

Vote 12

Provincial Treasury

Table 12.1: Summary of departmental allocation

R' 000	2010/11 To be appropriated	2011/12	2012/13
MTEF allocations	304 481	322 938	339 653
of which			
Current payments	300 097	318 295	334 747
Transfers and subsidies	1933	2 047	2 163
Payments for capital assets	2 451	2 596	2 743
Statutory Amount	1 492	1 586	1 676
Responsible MEC	MEC for Finance, Economic Development & Environmental Affairs		
Administering Department	Provincial Treasury		
Accounting Officer	Head of Department		

1. Overview

1.1 Vision

The vision of the Provincial Treasury is that of a prosperous province supported by sound financial and resource management.

1.2 Mission

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

1.3 Core functions and responsibilities

The traditional functions of Treasury are located in essentially three distinct areas: the preparation and management of the provincial budget, oversight of departments, public entities and municipalities to promote efficiency, accountability and transparency in the rendering of the public services, while at the same time promoting financial reforms in the areas of budgeting, procurement, banking and cash management services, governance, accounting and reporting. Oversight of departments and municipalities includes supporting these entities with capacity building to ensure that there is an enabling environment in which best practices of sound financial management can be possible.

1.4 Main services

The main functions of the Provincial Treasury are informed by section 18 of the Public Finance Management Act (PFMA). This section states that Provincial Treasury must:

- Prepare the provincial budget
- Exercise control over the implementation of the provincial budget
- Promote and enforce transparency and effective management in respect of revenue, expenditure, assets and liabilities of provincial departments and provincial public entities
- Ensure that its fiscal policies do not materially and unreasonably prejudice national economic policies

These and other functions are executed through four programmes, namely:

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

The specific objectives of each programme are discussed in more detail in section 6.

In addition to the functions discussed above, the department runs various projects with a view to improving financial management and providing reliable management information for decision making. These projects include, amongst others:

- The Centralized Electronic Suppliers Database
- Financial management training through the Public Financial Services Agency (PFSA), concentrating on strengthening supply chain management in provincial departments.
- Implementation of the Financial Management Turnaround Intervention Plan in the departments of Health and Education.
- The Municipal Support Programme
- Management Information Systems (MIS)
- Supply Chain Management performance audit
- Financial System Support
- Information System Audit

1.5 Acts, rules and regulations

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

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

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

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

1.6 External activities and events relevant to budget decisions

The budget has been compiled under the assumptions that the department will receive in full its allocations for the financial year and it will also build the capacity to spend it. Whilst there are no external events affecting budget decisions of the vote, the funding of transversal programmes are affected by the global financial crisis, giving rise to the tight fiscal framework that has contextualised the provincial budget.

2. Review of the current financial year (2009/10)

Improving Financial Management Support

The Provincial Treasury has contracted five CFO support staff to assist some municipalities with hands on support on financial management issues. 'Operation Clean Audit' was launched officially in the province during October 2009. The purpose of the initiative to support municipalities to achieve clean audits on their financial statements within the next five years (by 2014).

The department continues to provide five CFO support staff to the departments of Sport, Recreation, Arts & Culture, Office of the Premier, Education and Transport. The CFO Support programme has been reformed to have a specific bias to the audit turn around plans of departments which are based on audit outcomes of the past year. The mode of engagement with these staff have changed to that of a three year contract in line with DPSA guidelines.

During the year the department began a financial management capacity study on each of the 14 provincial departments with the aim of informing Treasury about the financial management capacity requirements of each department. The organizational structures in financial management of all departments have been reviewed and capacity gaps identified at each level. A final report is expected to be completed in the 2009/10 financial year. The recommendations of this report will be incorporated into human resource and development plans of departments in the forthcoming year. A further financial management maturity and capability assessment was undertaken by National Treasury in all nine provinces. The purpose of this assessment was to determine the financial management maturity level of a department. This project is still ongoing.

The department has also provided additional support to the Department of Economic Development and Environmental Affairs through the secondment of staff to key positions, providing short-term capacity to mitigate the negative effects of vacancies in strategic positions.

Improving Internal Efficiency

The department has accelerated its recruitment and skill development initiatives, but is experiencing significant delays emanating from additional time taken on security vetting processes. The implementation of the PMDS still requires improvement. Despite these challenges, the department has shown a considerable improvement in spending capacity and is projecting to fully utilise its appropriated budget for the 2009/10 financial year.

The organisational structure that will improve the efficiency of Shared Internal Audit Services has been forwarded for validation and will be implemented in the coming financial year.

Centralized Electronic Suppliers Database

Challenges have been experienced in the final stages of this project. A service provider has been engaged to assist with the completion, testing and maintenance of the centralised electronic supplier database and the department is confident that the database will be fully operational in the first half of the 2010/11 financial year.

Financial Services Agency (PFSA)

PFSA has been the vehicle driving financial management training in the province. Provincial Treasury has improved its courses and strengthened governance, resulting in improved training profiles. Training interventions in the last two years of the contract, have been focussed on supply chain management.

Baseline study

Phase 1 of the baseline study was completed and provided valuable input into the 2010/11 budget process. The second phase of this project will be undertaken in the 2010/11 financial year and will aim to seek ways of attained greater efficacy in resource allocations.

Other achievements

- The department is proud to report that during the 2009/10 financial year the department again obtained an unqualified audit opinion.
- The department has been instrumental during the past year in facilitating a number of provincial projects, including, among others, fleet management services, health pharmaceutical PPP, and the eradication of mud-structure schools
- A creditor payment project was undertaken, focussing on the departments of Health and Education. The project sought to analyse the creditor payment processes per department within their head offices and district offices with a view to identify bottlenecks and the actual extent of backlogs. Phase 1 of the project has been completed, with the findings and recommendations tabled to Cabinet.
- The department successfully inducted the new government on issues relating to financial management
- The 5 year European Union Local Economic Development Programme continued during the year under review, with implementation