		
	Audited 2005/06	Audited 2006/07	Audited 2007/08				2008/09	2009/10	2010/11
Category A	-	-	17 123	150 000	156 877	156 877	150 000	-	-
Category B	-	-	4 440	-	-	-	-	-	-
Category C	159	48	-	-	2 086	2 086	-	-	-
Unallocated/unclassified	-	-	-	-	-	-	-	-	-
Total	159	48	21 563	150 000	158 963	158 963	150 000	-	-

Table 6.9: Summary of departmental transfers to municipalities by grant name

R000	Outcome			Main Budget	Adjusted Budget	Estimated Actual	Medium-term Estimates		
	Audited 2005/06	Audited 2006/07	Audited 2007/08				2008/09	2009/10	2010/11
Casino Levies Pay-Over	-	-	21 563	-	8 963	8 963	-	-	-
Soccer Stadium 2010 (Provincial Allocation)	-	-	-	150 000	150 000	150 000	150 000	-	-
Regional Service Council Levy	159	48	-	-	-	-	-	-	-
Total	159	48	21 563	150 000	158 963	158 963	150 000	-	-

The transfer to Category A in the 2008/09 and 2009/10 financial years is the provincial contribution towards the construction of the Moses Mabhida Soccer Stadium, as mentioned previously.

The transfers reflected under 2007/08 and the 2008/09 Adjusted Budget against Category A, B and C municipalities relate to the prescribed local government levy. This prescribed levy, which is inclusive of casino taxes collected by the Gambling Board and paid over to the Provincial Revenue Fund, is paid over to different municipalities annually in arrears. Hence no estimates are reflected over the 2009/10 MTEF.

The transfers against Category C over the period 2005/06 to 2006/07 were in respect of the Regional Service Council Levy, which was discontinued with effect from 1 July 2006, as per new legislation.

6. Programme description

The services rendered by the department are categorised under five programmes, which are discussed below. The expenditure and budgeted estimates for each programme are summarised in terms of sub-programmes and economic classification. Details are given in *Annexure – Vote 6: Provincial Treasury*.

6.1 Programme 1: Administration

The purpose of this programme is to render support services to the department, provide human resource management, and provide financial systems management support to the department and the province.

This programme consists of six sub-programmes, namely Office of the MEC, Head of the Department, Chief Financial Office, Human Resource Management, Corporate Services and Supporting and Interlinked Financial Systems. The sub-programme: Supporting and Interlinked Financial Systems, which was part of Programme 3 prior to 2007/08, now falls under Programme 1, in line with the department's organisational structure, but not the generic programme structure for the sector. The department is engaging in discussion with National Treasury in this regard.

The main services under this programme are as follows:

- To support the Executive Authority in providing strategic and political direction to provincial departments, public entities, as well as municipalities;
- To provide the MEC with technical support on the appropriation of revenue, to ensure equitable distribution among provincial departments;
- To render financial and supply chain management functions to the department;
- To render human resource management functions to the department;
- To render corporate management services to the department, such as the telecom system, transport fleet management and control of registry; and
- To implement and support transversal financial systems across the province and provide IT services to the department.

Tables 6.10 and 6.11 below provide a summary of payments and budgeted estimates pertaining to the programme over the seven-year period from 2005/06 to 2011/12.

Table 6.10: Summary of payments and estimates - Programme 1: Administration

R000	Outcome			Main Budget	Adjusted Budget	Estimated Actual	Medium-term Estimates		
	Audited 2005/06	Audited 2006/07	Audited 2007/08				2008/09	2009/10	2010/11
Office of the MEC	32 187	28 523	29 803	31 021	31 474	30 666	33 687	35 671	37 812
Head of the Department	28 697	6 209	5 750	5 816	5 866	7 112	6 745	7 176	7 608
Chief Financial Office	6 396	7 870	11 122	12 244	12 244	11 520	11 713	13 208	14 091
Human Resource Management	4 485	6 049	6 226	9 206	9 559	8 894	11 489	12 029	12 661
Corporate Services	11 507	20 821	16 913	17 468	17 914	18 744	20 725	21 572	22 867
Supporting & Interlinked Financial Systems	80 098	71 154	95 577	102 391	102 391	102 391	93 280	100 673	106 713
Total	163 370	140 626	165 391	178 146	179 448	179 327	177 639	190 329	201 752

Table 6.11: Summary of payments and estimates by economic classification - Programme 1: Administration

R000	Outcome			Main Budget	Adjusted Budget	Estimated Actual	Medium-term Estimates		
	Audited	Audited	Audited				2008/09	2009/10	2010/11
	2005/06	2006/07	2007/08						
Current payments	158 758	134 612	149 388	173 726	173 779	167 736	171 011	184 463	195 101
Compensation of employees	18 886	24 422	28 330	34 414	34 867	34 556	40 723	42 928	45 041
Goods and services	139 502	109 310	120 269	139 312	138 912	133 180	130 288	141 535	150 060
Other	370	880	789	-	-	-	-	-	-
Transfers and subsidies to:	84	151	291	28	1 277	1 611	32	34	37
Provinces and municipalities	54	18	-	-	-	-	-	-	-
Departmental agencies and accounts	22	-	45	28	28	28	32	34	37
Universities and technikons	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	3	3	-	-	-
Households	8	133	246	-	1 246	1 580	-	-	-
Payments for capital assets	4 528	5 863	15 712	4 392	4 392	9 980	6 596	5 832	6 614
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	1 055	4 610	6 682	1 992	1 992	8 267	2 478	2 233	2 414
Cultivated assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	3 473	1 253	9 030	2 400	2 400	1 713	4 118	3 599	4 200
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Total	163 370	140 626	165 391	178 146	179 448	179 327	177 639	190 329	201 752

As reflected in Table 6.10 above, some of the sub-programmes show a steady increase over the seven-year period, others have fluctuating expenditure and estimates trends. The high expenditure in the Office of the MEC in 2005/06 compared to 2006/07 to 2008/09 included communication costs (Budget Road Shows) in respect of the community outreach programmes.

With regard to the sub-programme: Head of the Department, the high expenditure reflected in 2005/06 is due to once-off projects, including the KORA Music Awards and the implementation costs of the Co-operatives programme. This function has since been transferred to the Department of Economic Development.

The increase in 2007/08 and onwards compared to 2006/07 reflected against the sub-programme: Chief Financial Office relates to the expansion of the CFO structure to cater for the departmental Supply Chain Management system, the Strategic Management Services component and audit fees. The decrease in the 2009/10 MTEF is due to the shifting of the internship programme to Human Resource Management, and this explains the increase reflected against that sub-programme. The discontinuation of the Programme: Special Functions also accounted for the increase in 2005/06 onwards.

The sub-programme: Human Resource Management reflects an increase in 2007/08 and the 2008/09 Main Budget, due to the reprioritisation of funds to this sub-programme for the implementation of the Employee Wellness Programme, added recruitment costs due to high labour turn-over and the addition of new posts.

The audited expenditure noted against the sub-programme: Corporate Services in 2006/07 and in 2007/08 was due to a roll-over of funds for the purchase of departmental vehicles. The renovation costs associated with the relocation of the Ministry to the Natalia Building also contributed to the high expenditure in 2006/07. The increase in the 2008/09 Adjusted Budget is due to funds that have been reprioritised to this sub-programme to cater for post employment benefits such as leave gratuities.

The sub-programme: Supporting and Interlinked Financial Systems includes costs relating to all transversal systems (such as BAS, PERSAL, HARDCAT, etc.) for the entire province. The 2005/06 Audited amount includes an additional allocation for SITA in respect of BAS implementation. Furthermore, the 2007/08 and 2008/09 financial years were increased to cater for the Biometric Access Solution, which started in 2007/08 and is expected to be completed in 2008/09. This also explains the high amounts against *Goods and services* over the same period.

The additional allocations for SITA (as mentioned above), communication costs and the KORA Music Awards explain the high expenditure in 2005/06 against the category *Goods and services*.

The category *Compensation of employees* shows an increase in the 2008/09 Adjusted Budget due to additional funding allocated to the department to cater for the shortfall of the higher than anticipated 2008 wage agreement. The decrease reflected in *Goods and services* is due to funds shifted to *Transfers and subsidies: Households* to cater for the expenditure pressure resulting from payments of leave gratuities, due to unplanned staff exits.

The increase in 2007/08 against the categories *Machinery and equipment* and *Software and other intangible assets* relates mainly to the roll-over of funds with regard to the purchase of departmental vehicles and computer equipment, as well as the additional funding allocated for the equipment and software required for the implementation of the Biometric Access Solution in 2007/08 and 2008/09 in all departments. As mentioned previously, the final carry-through costs for the Biometric Access Solution have been allocated against the category *Goods and services* in 2008/09 for the implementation of this security system, hence the reduction in the 2008/09 Main Budget against the categories *Machinery and equipment* and *Software and other intangible assets*. The substantial increase in the 2008/09 Estimated actual was to cater for the purchasing of a Biometric Posting Platform and Biometric Servers for phase two of the Biometric Access Control system.

Service delivery measures – Programme 1: Administration

Table 6.12 reflects the main service delivery measures pertaining to Programme 1 (sub-programme: Supporting and Interlinked Financial Systems).

Table 6.12: Service delivery measures – Programme 1: Administration (Supporting and interlinked Financial Systems)

Output type	Performance measures	Estimated annual targets			
		2008/09	2009/10	2010/11	2011/12
1. Progress reports on deliverables implemented	• Number of deliverables implemented per system	All deliverables to be completed	As per project plans	As per project plans	As per project plans
	• Percentage of each project completed as per project plan	100%	As per project plans	As per project plans	As per project plans
	• Percentage of network upgrade completed as per project plan	-	100%	100%	100%
2. Updated Master Systems Plan (MSP)	• Completed MSP update	Completed	1	1	1
3. Resolved calls	• Mean time to resolve (MTTR)	1 hour 15 minutes	24 hours	24 hours	24 hours
4. Training sessions conducted	• Quality and value of training as rated by trainees (%)	-	80%	80%	80%
5. Policy documents	• Number completed	11	4	4	4
6. Compliance report	• Number completed reports	1	2	2	2
7. Policy information sessions	• Number of sessions conducted	2	8	8	8
8. Performance report as per SITA SLAs with network and support statistics including user satisfactions	• Mean time to resolve (MTTR)	4 hours	8 hours	8 hours	8 hours
	• Percentage network uptime	99%	99%	99%	99%
	• Compliance with software licensing requirements	-	100%	100%	100%
9. User satisfaction survey	• Percentage user satisfaction	80%	80%	80%	80%
10. Risk assessments	• Number of Risk reports	-	2	2	2

6.2 Programme 2: Fiscal Resource Management

This programme consists of four sub-programmes, namely Programme Support, Economic Analysis, Public Finance and Municipal Finance. Municipal Finance is a new sub-programme from 2008/09. The main purpose of the programme is to effectively manage and monitor the provincial and local government fiscal resources.

The objectives and services of this programme are as follows:

- To determine and evaluate economic parameters and socio-economic imperatives within provincial, local and national macro-economic context;
- To promote effective and optimal financial resource allocation for provincial and local government;
- To ensure optimal and sustainable revenue generation and collection by provincial departments and municipalities; and
- To ensure efficient budget management and accurate financial reporting for provincial and local government.

Tables 6.13 and 6.14 below provide a summary of payments and budgeted estimates pertaining to this programme for the period 2005/06 to 2011/12.

Table 6.13: Summary of payments and estimates - Programme 2: Fiscal Resource Management

R000	Outcome			Main Budget	Adjusted Budget	Estimated Actual	Medium-term Estimates		
	Audited 2005/06	Audited 2006/07	Audited 2007/08				2008/09	2009/10	2010/11
Programme Support	741	1 432	1 917	3 362	3 577	3 085	4 135	4 711	4 986
Economic Analysis	1 133	1 182	2 166	4 524	3 249	3 211	4 074	4 003	4 232
Public Finance	15 770	34 143	49 058	31 092	34 152	32 584	10 527	11 142	11 707
Municipal Finance	-	-	-	24 998	24 998	24 579	37 264	26 513	28 193
Total	17 644	36 757	53 141	63 976	65 976	63 459	56 000	46 369	49 118

Table 6.14: Summary of payments and estimates by economic classification - Programme 2: Fiscal Resource Management

R000	Outcome			Main Budget	Adjusted Budget	Estimated Actual	Medium-term Estimates		
	Audited 2005/06	Audited 2006/07	Audited 2007/08				2008/09	2009/10	2010/11
Current payments	17 432	36 545	52 930	63 172	65 172	62 704	55 283	46 088	49 096
Compensation of employees	6 812	9 180	12 651	19 032	18 709	16 315	22 499	26 112	27 570
Goods and services	10 620	27 365	40 279	44 140	46 463	46 389	32 784	19 976	21 526
Other	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	28	6	32	16	16	16	18	21	22
Provinces and municipalities	20	6	-	-	-	-	-	-	-
Departmental agencies and accounts	8	-	20	16	16	16	18	21	22
Universities and technikons	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	12	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Payments for capital assets	184	206	179	788	788	739	699	260	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	184	206	179	788	788	739	699	260	-
Cultivated assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Total	17 644	36 757	53 141	63 976	65 976	63 459	56 000	46 369	49 118

The sub-programme: Programme Support reflects an increase in 2008/09, due to the additional funding allocated to the department towards strengthening research capacity for policy development. The funds will be used to conduct a province-wide sector review of the education system. The findings of this research will help the province develop a set of targeted policy interventions that will enhance the performance of the Education sector. The increase in the 2008/09 Adjusted Budget is due to the reprioritisation of funds to this sub-programme to cover the shortfall in salary costs.

The high expenditure and estimates reflected against the sub-programme: Public Finance over the period 2006/07 to 2008/09 relate to the PBS implementation, housed under this sub-programme and against *Goods and services*. The implementation of the PBS is expected to be completed in 2009/10, and this explains the decrease in *Goods and services* over the 2009/10 MTEF. The sub-programme: Public Finance also included costs relating to Municipal Finance until 2007/08. Due to the sharing of responsibility and objective codes on the Basic Accounting System (BAS), it was not possible to split the

historical expenditure costs to the newly created sub-programme: Municipal Finance. The increase in the 2008/09 Adjusted Budget is due to additional funding allocated to cater for the higher than anticipated 2008 wage agreement.

Additional funding was allocated to the sub-programme: Municipal Finance in 2008/09 and over the 2009/10 MTEF for the capacity building interventions at various municipalities. This also contributes to the high budgeted expenditure in 2008/09 against *Goods and services*.

The increase in *Compensation of employees* in 2007/08 and the 2008/09 Adjusted Budget compared to 2006/07 was in line with the expansion of the Public Finance and Municipal Finance components. This expansion was necessitated by several new functions and initiatives. It is expected that the Fiscal Resource Management unit will further expand over the 2009/10 MTEF, hence the increase in *Compensation of employees*.

The increase in the 2008/09 Adjusted Budget against *Goods and services* is due to the reprioritisation of funds from *Compensation of employees* in respect of the Performance Budgeting System, and also consultants contracted for financial and organisational capacity building at delegated municipalities within the province.

The high increase against the category *Machinery and equipment* in 2008/09 and 2009/10 caters for the purchase of equipment in line with the appointment of new staff. The decline in 2010/11 onwards is to cater for minor maintenance such as replacement and upgrading of equipment.

Service delivery measures – Programme 2: Fiscal Resource Management

Table 6.15 below illustrates the service delivery measures pertaining to Programme 2.

Table 6.15: Service delivery measures – Programme 2: Fiscal Resource Management

Output type	Performance measures	Estimated annual targets			
		2008/09	2009/10	2010/11	2011/12
1. Economic Analysis					
1.1 Publication / Report	<ul style="list-style-type: none"> Timelines & accuracy of reports as per feedback from peer review and supervisor(s) 	Economic Review of the 11 districts Flyers on economic update – Inflation, Interest Rate and Savings	1 report (on all 11 DMs) per annum with a rating of >75	1 report (on all 11 DMs) per annum with a rating of >75	1 report (on all 11 DMs) per annum with a rating of >75
1.2 Socio-economic output chapter, budget supplement, and budget highlights	<ul style="list-style-type: none"> Timelines & accuracy of reports as rated by supervisor 	Input submitted as per Budget Process timetable	Input submitted as per Budget Process timetable	Input submitted as per Budget Process timetable	Input submitted as per Budget Process timetable
1.3 Research papers	<ul style="list-style-type: none"> Good quality research reports as rated by supervisor(s) 	One paper: The first and Second Economies in KwaZulu-Natal: Getting the Diagnosis Right Economic Impact Analysis of Public Investment: Proposed Vryheid Shopping Centre	Two research papers per annum Approval by HOD	Two research papers per annum. Approval by HOD	Two research papers per annum Approval by HOD
1.4 Updated database	<ul style="list-style-type: none"> User-friendliness and accuracy of database reflected by user feedback 	Registered for subscription with Global Insight Data Providers	Annually updated database or maintain user membership to data providers	Annually updated database or maintain user membership to data providers	Annually updated database or maintain user membership to data providers
1.5 Updated Supply and Use Table (SUT) and Social Accounting Matrix (SAM) developed	<ul style="list-style-type: none"> Timely and accuracy model in place 	Ongoing	Run two relevant and user friendly simulations	Run two relevant and user friendly simulations	Run two relevant and user friendly simulations

Table 6.15: Service delivery measures – Programme 2: Fiscal Resource Management

Output type	Performance measures	Estimated annual targets				
		2008/09	2009/10	2010/11	2011/12	
2. Public Finance						
2.1	Treasury guidelines document on budget preparation	• Timeliness and quality of document as rated by supervisors	Guidelines were completed in June 2008 with < 2 errors of substance	To be completed by end July with < 2 errors of substance	To be completed by end July with < 2 errors of substance	To be completed by end of July with < 2 errors of substance
2.2	Medium Term Expenditure Committee reports / Annual MTEF budget proposals document / Allocation letters	• Timeliness and quality of reports	MTEC reports completed on time with < 2 errors of substance	To be completed by end of July with < 2 errors of substance	To be completed by end of July with < 2 errors of substance	To be completed by end of July with < 2 errors of substance
2.3	Management of PBS implementation	• No. of depts. where PBS system is implemented	4 depts.	All depts. live on PBS	Project completed	-
2.4	Inputs into the Division of Revenue (DOR) memoranda to the Technical Committee on Finance and Budget Council (BC)	• Acceptance of memoranda by the BC	Adoption of memoranda resolutions	Adoption of memoranda resolutions	Adoption of memoranda resolutions	Adoption of memoranda resolutions
2.5	Provincial fiscal framework document	• Quality rating by peers	-	Rating of > 80%	Rating of > 80%	Rating of > 80%
2.6	Main Budget Statement	• Timeliness of tabling & accuracy of financial data	Main Budget Statement on time with < 4 errors of substance	Main Budget Statement on time with < 4 errors of substance	Main Budget Statement on time with < 4 errors of substance	Main Budget Statement on time with < 4 errors of substance
2.7	Adjusted Budget Statement	• Timeliness of tabling & accuracy of financial data	Adjusted Budget on time with < 4 errors of substance	Adjusted Budget Statement on time with < 4 errors of substance	Adjusted Budget Statement on time with < 4 errors of substance	Adjusted Budget Statement on time with < 4 errors of substance
2.8	Main Budget Speeches	• Timeliness of tabling & accuracy of financial data	Main Budget Speech on time with < 5 errors of substance	Main Budget Speech on time with < 4 errors of substance	Main Budget Speech on time with < 4 errors of substance	Main Budget Speech on time with < 4 errors of substance
2.9	Adjusted Budget Speeches	• Timeliness of tabling & accuracy of financial data	Adjusted Budget Speech on time with < 5 errors of substance	Adjusted Budget Speech on time with < 4 errors of substance	Adjusted Budget Speech on time with < 4 errors of substance	Adjusted Budget Speech on time with < 4 errors of substance
2.10	Main Appropriation Bills	• Timeliness of tabling & accuracy of financial data	On time and 100% correct	On time with < 2 errors of substance	On time with < 2 errors of substance	On time with < 2 errors of substance
2.11	Adjusted Appropriation Bills	• Timeliness of tabling & accuracy of financial data	On time and 100% correct	On time with < 2 errors of substance	On time with < 2 errors of substance	On time with < 2 errors of substance
2.12	Finance Bill (Unauthorised expenditure Bill)	• Timeliness of tabling & accuracy of financial data	On time and 100% correct	On time with < 2 errors of substance	On time with < 2 errors of substance	On time with < 2 errors of substance
2.13	Section 32 report (Monthly provincial IYM report)	• Timeliness & accuracy of financial data	Section 32 report by 22nd of each month & with < 2 errors of substance	Section 32 report by 22nd of each month & with < 2 errors of substance	Section 32 report by 22nd of each month & with < 2 errors of substance	Section 32 report by 22nd of each month & with < 2 errors of substance
2.14	Quarterly budget performance reports for provincial departments	• Quarterly budget performance reports for provincial departments	1 month after end of quarter with < 2 errors of substance	4 weeks after end of quarter, with < 2 errors of substance	4 weeks after end of quarter, with < 2 errors of substance	4 weeks after end of quarter, with < 2 errors of substance
2.15	Cabinet memoranda on budget performance	• Cabinet memoranda on budget performance approved by the MEC	2 months after end of quarter with < 2 errors of substance	6 weeks after end of quarter, with < 2 errors of substance	6 weeks after end of quarter, with < 2 errors of substance	6 weeks after end of quarter, with < 2 errors of substance
2.16	Revenue inputs for Budget Statements and supplements	• Timeliness & accuracy of financial data	Revenue inputs to BS 1 completed by 31/01/08	Submit input timeously with < 2 errors of substance	Submit input timeously with < 2 errors of substance	Submit input timeously with < 2 errors of substance
2.17	Revenue input into quarterly budget performance report and monthly IYM report and cabinet memo	• Timeliness & accuracy of financial data	Submit inputs timeously, with < 2 errors of substance	Submit input timeously with < 2 errors of substance	Submit input timeously with < 2 errors of substance	Submit input timeously with < 2 errors of substance
2.18	Advice on queries and Treasury approvals	• Quality of advice and approvals as per PFMA	All advice in line with PFMA	All advices in line with PFMA	All advices in line with PFMA	All advices in line with PFMA
2.19	A research paper on new provincial tax	• Relevance of recommendations and practicality	Research on new provincial tax	Approval of new Provincial tax	Finalised new Provincial tax	Finalised new Provincial tax

Table 6.15: Service delivery measures – Programme 2: Fiscal Resource Management

Output type	Performance measures	Estimated annual targets				
		2008/09	2009/10	2010/11	2011/12	
3. Municipal Finance						
3.1	Section 71(6) report (Monthly municipal IYM report)	• Timeliness & quality of reports	Section 71(6) report by 22nd of each month & with < 2 errors for 58 municipalities	Section 71(6) report by 22nd of each month & with < 2 errors for 58 municipalities	Section 71(6) report by 22nd of each month & with < 2 errors for 58 municipalities	Section 71(6) report by 22nd of each month & with < 2 errors for 58 municipalities
3.2	Section 71(7) quarterly budget performance reports for local government and Legislature	• Timeliness & quality of reports	30 days after end of quarter, with < 2 errors of substance	30 days after end of quarter, with < 2 errors of substance	30 days after end of quarter, with < 2 errors of substance	30 days after end of quarter, with < 2 errors of substance
3.3	Research on revenue enhancing strategies	• No. of municipalities where revenue enhancing strategies are undertaken	Undertake research on revenue enhancing strategies at 6 municipalities	Undertake research on revenue enhancing strategies at 6 municipalities	Undertake research on revenue enhancing strategies at 6 municipalities	Undertake research on revenue enhancing strategies at 6 municipalities
3.4	Internal capacity building	• No. of vacant posts advertised & filled	3 vacant posts advertised and filled	Monitor and fill posts as per vacancies.	Monitor and fill posts as per vacancies.	Monitor and fill posts as per vacancies.
3.5	Submission of all MFMA returns	• No. of MFMA returns submitted (Report from NT confirming the receipt of all returns)	4 344 return forms to be successfully uploaded to NT Ig database (70% submission rate)	4 965 return forms to be successfully uploaded to NT Ig database (80% submission rate)	4 965 return forms to be successfully uploaded to NT Ig database (80% submission rate)	4 965 return forms to be successfully uploaded to NT Ig database (80% submission rate)
3.6	Advice on queries	• Quality of advice as per MFMA	All advice given must be in line with MFMA	All advice given must be in line with MFMA	All advice given must be in line with MFMA	All advice given must be in line with MFMA
3.7	Training and capacity building initiatives at municipalities	• Quality of workshops	Rating of >80%	Rating of >80%	Rating of >80%	Rating of >80%
3.8	Training and technical support to municipal officials and provide guidance to municipalities on reporting requirements in terms of MFMA	• No. of municipalities supported by Municipal Support Programme (MSP)	7 municipalities are supported through the MSP	7 municipalities are supported through the MSP	7 municipalities are supported through the MSP	7 municipalities are supported through the MSP
3.9	Facilitate co-operative governance leading to improvement of the efficiency of municipal financial management	• No of meetings/workshop per district	At least two meetings/workshops per district	At least two meetings/workshops per district	At least two meetings/workshops per district	At least two meetings/workshops per district
4. Infrastructure						
4.1	Provincial Infrastructure Plan (PIP)	• Timely completion of the plan & accuracy of plan as per feedback from department & National Treasury (NT)	PIP submitted by 30 April 2008	Submit PIP to NT by 28th February 2009	Submit PIP to NT by 28th February 2010	Submit PIP to NT by 28th February 2011
4.2	Provincial Infrastructure Statement of Needs (PISN) report	• No. of departmental PISN completed	National Education Information Management System (NEIMS) refined National Transport Master plan (NATMAP) being finalised	Preparation of PISN continues to other departments	Preparation of PISN continues to other departments	Preparation of PISN continues to other departments
4.3	Co-ordinated implementation of the Infrastructure Development Improvement Programme (IDIP) in the province	• No. of departments where IDIP is implemented	IDIP TAs placed at Works, Education & Health. IDIP processes introduced at Housing, Sport & Recreation, Art, Culture and Tourism	IDIP to continue in Education, Works and Health. IDIP processes introduced at Housing, Sport & Recreation, Arts, Culture and Tourism	IDIP to continue in Education, Works and Health. IDIP processes introduced at Housing, Sport & Recreation, Art, Culture and Tourism	IDIP to continue in Education, Works and Health. IDIP processes introduced at Housing, Sport & Recreation, Arts, Culture and Tourism
4.4	Compliance with infrastructure budget and delivery plans	• Quarterly reports on the progress of infrastructure delivery	Received all reports due Conduct 144 site visits	Quarterly reports Conduct 144 site visits	Quarterly reports Conduct 144 site visits	Quarterly reports Conduct 144 site visits
4.5	Conduct quarterly assessments on infrastructure delivery in KZN	• Quantity and quality of infrastructure delivered	Received all reports due	Quarterly reports	Quarterly reports	Quarterly reports

6.3 Programme 3: Financial Management

This programme consists of five sub-programmes, namely Financial Asset and Liability Management, Public Private Partnerships (PPPs), Supply Chain Management, Financial Reporting and Norms and Standards (Normative Financial and Information Management).

The purpose of this programme is to ensure effective and efficient management of physical and financial assets for provincial and local government. The main services undertaken by this programme are:

- To ensure the effective and efficient management of assets and implementation of PPP projects;
- To realise the effective and efficient acquisition of goods and services for provincial government and to secure sound Supply Chain Management for local government;
- To optimise liquidity requirements and maximise returns within acceptable levels of risk for provincial government and to secure sound cash management for local government;
- To ensure that financial reporting provides a full and true reflection of the financial position of the province and municipalities as prescribed, inclusive of the accounting responsibilities related to the Provincial Revenue Fund and Pay Master-General account; and
- To develop and implement financial and associated governance norms and standards, in order to enhance performance orientated financial results and accountability in provincial departments and municipalities as prescribed.

Tables 6.16 and 6.17 provide a summary of payments and budgeted estimates pertaining to Programme 3.

Table 6.16: Summary of payments and estimates - Programme 3: Financial Management

R000	Outcome			Main Budget	Adjusted Budget	Estimated Actual	Medium-term Estimates		
	Audited	Audited	Audited				2009/10	2010/11	2011/12
	2005/06	2006/07	2007/08	2008/09					
Financial Asset and Liability Management	52 765	16 359	12 383	12 456	13 173	13 173	13 370	14 153	15 003
Public Private Partnerships (PPPs)	248	936	2 483	4 026	4 026	4 026	4 442	4 711	4 994
Supply Chain Management	8 757	14 086	10 441	12 984	9 821	9 245	13 420	13 906	14 763
Financial Reporting	1 755	2 283	8 719	6 321	11 617	12 763	7 774	8 223	8 717
Norms and Standards	117	1 104	1 030	2 868	2 468	1 891	3 600	3 810	4 016
Total	63 642	34 768	35 056	38 655	41 105	41 098	42 606	44 803	47 493

Table 6.17: Summary of payments and estimates by economic classification - Programme 3: Financial Management

R000	Outcome			Main Budget	Adjusted Budget	Estimated Actual	Medium-term Estimates		
	Audited	Audited	Audited				2009/10	2010/11	2011/12
	2005/06	2006/07	2007/08	2008/09					
Current payments	54 632	34 179	34 676	38 326	40 749	40 893	42 130	44 454	47 113
Compensation of employees	14 824	15 549	16 585	26 033	21 660	20 655	28 441	30 124	31 761
Goods and services	39 114	18 630	18 091	12 293	19 002	20 151	13 689	14 330	15 352
Other	694	-	-	-	87	87	-	-	-
Transfers and subsidies to:	253	141	83	25	52	50	23	24	26
Provinces and municipalities	37	10	-	-	-	-	-	-	-
Departmental agencies and accounts	18	-	26	25	25	25	23	24	26
Universities and technikons	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	198	131	57	-	27	25	-	-	-
Payments for capital assets	8 757	448	297	304	304	155	453	325	354
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	120	448	297	300	300	151	448	320	354
Cultivated assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	8 637	-	-	4	4	4	5	5	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Total	63 642	34 768	35 056	38 655	41 105	41 098	42 606	44 803	47 493

The expenditure incurred against the sub-programme: Financial Asset and Liability Management in 2005/06 relates to the fact that the Asset Management Improvement Plan (AMIP) project, which started in 2004/05, was largely completed in 2005/06, with some payments made in 2006/07.

The AMIP costs also explain the once-off high expenditure in 2005/06 against *Goods and services* in terms of consultancy fees, as well as against *Software and other intangible assets* for the HARDCAT licences. The decrease in 2007/08 onwards is due to the decentralisation of the Banking and Tax function to departments. The reprioritisation of funds to this sub-programme in respect of consultant costs associated with the Financial Management Improvement Plan, as well as bank charges incurred as a result of the over-expenditure in 2007/08 and the continued over-spending in 2008/09 accounts for the increase in the 2008/09 Adjusted Budget, and against *Goods and services*.

The increase reflected against the sub-programme: Public Private Partnership in 2008/09 onwards is due to the increase in the number of PPP potential projects identified in the province by the unit, and the direct involvement in the Provincial Government Precinct and the Legislature complex projects, resulting in the essential increase of the unit's allocation to cater for the capacity increases, as well as other operational expenditure.

With regard to the sub-programme: Supply Chain Management (SCM), both the 2006/07 and 2007/08 Audited amounts included roll-overs from the previous financial years in respect of the SCM implementation in the province. The 2006/07 Audited amount also included a roll-over in respect of once-off payments for the Immovable Assets tender for the survey and conditions assessment of all assets in the Pietermaritzburg, Durban and Ulundi areas, hence the increase in *Goods and services*. The decrease in the 2008/09 Adjusted Budget is due to the reprioritisation of savings from *Compensation of employees* resulting from unfilled posts, towards the Financial Management Improvement Plan.

The increase in 2007/08 and the 2008/09 Adjusted Budget with regard to the sub-programme: Financial Reporting was due to funding that was reprioritised to this sub-programme for consultant fees associated with the Financial Management Improvement Plan for all provincial departments, also resulting in the increase against *Goods and services*.

The decrease in the 2008/09 Adjusted Budget with regard to the sub-programme: Norms and Standards was due to savings reprioritised towards consultant fees associated with the Financial Management Improvement Plan.

The increase in *Compensation of employees* over the 2009/10 MTEF is in line with the department's intention to fill all vacant posts in order to capacitate the Supply Chain Management, Financial Reporting and Norms and Standards units.

Service delivery measures – Programme 3: Financial Management

Table 6.18 below illustrates the main service delivery measures for Programme 3.

Table 6.18: Service delivery measures – Programme 3: Financial Management

Output type	Performance measures	Estimated annual targets				
		2008/09	2009/10	2010/11	2011/12	
1	Assets and Liability Management					
1.1	Asset Management workshop/training sessions	• No. of workshops and training sessions	8	8	8	8
1.2	Monthly status reports	• Timely reports	12	12	12	12
1.3	Site visits	• No. of sites visited	16 depts. quarterly	16 depts. quarterly	16 depts. quarterly	16 depts. quarterly
1.4	Review and update information	• Annual review of documents	4	4	4	4
1.5	Funding of provincial banking accounts	• No overdraft due to cash shortages	Dept. not in overdraft	Dept. not in overdraft	Dept. not in overdraft	Dept. not in overdraft
1.6	Scrutinise information within the reports	• No. of quarterly reports scrutinised	244	60	60	60

Table 6.18: Service delivery measures – Programme 3: Financial Management

Output type	Performance measures	Estimated annual targets				
		2008/09	2009/10	2010/11	2011/12	
1.7	Monitor early completion of bank reconciliation	• No. of depts. monitored and reconciled	16 depts. monthly	16 depts. monthly	16 depts. monthly	16 depts. monthly
1.8	Provide guidance / advisory services to depts. i.r.o payroll tax processes	• No. of depts. visited	16	16	16	16
1.9	Inform depts. on tax legislation and regulations, i.r.o payroll tax	• Conduct Tax information seminar	4 sessions	4 sessions	4 sessions	4 sessions
1.10	Exception reports: Identify areas of non-compliance i.r.o tax legislation and processes	• No. of depts. assessed	16 depts. quarterly	16 depts. quarterly	16 depts. quarterly	16 depts. quarterly
2. Public Private Partnerships (PPPs)						
2.1	Fully capacitated PPP Unit	• % of filled posts • % compliance individual personal development plans	75% 70%	80% 80%	80% 80%	80% 80%
2.2	Seminars/workshops for provincial and local spheres of government	• Number of seminars/workshops conducted for provincial depts. and public entities • Number of seminars/workshops conducted for municipalities and municipal entities	1 1	2 3	2 3	2 3
2.3	Comments on feasibility study for each project	• Number of weeks from receipt of feasibility study from institution	2	2	2	2
2.4	Reports on registered projects in progress	• Number of reports for HOD Treasury and NT PPP unit	6	10	10	10
2.5	Contract management reports on closed deals	• Number of reports per closed deal	1	4	4	4
3. Supply Chain Management						
3.1	Training for SCM practitioners in provincial depts. and municipalities	• No. of SCM training sessions arranged and conducted	No training sessions were conducted due to unavailability of SAMDI but the unit conducted workshops Information sessions were conducted including municipal and departmental forums	Arrange and conduct 12 training sessions for SCM practitioners and Bid Committees Arrange and conduct 8 SCM Information sessions for SMS members	Arrange and conduct 12 training sessions for SCM practitioners and Bid Committees Arrange and conduct 8 SCM Information sessions for SMS members	Arrange and conduct 12 training sessions for SCM practitioners and Bid Committees Arrange and conduct 8 SCM Information sessions for SMS members
3.2	Quarterly and annual reports on the status of SCM in provincial depts. and municipalities	• Quarterly and annual reports produced	Reports issued for 24 municipalities and 5 provincial depts.	4 quarterly and 1 annual reports	4 quarterly and 1 annual reports	4 quarterly and 1 annual reports
3.3	Routine and <i>ad hoc</i> assessment reports	• Quarterly and annual reports produced	Compliance assessment reports issued	12 X monthly, 4 X quarterly and 1 X annual assessment reports on compliance	12 X monthly, 4 X quarterly and 1 X annual assessment reports on compliance	12 X monthly, 4 X quarterly and 1 X annual assessment reports on compliance
3.4	Quarterly and annual reports on the status of SCM in provincial depts. and municipalities	• Quarterly and annual reports produced	Reports issued for 18 municipalities and 6 provincial depts.	4 quarterly and 1 annual reports	4 quarterly and 1 annual reports	4 quarterly and 1 annual reports
3.5	Policies, and practice notes developed/reviewed and issued	• No. of policies and practice notes reviewed and issued	Review all existing practice notes and policies Compile priority list for 09/10 financial year	Review and update all issued SCM policies, practice notes guides Compile priority list for 10/11 financial year	Review and update all issued SCM policies, practice notes guides Compile priority list for 10/11 financial year	Review and update all issued SCM policies, practice notes guides Compile priority list for 10/11 financial year

Table 6.18: Service delivery measures – Programme 3: Financial Management

Output type	Performance measures	Estimated annual targets				
		2008/09	2009/10	2010/11	2011/12	
3.6	Monitor compliance of provincial depts. and municipalities to SCM prescripts and offer SCM support.	• No. of reports received and problems resolved	Reports issued for 18 municipalities and 6 provincial depts.	Visit all depts. and municipalities minimum once a quarter Generate accurate reports	Visit all depts. and municipalities minimum once a quarter Generate accurate reports	Visit all depts. and municipalities minimum once a quarter Generate accurate reports
3.7	Issue quarterly and annual spend analysis reports	• Quarterly and annual spend analysis reports produced	Spend analysis report issued	Issue annual spend analysis report for 08/09 and 3 quarterly reports for 09/10 Request and analyse spending information for municipalities quarterly and annually	Issue annual spend analysis report for 08/09 and 3 quarterly reports for 09/10 Request and analyse spending information for municipalities quarterly and annually	Issue annual spend analysis report for 08/09 and 3 quarterly reports for 09/10 Request and analyse spending information for municipalities quarterly and annually
4. Financial Reporting						
4.1	Consolidated Financial Statements	• Prescribed deadline	Compile consolidated AFS for 2008/09 and Revenue Fund for 2008/09	Compile consolidated AFS for 2009/10 and Revenue Fund for 2009/10	Compile consolidated AFS for 2010/11 and Revenue Fund for 2010/11	Compile consolidated AFS for 2011/12 and Revenue Fund for 2011/12
4.2	Reports from depts. on readiness and status in addressing audit findings	• Quarterly report to executive authority and SCOPA on depts. status	Ensure timely submission of AFS to Auditor-General and Treasury Quarterly reports	Ensure timely submission of AFS to Auditor-General and Treasury Quarterly reports	Ensure timely submission of AFS to Auditor-General and Treasury Quarterly reports	Ensure timely submission of AFS to Auditor-General and Treasury Quarterly reports
4.3	Detailed analysis and recommendations to municipalities	• Consolidated quarterly report to executive authority and SCOPA on municipal status	Quarterly reports	Quarterly reports	Quarterly reports	Quarterly reports
4.4	Consolidated Financial Statements	• Prescribed deadline	Compile consolidated AFS for 2008/09	Compile consolidated AFS for 2009/10	Compile consolidated AFS for 2010/11	Compile consolidated AFS for 2011/12
4.5	Reports from public entities on their readiness and status in addressing audit findings	• Quarterly report to executive authority and SCOPA on public entity status	Timely submission of AFS to Auditor-General and Treasury Quarterly report	Timely submission of AFS to Auditor-General and Treasury Quarterly reports	Timely submission of AFS to Auditor-General and Treasury Quarterly reports	Timely submission of AFS to Auditor-General and Treasury Quarterly reports
4.6	Detailed analysis and recommendations	• Credible Public Entity (PE) database	Credible PE database	Maintain the database	Maintain the database	Maintain the database
5. Norms and Standards						
5.1	New practice notes / regulatory documents	• Addressing of identified needs/ deficiencies	8 practice notes	As per identified requirements and needs	As per identified requirements and needs	As per identified requirements and needs
5.2	Training material and trained personnel	• No. of depts. trained on time	Training took place no less than one month prior to effective date of any newly developed/revised financial norms and standards	No less than one month prior to effective date of any newly developed/revised financial norms and standards	No less than one month prior to effective date of any newly developed/revised financial norms and standards	No less than one month prior to effective date of any newly developed/revised financial norms and standards
5.3	Reviewed practice notes for depts.	• Practice notes reviewed	25% of existing practice notes as at 1 April 2008	25% of existing practice notes as at 1 April 2009	25% of existing practice notes as at 1 April 2010	25% of existing practice notes as at 1 April 2011
5.4	Quarterly compliance assessment reports	• Receipt and analysis of compliance data	Compliance assessment report for all depts. for third and fourth quarters	Compliance assessment report for all depts.	Compliance assessment report for all depts.	Compliance assessment report for all depts.
5.5	Policies, practice notes, guidelines and circulars	• Degree of response to determinations of Technical Working Committee	100% response to determinations of Technical Working Committee	100% response to determinations of Technical Working Committee	100% response to determinations of Technical Working Committee	100% response to determinations of Technical Working Committee

6.4 Programme 4: Internal Audit

This programme consists of two sub-programmes, namely Assurance Services and Risk Management. The main purpose of the programme is to develop effective risk management strategies and governance, to build and maintain successful client relationships, to develop knowledge by creating a learning culture, and to build foundations for excellence to support the provincial government in achieving its objectives.

The following services are rendered by the unit:

- To conduct risk assessments on behalf of the Accounting Officers and Chief Executive Officers of provincial departments and public entities, develop comprehensive risk profiles and recommend improvements on significant risk exposures for each client;
- To review accounting and management processes and systems of internal control for efficiency and effectiveness in terms of their design and operation and provide recommendations for improvement;
- To develop, facilitate implementation and monitor integrated risk management strategies and fraud prevention strategies;
- To conduct forensic investigations and facilitate prosecution, perform misconduct enquiries and recovery in liaison with other state law enforcement agencies;
- To provide training and development programmes in areas such as risk management, strategy development and management, project management, design and improvement of systems of internal controls, financial management and reporting, leadership, forensic investigations, governance, etc.;
- To provide a consulting function as per requests by relevant MECs and Heads of Departments; and
- To prepare special reviews on computerised systems and performance.

Tables 6.19 and 6.20 provide a summary of payments and budgeted estimates pertaining to Programme 4.

Table 6.19: Summary of payments and estimates - Programme 4: Internal Audit

R000	Outcome			Main Budget	Adjusted Budget 2008/09	Estimated Actual	Medium-term Estimates		
	Audited 2005/06	Audited 2006/07	Audited 2007/08				2009/10	2010/11	2011/12
Assurance Services	15 769	20 382	28 833	32 165	32 165	30 796	43 171	44 818	47 509
Risk Management	47 654	13 469	24 301	20 853	42 953	41 328	37 634	39 329	42 373
Total	63 423	33 851	53 134	53 018	75 118	72 124	80 805	84 147	89 882

Table 6.20: Summary of payments and estimates by economic classification - Programme 4: Internal Audit

R000	Outcome			Main Budget	Adjusted Budget 2008/09	Estimated Actual	Medium-term Estimates		
	Audited 2005/06	Audited 2006/07	Audited 2007/08				2009/10	2010/11	2011/12
Current payments	62 962	33 281	52 375	52 429	74 529	71 535	79 975	83 446	89 139
Compensation of employees	16 559	20 217	25 828	39 728	34 528	31 626	46 303	48 772	51 302
Goods and services	46 403	13 064	26 547	12 701	40 001	39 909	33 672	34 674	37 837
Other	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	131	14	231	33	33	33	35	39	40
Provinces and municipalities	48	14	-	-	-	-	-	-	-
Departmental agencies and accounts	21	-	39	33	33	33	35	39	40
Universities and technikons	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	2	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	62	-	190	-	-	-	-	-	-
Payments for capital assets	330	556	528	556	556	556	795	662	703
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	330	556	528	556	556	556	795	662	703
Cultivated assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Total	63 423	33 851	53 134	53 018	75 118	72 124	80 805	84 147	89 882

The proposed new post structure caters for new audit services such as performance reviews of service delivery activities in provincial and local government, and audit reviews of Information Technology systems that complement business operations. The abovementioned audit services were introduced with the assistance of consultants from 2007/08 onwards. This explains the major increase against both sub-programmes: Assurance Services and Risk Management and against *Goods and services* from 2007/08 onwards.

The high expenditure reflected against the sub-programme: Risk Management and against *Goods and services* in 2005/06 is related to the Social Development Forensic Audit project, which started in 2004/05 and was completed in 2005/06. The increase in 2007/08 compared to 2006/07 against the same sub-programme was due to the reprioritisation of funds, as well as additional funding allocated to the department for forensic investigations and new initiatives such as fraud risk assessment, municipal financial capability assessments, workshops and training on risk management and internal control and training and development programmes, including learnerships. This partly explains the increase against *Goods and services* in 2007/08 as opposed to 2006/07.

The decrease in *Compensation of employees* in the 2008/09 Adjusted Budget is due to the reprioritisation of savings, attributed to unfilled vacant posts, to *Goods and services* to defray expenditure pressures associated with consultants fees in respect of audits performed, and to cater for the under provision against training and development relating to training on the Enterprise Risk Management framework.

The department also received additional funding in the 2008/09 Adjusted Budget in respect of the implementation of Project *Unembeza*, a pro-active strategy aimed at curbing the scourge of IT fraud and corruption in the province, which explains the significant increase in *Goods and services* in the 2008/09 Adjusted Budget and over the 2009/10 MTEF.

The category *Machinery and equipment* caters for the purchase of equipment in respect of new staff appointments, the replacement and upgrading of equipment, hence the steady increase over the seven-year period.

Service delivery measures – Programme 4: Internal Audit

Table 6.21 reflects the main service delivery measures pertaining to Programme 4.

Table 6.21: Service delivery measures – Programme 4: Internal Audit

Output type	Performance measures	Estimated annual targets			
		2008/09	2009/10	2010/11	2011/12
1. Assurance Services					
1.1 Internal audit reports, audit committee reports, accounting officers quarterly reports, quarterly, mid-year and annual management reports	• No. of audit assignments completed as per operational plan	19	20	20	20
1.2 Internal audit reports on governance	• No. of projects on the design, implementation, and effectiveness of business ethics, related objectives, programmes and activities completed	4	4	4	4
1.3 Audit committee reports to the MEC: Finance	• Audit committee quarterly reports on the clients' areas of risk management, governance and internal control submitted to MEC: Finance	1	1	1	1
1.5 Internal audit reports, quarterly, mid-year and annual management reports	• No. of audit assignments completed per operational plan	138	143	143	143
1.6 Audit committee quarterly reports	• No. of quarterly audit committee reports issued	4	4	4	4

Table 6.21: Service delivery measures – Programme 4: Internal Audit

Output type	Performance measures	Estimated annual targets				
		2008/09	2009/10	2010/11	2011/12	
1.7	Accounting officers quarterly reports	• No. of accounting officer's reports issued to management	64	64	64	64
1.8	IA annual operational plan and a rolling three year strategic plan	• No. of IA annual operational plan and a rolling three year strategic plan developed and approved	20	20	20	20
1.9	Minutes of the meetings and road shows held	• No. of road shows at depts. and public entities on bridging the understanding gap between clients, audit committee and internal audit	16	16	16	16
		• No. of meetings held between clients and audit committee	16	32	32	32
		• No. of meetings held between the unit and the clients	80	80	80	80
1.10	Completed client satisfaction survey	• No. of client satisfaction surveys completed	138	143	143	143
1.11	Internal audit follow up reports, audit committees reports to accounting officers and executing authorities	• No. of follow up audits conducted	89	86	86	86
1.12	Training and development programmes	• No. of training and development programmes attended	22	20	20	20
1.13	An independent Internal and external Quality Assurance Review	• No. of independent internal and external quality assurance reviews conducted	2	2	2	2
2. Risk Management						
2.1	Risk assessment and Control Self Assessment (CSA) reports	• No. of departmental Risk assessment and CSA conducted	29	36	36	36
2.2	Consolidated Provincial Risk profiles	• No. of Consolidated Risk profiles developed	1	1	1	1
2.3	RM Executive Sponsor, Audit Committee reports.	• Audit Committee quarterly reports on the clients' areas of risk management and risk governance	4	4	4	4
		• Report to the RM Executive Sponsor on the clients' areas of risk management and risk governance	-	1	1	1
2.4	Risk management strategies	• No. of risk management strategic documents developed	29	36	36	36
2.5	Training material and sessions	• Number of training sessions conducted	8	12	12	12
2.6	Minutes of the Risk Management Forum and feedback	• No. of meetings held	4	4	4	4
2.7	Workshops conducted and feedback	• No. of workshops on good governance conducted.	2	8	8	8
2.8	Training and development programmes	• No. of training development programmes attended	4	6	6	6
3. Risk Management (Forensic Services)						
3.1	Internal audit reports and audit committee reports	• No. of reviews on the status of fraud management in the departments	4	16	16	16
3.2	Fraud risk assessment reports and an updated fraud risk database	• No. of fraud risk assessment conducted	16	16	16	16
3.3	Forensic audit reports, audit committee reports and accounting officers' quarterly reports	• % of forensic audits performed and investigations as per client's requests and referrals from the Assurance team	20%	100%	100%	100%
3.4	Follow-up investigations reports	• No. of follow up reports conducted	20	16	16	16

6.5 Programme 5: Growth and Development

Programme 5: Growth and Development was created with the main purpose of providing the province with the means and flexibility to deliver measurable and visible results in terms of employment creation, poverty alleviation, promotion of SMMEs and Black Economic Empower (BEE). While the Growth and the SMME funds were moved to Vote 4: Economic Development from April 2007, the entire budget for the Poverty Alleviation Fund was allocated to the relevant provincial departments in 2006/07.

This programme includes an additional sub-programme called 'Other Developmental Initiatives', to cater for special projects as approved by Cabinet. It currently makes provision for the Budget Road Shows, the feasibility study for the Provincial Government Precinct and the 2010 Soccer World Cup.

The programme previously included the Government Employees Medical Scheme allocation. However, as mentioned previously, the GEMS allocation was distributed to all departments over the 2008/09 MTEF.

Tables 6.22 and 6.23 illustrate the payments and budgeted estimates pertaining to Programme 5.

Table 6.22: Summary of payments and estimates: Programme 5 - Growth and Development

R000	Outcome			Main Budget	Adjusted Budget	Estimated Actual	Medium-term Estimates		
	Audited 2005/06	Audited 2006/07	Audited 2007/08				2009/10	2010/11	2011/12
Growth Fund	47 900	20 000	-	-	-	-	-	-	-
SMME Fund	100 000	215 000	-	-	-	-	-	-	-
Poverty Alleviation Fund	175 000	-	-	-	-	-	-	-	-
Other Developmental Initiatives	-	25 000	72 923	188 277	208 492	208 492	285 727	238 513	365 406
Total	322 900	260 000	72 923	188 277	208 492	208 492	285 727	238 513	365 406

Table 6.23: Summary of payments and estimates by economic classification: Programme 5 - Growth and Development

R000	Outcome			Main Budget	Adjusted Budget	Estimated Actual	Medium-term Estimates		
	Audited 2005/06	Audited 2006/07	Audited 2007/08				2009/10	2010/11	2011/12
Current payments	-	25 000	51 360	38 277	49 529	49 529	135 727	238 513	365 406
Compensation of employees	-	-	-	-	-	-	108 109	215 666	322 669
Goods and services	-	25 000	51 360	38 277	49 529	49 529	27 618	22 847	24 218
Other	-	-	-	-	-	-	-	-	18 519
Transfers and subsidies to:	322 900	235 000	21 563	150 000	158 963	158 963	150 000	-	-
Provinces and municipalities	-	-	21 563	150 000	158 963	158 963	150 000	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	322 900	235 000	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Cultivated assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Total	322 900	260 000	72 923	188 277	208 492	208 492	285 727	238 513	365 406

The expenditure for the A1 Grand Prix amounts to R12.5 million per year for three years, starting in 2005/06, and ending in 2007/08. Although the first event for the A1 Grand Prix was held in February 2006 (i.e. in 2005/06), payment was only effected in 2006/07, hence the roll-over of R12.5 million to 2006/07. This meant that a total of R25 million was spent in 2006/07 (reflected against the sub-programme: Other Development Initiatives and the category *Goods and services*).

The high expenditure noted in 2005/06 and 2006/07 against the category *Transfers and subsidies to: Public corporations and private enterprises* was in respect of the three Growth and Development Funds.

The funding reflected in the 2009/10 MTEF against the category *Compensation of employees* is an allocation relating to Health with regards to the OSD for doctors and specialists. National Treasury requested that such funds be held by the Provincial Treasury until the details of the OSD for doctors and specialist have been finalised.

The increase in *Goods and services* in 2007/08 onwards compared to 2006/07 can be attributed to additional funding for the feasibility study of the Provincial Government Precinct and the *Ifihlile* Training Academy for the training and skills development of Historically Disadvantaged Individuals. Furthermore, the Budget Road Shows function was shifted from Programme 1: Administration to this programme. During the 2008/09 Adjusted Budget, R11.252 million was rolled over from 2007/08 to fund the feasibility study of the Provincial Government Precinct. The project is expected to be completed by the end of 2008/09, which explains the decrease in the 2009/10 MTEF.

In 2007/08 and the 2008/09 Adjusted Budget, additional funding was allocated to the department to be paid over to a number of municipalities for the prescribed local government levy derived from casino taxes. An amount of R150 million each in 2008/09 and 2009/10 was allocated to the department to be transferred to the eThekweni Municipality as part of the province’s contribution towards the construction of the Moses Mabhida Soccer Stadium, as reflected against the category *Transfers and subsidies to: Provinces and municipalities*.

The amount of R18.519 million reflected against *Current payments: Other* in 2011/12 is in respect of interest charges on the provincial bank overdraft account, which resulted from over-expenditure in 2007/08 and the continued over-spending in 2008/09.

Service delivery measures – Programme 5: Growth and Development

Table 6.24 reflects the main service delivery measures pertaining to Programme 5.

Table 6.24: Service delivery measures – Programme 5: Growth and Development

Output type	Performance measures	Estimated annual targets			
		2008/09	2009/10	2010/11	2011/12
1 Organisation of Treasury involvement in special projects, events and exhibitions	• Efficiency of arrangements	Achieved	Standards met	Standards met	Standards met
	• Degree of marketing and media exposure for dept./province	Achieved	Standards met	Standards met	Standards met
2 Management of special projects (2010, A1, etc.)	• Number of events co-ordinated successfully	7	8	8	8

7. Other programme information

7.1 Personnel numbers and costs

Table 6.25 below reflects personnel information per programme for the Provincial Treasury, for the period March 2006 to March 2012.

As reflected in the table, there is a general increase in the total personnel cost over the seven-year period, which is consistent with the increase in personnel numbers.

The decrease in the number of posts filled under Programme 3: Financial Management in 2007/08 compared to 2006/07 was due to the decentralisation of the Banking and Tax function, with most of the staff transferred to different departments. The increase in 2008/09, on the other hand, is in line with the department’s intention to fill several other posts in order to capacitate the Supply Chain Management,

Financial Reporting and Norms and Standards components. The decrease between March 2007 and 2009 can be attributed to unplanned staff exits and delays in the filling of vacant posts.

The inclusion of interns employed by the department accounted for the increase under Programme 1: Administration.

Table 6.25: Personnel numbers and costs per programme

Personnel numbers	As at	As at	As at	As at	As at	As at	As at
	31 March 2006	31 March 2007	31 March 2008	31 March 2009	31 March 2010	31 March 2011	31 March 2012
1. Administration	74	111	164	123	173	173	173
2. Fiscal Resource Management	24	36	38	50	52	58	58
3. Financial Management	85	85	51	73	82	82	82
4. Internal Audit	98	108	107	104	171	171	171
5. Growth and Development							
Total	281	340	360	350	478	484	484
Total personnel cost (R000)	57 081	69 368	83 394	103 152	246 075	363 602	478 343
Unit cost (R000)	203	204	232	295	515	751	988

Table 6.26 below provides details of personnel in terms of the human resources and finance components. The employees reflected against part-time workers are interns that are employed by the department and are provided for under Programme 1: Administration.

Table 6.26: Details of departmental personnel numbers and costs

	Outcome			Main Budget	Adjusted Budget 2008/09	Estimated Actual	Medium-term Estimates		
	Audited 2005/06	Audited 2006/07	Audited 2007/08				2009/10	2010/11	2011/12
Total for department									
Personnel numbers (head count)	281	340	360	454	356	350	478	484	484
Personnel cost (R000)	57 081	69 368	83 394	119 207	109 764	103 152	246 075	363 602	478 343
Human resources component									
Personnel numbers (head count)	17	21	22	22	22	22	25	25	25
Personnel cost (R000)	2 367	3 513	4 378	5 005	5 326	5 280	5 967	6 293	6 612
Head count as % of total for department	6.05	6.18	6.11	4.85	6.18	6.29	5.23	5.17	5.17
Personnel cost as % of total for department	4.15	5.06	5.25	4.20	4.85	5.12	2.42	1.73	1.38
Finance component									
Personnel numbers (head count)	14	16	21	21	21	20	25	25	25
Personnel cost (R000)	3 002	4 261	4 857	6 135	6 135	5 650	6 555	6 920	7 277
Head count as % of total for department	4.98	4.71	5.83	4.63	5.90	5.71	5.23	5.17	5.17
Personnel cost as % of total for department	5.26	6.14	5.82	5.15	5.59	5.48	2.66	1.90	1.52
Full time workers									
Personnel numbers (head count)	268	316	336	429	331	325	453	459	459
Personnel cost (R000)	56 649	67 749	82 134	117 941	108 498	101 886	244 575	362 102	476 843
Head count as % of total for department	95.37	92.94	93.33	94.49	92.98	92.86	94.77	94.83	94.83
Personnel cost as % of total for department	99.24	97.67	98.49	98.94	98.85	98.77	99.39	99.59	99.69
Part-time workers									
Personnel numbers (head count)	13	24	24	25	25	25	25	25	25
Personnel cost (R000)	432	1 619	1 260	1 266	1 266	1 266	1 500	1 500	1 500
Head count as % of total for department	4.63	7.06	6.67	5.51	7.02	7.14	5.23	5.17	5.17
Personnel cost as % of total for department	0.76	2.33	1.51	1.06	1.15	1.23	0.61	0.41	0.31
Contract workers									
Personnel numbers (head count)									
Personnel cost (R000)									
Head count as % of total for department	-	-	-	-	-	-	-	-	-
Personnel cost as % of total for department	-	-	-	-	-	-	-	-	-

7.2 Training

Tables 6.27 and 6.28 show the department's actual spending and estimates on training per programme.

As reflected in Table 6.27, there is a rising trend in the training expenditure over the seven-year period.

The projected increases are based on the fact that the Human Resource Development component will ensure that greater emphasis is placed on training, particularly with the implementation of the Workplace Skills Plan aimed at developing the skills of the workforce of the department.

Table 6.27: Expenditure on training

R000	Outcome			Main Budget	Adjusted Budget 2008/09	Estimated Actual	Medium-term Estimates		
	Audited 2005/06	Audited 2006/07	Audited 2007/08				2009/10	2010/11	2011/12
1. Administration	399	386	959	1 451	1 471	1 471	1 394	1 516	1 609
2. Fiscal Resource Management	11	618	223	183	263	263	287	273	289
3. Financial Management	48	123	414	206	308	308	299	309	332
4. Internal Audit	205	330	451	465	465	465	2 176	2 269	2 445
5. Growth and Development									
Total	663	1 457	2 047	2 305	2 507	2 507	4 156	4 367	4 675

The training budget provided for over the MTEF is more than the 1 per cent of the total personnel costs, which is required to be set aside for training in terms of the Skills Development Act.

The significant increase reflected against Programme 4: Internal Audit can be attributed to the learnership programme aimed at skills development and also the creation of an available resource pool resulting in the creation of employment opportunities and contributing to the growth of the economy and sustainable development.

The increase in the training costs in the 2008/09 Adjusted Budget can be attributed to the implementation of the Workplace Skills Development Plan.

Table 6.28 illustrates the number of staff affected by the various training programmes and initiatives. It also includes a gender breakdown, an indication of the types of training, as well as details of the number of bursaries and learnerships.

Table 6.28: Information on training

	Outcome			Main Budget	Adjusted Budget 2008/09	Estimated Actual	Medium-term Estimates		
	2005/06	2006/07	2007/08				2009/10	2010/11	2011/12
Number of staff	281	340	360	454	356	350	478	484	484
Number of personnel trained	281	316	316	454	356	356	478	484	484
of which									
Male	136	152	152	213	167	167	215	218	218
Female	145	164	164	241	189	189	263	266	266
Number of training opportunities									
of which									
Tertiary									
Workshops									
Seminars									
Other	-	315	315	471	350	350	475	480	480
Number of bursaries offered	9	11	35	40	40	40	45	45	45
Number of interns appointed	13	24	24	25	25	25	25	25	25
Number of learnerships appointed	-	-	10	10	10	10	30	30	30
Number of days spent on training	-	153	287	170	170	170	180	180	180

ANNEXURE – VOTE 6: PROVINCIAL TREASURY

Table 6.A: Details of departmental receipts

R000	Outcome			Main Budget	Adjusted Budget 2008/09	Estimated Actual	Medium-term Estimates		
	Audited 2005/06	Audited 2006/07	Audited 2007/08				2009/10	2010/11	2011/12
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes									
Motor vehicle licenses									
Horsing									
Other taxes									
Non-tax receipts	90 384	169 579	156 521	139 521	139 521	7 187	20 120	164 771	181 248
Sale of goods & services other than capital assets	104	126	119	87	87	203	120	130	140
Sale of goods & services produced by depts.	104	126	119	87	87	203	120	130	140
Sales by market establishments									
Administrative fees									
Other sales	104	126	119	87	87	203	120	130	140
Of which									
Health patient fees									
Housing rent recoveries									
Other	104	126	119	87	87	203	120	130	140
Sale of scrap, waste, arms and other used current goods (excluding capital assets)									
Fines, penalties and forfeits									
Interest, dividends and rent on land	90 280	169 453	156 402	139 434	139 434	6 984	20 000	164 641	181 108
Interest	90 280	169 453	156 402	139 434	139 434	6 984	20 000	164 641	181 108
Dividends									
Rent on land									
Transfers received from:	-	-	-	-	-	-	-	-	-
Other governmental units									
Universities and technikons									
Foreign governments									
International organisations									
Public corporations and private enterprises									
Households and non-profit institutions									
Sales of capital assets	1	-	-	-	-	-	-	-	-
Land and subsoil assets									
Other capital assets	1	-	-	-	-	-	-	-	-
Financial transactions	732	282	400	-	-	839	-	-	-
Total	91 117	169 861	156 921	139 521	139 521	8 026	20 120	164 771	181 248

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

R000	Outcome			Main Budget	Adjusted Budget 2008/09	Estimated Actual	Medium-term Estimates		
	Audited 2005/06	Audited 2006/07	Audited 2007/08				2009/10	2010/11	2011/12
Current payments	293 784	263 617	340 729	365 930	403 758	392 397	484 126	596 964	745 855
Compensation of employees	57 081	69 368	83 394	119 207	109 764	103 152	246 075	363 602	478 343
Salaries and wages	48 972	59 580	72 353	100 618	93 526	88 982	224 921	341 410	455 349
Social contributions	8 109	9 788	11 041	18 589	16 238	14 170	21 154	22 192	22 994
Goods and services	235 639	193 369	256 546	246 723	293 907	289 158	238 051	233 362	248 993
<i>of which</i>									
Administrative fees	6 821	5 961	7 648	7 200	7 763	7 763	7 782	8 200	8 616
Advertising	5 118	4 101	22 522	5 776	5 376	5 376	5 515	6 063	6 508
Assets <R5000	1 263	1 430	1 131	104	104	104	196	196	208
Audit cost: External	2 309	1 857	2 928	4 200	12 800	12 800	3 833	4 885	5 326
Bursaries (employees)	68	194	244	436	436	436	621	683	724
Catering: Departmental activities	-	1 824	5 100	3 904	3 904	3 904	1 309	1 384	1 477
Communication	2 048	2 009	2 773	2 697	2 697	2 697	2 768	2 939	3 117
Computer services	69 583	57 484	68 405	67 290	67 290	67 290	80 786	89 412	94 524
Cons/prof:business & advisory services	81 871	63 832	89 262	105 116	143 337	138 905	70 927	54 273	58 566
Cons/prof: Infrastructre & planning	-	-	-	-	-	-	-	-	-
Cons/prof: Laboratory services	-	-	-	-	-	-	-	-	-
Cons/prof: Legal cost	-	-	-	3 504	3 504	3 504	892	954	1 028
Contractors	-	-	-	6	6	6	4 863	5 044	5 008
Agency & support/outsourced services	-	-	-	-	-	-	1 277	1 332	1 746
Entertainment	1 962	146	184	429	429	429	174	199	211
Government motor transport	-	-	-	-	-	-	1 283	1 300	1 400
Housing	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	3	23	-	79	79	79	80	84	89
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory:Learn & teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Raw materials	5	3	-	240	240	240	293	284	304
Inventory: Medical supplies	-	1	-	-	-	-	5	5	5
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Military stores	-	-	-	-	-	-	-	-	-
Inventory: Other consumables	8	128	-	303	303	303	313	327	351
Inventory: Stationery and printing	4 023	2 739	2 883	1 868	1 868	1 868	2 169	2 291	2 420
Lease payments	6 116	6 395	6 960	8 309	8 309	8 309	8 308	9 092	9 657
Owned & leasehold property expenditure	-	-	-	-	-	-	1 781	831	881
Transport provided dept activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	5 278	7 193	7 971	16 503	16 503	16 106	19 470	19 987	21 308
Training & staff development	705	1 385	2 047	2 507	2 507	2 507	5 156	4 795	5 428
Operating expenditure	43 628	29 432	16 082	6 734	6 934	6 617	5 086	5 052	5 397
Venues and facilities	4 830	7 232	20 406	9 518	9 518	9 915	13 164	13 750	14 694
Other	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	2	-	-	-	-	-	-	18 519
Interest	-	2	-	-	-	-	-	-	18 519
Rent on land	-	-	-	-	-	-	-	-	-
Financial transactions in assets and liabilities	1 064	878	789	-	87	87	-	-	-
Unauthorised expenditure	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	323 396	235 312	22 200	150 102	160 341	160 673	150 108	118	125
Provinces and municipalities	159	48	21 563	150 000	158 963	158 963	150 000	-	-
Municipalities	159	48	21 563	150 000	158 963	158 963	150 000	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	69	-	130	102	102	102	108	118	125
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	69	-	130	102	102	102	108	118	125
Universities and technikons	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	322 900	235 000	14	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	322 900	235 000	14	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	322 900	235 000	14	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	3	3	-	-	-
Households	268	264	493	-	1 273	1 605	-	-	-
Social benefits	268	264	493	-	1 273	1 605	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	13 799	7 073	16 716	6 040	6 040	11 430	8 543	7 079	7 671
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	1 689	5 820	7 686	3 636	3 636	9 713	4 420	3 475	3 471
Transport equipment	-	2 210	1 903	1 460	1 460	1 460	1 683	1 522	1 596
Other machinery and equipment	1 689	3 610	5 783	2 176	2 176	8 253	2 737	1 953	1 875
Cultivated assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	12 110	1 253	9 030	2 404	2 404	1 717	4 123	3 604	4 200
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Total	630 979	506 002	379 645	522 072	570 139	564 500	642 777	604 161	753 651

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

R000	Outcome			Main Budget	Adjusted Budget 2008/09	Estimated Actual	Medium-term Estimates		
	Audited 2005/06	Audited 2006/07	Audited 2007/08				2009/10	2010/11	2011/12
Current payments	158 758	134 612	149 388	173 726	173 779	167 736	171 011	184 463	195 101
Compensation of employees	18 886	24 422	28 330	34 414	34 867	34 556	40 723	42 928	45 041
Salaries and wages	16 686	21 617	24 938	28 603	29 135	30 438	34 888	36 904	38 835
Social contributions	2 200	2 805	3 392	5 811	5 732	4 118	5 835	6 024	6 206
Goods and services	139 502	109 310	120 269	139 312	138 912	133 180	130 288	141 535	150 060
<i>of which</i>									
Administrative fees									
Advertising	4 623	4 036	4 674	5 094	4 694	4 694	4 182	4 528	4 800
Assets <R5000	267	1 062	959	61	61	61	163	170	181
Audit cost: External	2 309	1 857	2 424	4 200	12 800	12 800	3 833	4 885	5 326
Bursaries (employees)	68	194	243	436	436	436	621	683	724
Catering: Departmental activities	-	1 716	872	2 155	2 155	2 155	938	1 023	1 083
Communication	1 530	1 476	2 095	1 775	1 775	1 775	1 829	1 940	2 055
Computer services	69 583	57 078	68 405	67 290	67 290	67 290	80 372	88 971	94 001
Cons/prof:business & advisory services	-	18 489	9 292	27 155	18 555	12 823	710	665	703
Cons/prof: Infrastructure & planning									
Cons/prof: Laboratory services									
Cons/prof: Legal cost	-	-	-	3 504	3 504	3 504	892	954	1 028
Contractors	-	-	-	-	-	-	2 855	2 835	2 667
Agency & support/outsourced services	-	-	-	-	-	-	1 277	1 332	1 746
Entertainment	1 837	87	111	237	237	237	91	108	115
Government motor transport	-	-	-	-	-	-	1 283	1 300	1 400
Housing									
Inventory: Food and food supplies	3	23	-	79	79	79	80	84	89
Inventory: Fuel, oil and gas									
Inventory:Learn & teacher support material									
Inventory: Raw materials	5	3	-	240	240	240	293	284	304
Inventory: Medical supplies	-	1	-	-	-	-	5	5	5
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	8	128	-	303	303	303	313	327	351
Inventory: Stationery and printing	3 051	2 441	2 494	1 194	1 194	1 194	1 518	1 611	1 700
Lease payments	5 888	6 192	6 759	8 208	8 208	8 208	8 190	8 975	9 533
Owned & leasehold property expenditure							1 781	831	881
Transport provided dept activity									
Travel and subsistence	2 143	3 590	4 273	8 974	8 974	8 577	9 407	10 000	10 599
Training & staff development	410	387	960	1 471	1 471	1 471	1 644	1 784	1 892
Operating expenditure	43 153	3 745	9 633	3 480	3 480	3 480	3 524	3 509	3 777
Venues and facilities	4 624	6 805	7 075	3 456	3 456	3 853	4 487	4 731	5 100
Other									
Interest and rent on land	-	2	-	-	-	-	-	-	-
Interest	-	2	-	-	-	-	-	-	-
Rent on land									
Financial transactions in assets and liabilities	370	878	789	-	-	-	-	-	-
Unauthorised expenditure									
Transfers and subsidies to:	84	151	291	28	1 277	1 611	32	34	37
Provinces and municipalities	54	18	-	-	-	-	-	-	-
Municipalities	54	18	-	-	-	-	-	-	-
Municipal agencies and funds									
Departmental agencies and accounts	22	-	45	28	28	28	32	34	37
Social security funds									
Entities receiving funds	22	-	45	28	28	28	32	34	37
Universities and technikons									
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations									
Subsidies on production									
Other transfers									
Private enterprises									
Subsidies on production									
Other transfers									
Foreign governments and international organisations									
Non-profit institutions	-	-	-	-	3	3	-	-	-
Households	8	133	246	-	1 246	1 580	-	-	-
Social benefits	8	133	246	-	1 246	1 580	-	-	-
Other transfers to households									
Payments for capital assets	4 528	5 863	15 712	4 392	4 392	9 980	6 596	5 832	6 614
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings									
Other fixed structures									
Machinery and equipment	1 055	4 610	6 682	1 992	1 992	8 267	2 478	2 233	2 414
Transport equipment	-	2 210	1 903	1 460	1 460	1 460	1 683	1 522	1 596
Other machinery and equipment	1 055	2 400	4 779	532	532	6 807	795	711	818
Cultivated assets									
Software and other intangible assets	3 473	1 253	9 030	2 400	2 400	1 713	4 118	3 599	4 200
Land and subsoil assets									
Heritage assets									
Specialised military assets									
Total	163 370	140 626	165 391	178 146	179 448	179 327	177 639	190 329	201 752

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

R000	Audited 2005/06	Audited 2006/07	Audited 2007/08	Main	Adjusted	Estimated	Medium-term Estimates		
				Budget	Budget	Actual	2009/10	2010/11	2011/12
Current payments	17 432	36 545	52 930	63 172	65 172	62 704	55 283	46 088	49 096
Compensation of employees	6 812	9 180	12 651	19 032	18 709	16 315	22 499	26 112	27 570
Salaries and wages	5 762	8 113	11 202	17 035	16 112	14 172	19 697	22 943	24 249
Social contributions	1 050	1 067	1 449	1 997	2 597	2 143	2 802	3 169	3 321
Goods and services	10 620	27 365	40 279	44 140	46 463	46 389	32 784	19 976	21 526
<i>of which</i>									
Administrative fees									
Advertising	7	2	-	-	-	-	-	-	-
Assets <R5000	25	21	69	16	16	16	17	18	19
Audit cost: External									
Bursaries (employees)	-	-	1	-	-	-	-	-	-
Catering: Departmental activities	-	73	48	55	55	55	125	128	136
Communication	108	101	127	106	106	106	164	170	181
Computer services									
Cons/prof:business & advisory services	8 800	24 753	37 491	38 232	40 555	40 555	28 617	16 095	17 411
Cons/prof: Infrastructure & planning									
Cons/prof: Laboratory services									
Cons/prof: Legal cost									
Contractors									
Agency & support/outsourced services									
Entertainment	30	21	2	104	104	104	62	68	72
Government motor transport									
Housing									
Inventory: Food and food supplies									
Inventory: Fuel, oil and gas									
Inventory:Learn & teacher support material									
Inventory: Raw materials									
Inventory: Medical supplies									
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables									
Inventory: Stationery and printing	678	94	161	66	66	66	279	283	300
Lease payments	98	83	64	2	2	2	3	3	3
Owned & leasehold property expenditure									
Transport provided dept activity									
Travel and subsistence	681	1 201	1 177	2 717	2 717	2 717	2 535	2 315	2 454
Training & staff development	12	618	222	263	263	263	287	273	289
Operating expenditure	125	347	783	2 453	2 453	2 379	601	523	555
Venues and facilities	56	51	134	126	126	126	94	100	106
Other									
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Financial transactions in assets and liabilities									
Unauthorised expenditure									
Transfers and subsidies to:	28	6	32	16	16	16	18	21	22
Provinces and municipalities	20	6	-	-	-	-	-	-	-
Municipalities	20	6	-	-	-	-	-	-	-
Municipal agencies and funds									
Departmental agencies and accounts	8	-	20	16	16	16	18	21	22
Social security funds									
Entities receiving funds	8	-	20	16	16	16	18	21	22
Universities and technikons									
Public corporations and private enterprises	-	-	12	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Private enterprises	-	-	12	-	-	-	-	-	-
Subsidies on production									
Other transfers	-	-	12	-	-	-	-	-	-
Foreign governments and international organisations									
Non-profit institutions									
Households	-	-	-	-	-	-	-	-	-
Social benefits									
Other transfers to households									
Payments for capital assets	184	206	179	788	788	739	699	260	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings									
Other fixed structures									
Machinery and equipment	184	206	179	788	788	739	699	260	-
Transport equipment									
Other machinery and equipment	184	206	179	788	788	739	699	260	-
Cultivated assets									
Software and other intangible assets									
Land and subsoil assets									
Heritage assets									
Specialised military assets									
Total	17 644	36 757	53 141	63 976	65 976	63 459	56 000	46 369	49 118

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

R000	Audited 2005/06	Audited 2006/07	Audited 2007/08	Main	Adjusted	Estimated	Medium-term Estimates		
				Budget	Budget	Actual	2009/10	2010/11	2011/12
Current payments	54 632	34 179	34 676	38 326	40 749	40 893	42 130	44 454	47 113
Compensation of employees	14 824	15 549	16 585	26 033	21 660	20 655	28 441	30 124	31 761
Salaries and wages	12 524	12 258	13 533	20 962	17 901	16 896	23 425	24 871	26 280
Social contributions	2 300	3 291	3 052	5 071	3 759	3 759	5 016	5 253	5 481
Goods and services	39 114	18 630	18 091	12 293	19 002	20 151	13 689	14 330	15 352
<i>of which</i>									
Administrative fees	6 821	5 961	7 648	7 200	7 763	7 763	7 782	8 200	8 616
Advertising	375	63	110	82	82	82	33	35	118
Assets <R5000	830	199	74	22	22	22	11	2	2
Audit cost: External	-	-	504	-	-	-	-	-	-
Bursaries (employees)	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	-	35	82	159	159	159	161	143	163
Communication	252	222	262	413	413	413	384	415	442
Computer services	-	-	-	-	-	-	-	-	-
Cons/prof:business & advisory services	29 305	10 850	7 991	1 600	7 546	8 846	1 871	2 092	2 332
Cons/prof: Infrastructre & planning	-	-	-	-	-	-	-	-	-
Cons/prof: Laboratory services	-	-	-	-	-	-	-	-	-
Cons/prof: Legal cost	-	-	-	-	-	-	-	-	-
Contractors	-	-	-	-	-	-	2	2	2
Agency & support/outsourced services	-	-	-	-	-	-	-	-	-
Entertainment	76	31	8	43	43	43	21	23	24
Government motor transport	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory:Learn & teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Raw materials	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Military stores	-	-	-	-	-	-	-	-	-
Inventory: Other consumables	-	-	-	-	-	-	-	-	-
Inventory: Stationery and printing	144	135	126	139	139	139	129	138	146
Lease payments	73	84	58	69	69	69	83	80	85
Owned & leasehold property expenditure	-	-	-	-	-	-	-	-	-
Transport provided dept activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	1 046	839	647	1 978	1 978	1 978	2 225	2 159	2 296
Training & staff development	48	50	414	308	308	308	449	469	502
Operating expenditure	99	95	27	74	274	123	72	77	65
Venues and facilities	45	66	140	206	206	206	466	495	559
Other	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Financial transactions in assets and liabilities	694	-	-	-	87	87	-	-	-
Unauthorised expenditure	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	253	141	83	25	52	50	23	24	26
Provinces and municipalities	37	10	-	-	-	-	-	-	-
Municipalities	37	10	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	18	-	26	25	25	25	23	24	26
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	18	-	26	25	25	25	23	24	26
Universities and technikons	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	198	131	57	-	27	25	-	-	-
Social benefits	198	131	57	-	27	25	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	8 757	448	297	304	304	155	453	325	354
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	120	448	297	300	300	151	448	320	354
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	120	448	297	300	300	151	448	320	354
Cultivated assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	8 637	-	-	4	4	4	5	5	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Total	63 642	34 768	35 056	38 655	41 105	41 098	42 606	44 803	47 493

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

R000	Audited 2005/06	Audited 2006/07	Audited 2007/08	Main Budget	Adjusted Budget	Estimated Actual	Medium-term Estimates		
				2008/09			2009/10	2010/11	2011/12
Current payments	62 962	33 281	52 375	52 429	74 529	71 535	79 975	83 446	89 139
Compensation of employees	16 559	20 217	25 828	39 728	34 528	31 626	46 303	48 772	51 302
Salaries and wages	14 000	17 592	22 680	34 018	30 378	27 476	38 802	41 026	43 316
Social contributions	2 559	2 625	3 148	5 710	4 150	4 150	7 501	7 746	7 986
Goods and services	46 403	13 064	26 547	12 701	40 001	39 909	33 672	34 674	37 837
<i>of which</i>									
Administrative fees									
Advertising	113	-	101	-	-	-	-	-	-
Assets <R5000	141	148	29	5	5	5	5	6	6
Audit cost: External									
Bursaries (employees)									
Catering: Departmental activities	-	-	40	35	35	35	85	90	95
Communication	158	210	289	403	403	403	391	414	439
Computer services	-	406	-	-	-	-	414	441	523
Cons/prof:business & advisory services	43 766	9 740	23 254	7 572	34 872	34 872	23 411	24 574	26 622
Cons/prof: Infrastructure & planning									
Cons/prof: Laboratory services									
Cons/prof: Legal cost									
Contractors	-	-	-	6	6	6	6	7	7
Agency & support/outsourced services									
Entertainment	19	7	1	45	45	45	-	-	-
Government motor transport									
Housing									
Inventory: Food and food supplies									
Inventory: Fuel, oil and gas									
Inventory:Learn & teacher support material									
Inventory: Raw materials									
Inventory: Medical supplies									
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables									
Inventory: Stationery and printing	150	69	102	469	469	469	243	259	274
Lease payments	57	36	79	30	30	30	32	34	36
Owned & leasehold property expenditure									
Transport provided dept activity									
Travel and subsistence	1 408	1 563	1 825	2 834	2 834	2 834	5 303	5 513	5 959
Training & staff development	235	330	451	465	465	465	2 776	2 269	2 745
Operating expenditure	251	245	303	727	727	635	889	943	1 000
Venues and facilities	105	310	73	110	110	110	117	124	131
Other									
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Financial transactions in assets and liabilities									
Unauthorised expenditure									
Transfers and subsidies to:	131	14	231	33	33	33	35	39	40
Provinces and municipalities	48	14	-	-	-	-	-	-	-
Municipalities	48	14	-	-	-	-	-	-	-
Municipal agencies and funds									
Departmental agencies and accounts	21	-	39	33	33	33	35	39	40
Social security funds									
Entities receiving funds	21	-	39	33	33	33	35	39	40
Universities and technikons									
Public corporations and private enterprises	-	-	2	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Private enterprises	-	-	2	-	-	-	-	-	-
Subsidies on production									
Other transfers	-	-	2	-	-	-	-	-	-
Foreign governments and international organisations									
Non-profit institutions									
Households	62	-	190	-	-	-	-	-	-
Social benefits	62	-	190	-	-	-	-	-	-
Other transfers to households									
Payments for capital assets	330	556	528	556	556	556	795	662	703
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings									
Other fixed structures									
Machinery and equipment	330	556	528	556	556	556	795	662	703
Transport equipment									
Other machinery and equipment	330	556	528	556	556	556	795	662	703
Cultivated assets									
Software and other intangible assets									
Land and subsoil assets									
Heritage assets									
Specialised military assets									
Total	63 423	33 851	53 134	53 018	75 118	72 124	80 805	84 147	89 882

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

R000	Audited 2005/06	Audited 2006/07	Audited 2007/08	Main	Adjusted	Estimated	Medium-term Estimates		
				Budget	Budget	Actual	2009/10	2010/11	2011/12
Current payments	-	25 000	51 360	38 277	49 529	49 529	135 727	238 513	365 406
Compensation of employees	-	-	-	-	-	-	108 109	215 666	322 669
Salaries and wages	-	-	-	-	-	-	108 109	215 666	322 669
Social contributions	-	-	-	-	-	-	-	-	-
Goods and services	-	25 000	51 360	38 277	49 529	49 529	27 618	22 847	24 218
<i>of which</i>									
Administrative fees	-	-	-	-	-	-	-	-	-
Advertising	-	-	17 637	600	600	600	1 300	1 500	1 590
Assets <R5000	-	-	-	-	-	-	-	-	-
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries (employees)	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	-	-	4 058	1 500	1 500	1 500	-	-	-
Communication	-	-	-	-	-	-	-	-	-
Computer services	-	-	-	-	-	-	-	-	-
Cons/prof:business & advisory services	-	-	11 234	30 557	41 809	41 809	16 318	10 847	11 498
Cons/prof: Infrastructre & planning	-	-	-	-	-	-	-	-	-
Cons/prof: Laboratory services	-	-	-	-	-	-	-	-	-
Cons/prof: Legal cost	-	-	-	-	-	-	-	-	-
Contractors	-	-	-	-	-	-	2 000	2 200	2 332
Agency & support/outsourced services	-	-	-	-	-	-	-	-	-
Entertainment	-	-	62	-	-	-	-	-	-
Government motor transport	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory:Learn & teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Raw materials	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Military stores	-	-	-	-	-	-	-	-	-
Inventory: Other consumables	-	-	-	-	-	-	-	-	-
Inventory: Stationery and printing	-	-	-	-	-	-	-	-	-
Lease payments	-	-	-	-	-	-	-	-	-
Owned & leasehold property expenditure	-	-	-	-	-	-	-	-	-
Transport provided dept activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	-	-	49	-	-	-	-	-	-
Training & staff development	-	-	-	-	-	-	-	-	-
Operating expenditure	-	25 000	5 336	-	-	-	-	-	-
Venues and facilities	-	-	12 984	5 620	5 620	5 620	8 000	8 300	8 798
Other	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	18 519
Interest	-	-	-	-	-	-	-	-	18 519
Rent on land	-	-	-	-	-	-	-	-	-
Financial transactions in assets and liabilities	-	-	-	-	-	-	-	-	-
Unauthorised expenditure	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	322 900	235 000	21 563	150 000	158 963	158 963	150 000	-	-
Provinces and municipalities	-	-	21 563	150 000	158 963	158 963	150 000	-	-
Municipalities	-	-	21 563	150 000	158 963	158 963	150 000	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	322 900	235 000	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	322 900	235 000	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	322 900	235 000	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Total	322 900	260 000	72 923	188 277	208 492	208 492	285 727	238 513	365 406

Table 6.H: Details of estimates on infrastructure

Type of Infrastructure	Programme	Number of Projects	Total Costs	Medium-term Estimates		
				2009/10	2010/11	2011/12
Infrastructure						
New infrastructure assets		-	-	-	-	-
Existing infrastructure assets						
Upgrading and additions		-	-	-	-	-
Rehabilitation and refurbishment		-	-	-	-	-
Infrastructure transfers		-	300 000	150 000	-	-
Infrastructure transfers - Current		-	-	-	-	-
Infrastructure transfers - Capital		1	300 000	150 000	-	-
Local government	Programme 5	1	300 000	150 000	-	-
Capital infrastructure		1	300 000	150 000	-	-
Current infrastructure		-	-	-	-	-
Total		1	300 000	150 000	-	-

Table 6.I: Summary of transfers to municipalities (RSC Levy, Casino taxes pay-over and 2010 Soccer Stadium)

R000	Outcome			Main Budget	Adjusted Budget	Estimated Actual	Medium-term Estimates		
	Audited 2005/06	Audited 2006/07	Audited 2007/08				2008/09	2009/10	2010/11
A eThekweni	-	-	17 123	150 000	156 877	156 877	150 000	-	-
Total: Ugu Municipalities	-	-	-	-	264	264	-	-	-
B KZ211 Vulamehlo	-	-	-	-	-	-	-	-	-
B KZ212 Umdoni	-	-	-	-	-	-	-	-	-
B KZ213 Umzumbe	-	-	-	-	-	-	-	-	-
B KZ214 uMuziwabantu	-	-	-	-	-	-	-	-	-
B KZ215 Ezingolweni	-	-	-	-	-	-	-	-	-
B KZ216 Hibiscus Coast	-	-	-	-	-	-	-	-	-
C DC21 Ugu District Municipality	-	-	-	-	264	264	-	-	-
Total: uMgungundlovu Municipalities	159	48	2 491	-	948	948	-	-	-
B KZ221 uMshwathi	-	-	-	-	-	-	-	-	-
B KZ222 uMngeni	-	-	-	-	-	-	-	-	-
B KZ223 Mpofana	-	-	-	-	-	-	-	-	-
B KZ224 Impendle	-	-	-	-	-	-	-	-	-
B KZ225 Msunduzi	-	-	2 491	-	-	-	-	-	-
B KZ226 Mkhambathini	-	-	-	-	-	-	-	-	-
B KZ227 Richmond	-	-	-	-	-	-	-	-	-
C DC22 uMgungundlovu District Municipality	159	48	-	-	948	948	-	-	-
Total: Uthukela Municipalities	-	-	-	-	3	3	-	-	-
B KZ232 Emnambithi/Ladysmith	-	-	-	-	-	-	-	-	-
B KZ233 Indaka	-	-	-	-	-	-	-	-	-
B KZ234 Umtshezi	-	-	-	-	-	-	-	-	-
B KZ235 Okhahlamba	-	-	-	-	-	-	-	-	-
B KZ236 Imbabazane	-	-	-	-	-	-	-	-	-
C DC23 Uthukela District Municipality	-	-	-	-	3	3	-	-	-
Total: Umzinyathi Municipalities	-	-	-	-	2	2	-	-	-
B KZ241 Endumeni	-	-	-	-	-	-	-	-	-
B KZ242 Nquthu	-	-	-	-	-	-	-	-	-
B KZ244 Msinga	-	-	-	-	-	-	-	-	-
B KZ245 Umvoti	-	-	-	-	-	-	-	-	-
C DC24 Umzinyathi District Municipality	-	-	-	-	2	2	-	-	-
Total: Amajuba Municipalities	-	-	704	-	346	346	-	-	-
B KZ252 Newcastle	-	-	704	-	-	-	-	-	-
B KZ253 eMadlangeni	-	-	-	-	-	-	-	-	-
B KZ254 Dannhauser	-	-	-	-	-	-	-	-	-
C DC25 Amajuba District Municipality	-	-	-	-	346	346	-	-	-
Total: Zululand Municipalities	-	-	-	-	-	-	-	-	-
B KZ261 eDumbe	-	-	-	-	-	-	-	-	-
B KZ262 uPhongolo	-	-	-	-	-	-	-	-	-
B KZ263 Abaqulusi	-	-	-	-	-	-	-	-	-
B KZ265 Nongoma	-	-	-	-	-	-	-	-	-
B KZ266 Ulundi	-	-	-	-	-	-	-	-	-
C DC26 Zululand District Municipality	-	-	-	-	-	-	-	-	-
Total: Umkhanyakude Municipalities	-	-	-	-	-	-	-	-	-
B KZ271 Umhlabuyalingana	-	-	-	-	-	-	-	-	-
B KZ272 Jozini	-	-	-	-	-	-	-	-	-
B KZ273 The Big Five False Bay	-	-	-	-	-	-	-	-	-
B KZ274 Hlabisa	-	-	-	-	-	-	-	-	-
B KZ275 Mtubatuba	-	-	-	-	-	-	-	-	-
C DC27 Umkhanyakude District Municipality	-	-	-	-	-	-	-	-	-
Total: uThungulu Municipalities	-	-	1 245	-	515	515	-	-	-
B KZ281 Mbonambi	-	-	-	-	-	-	-	-	-
B KZ282 uMhlathuze	-	-	1 245	-	-	-	-	-	-
B KZ283 Ntambanana	-	-	-	-	-	-	-	-	-
B KZ284 Umlalazi	-	-	-	-	-	-	-	-	-
B KZ285 Mthonjaneni	-	-	-	-	-	-	-	-	-
B KZ286 Nkandla	-	-	-	-	-	-	-	-	-
C DC28 uThungulu District Municipality	-	-	-	-	515	515	-	-	-
Total: Ilembe Municipalities	-	-	-	-	8	8	-	-	-
B KZ291 Mandeni	-	-	-	-	-	-	-	-	-
B KZ292 KwaDukuza	-	-	-	-	-	-	-	-	-
B KZ293 Ndwedwe	-	-	-	-	-	-	-	-	-
B KZ294 Maphumulo	-	-	-	-	-	-	-	-	-
C DC29 Ilembe District Municipality	-	-	-	-	8	8	-	-	-
Total: Sisonke Municipalities	-	-	-	-	-	-	-	-	-
B KZ5a1 Ingwe	-	-	-	-	-	-	-	-	-
B KZ5a2 Kwa Sani	-	-	-	-	-	-	-	-	-
B KZ5a4 Greater Kokstad	-	-	-	-	-	-	-	-	-
B KZ5a5 Ubuhlebezwe	-	-	-	-	-	-	-	-	-
B KZ5a6 Umzimkulu	-	-	-	-	-	-	-	-	-
C DC43 Sisonke District Municipality	-	-	-	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-	-	-	-
Total	159	48	21 563	150 000	158 963	158 963	150 000	-	-

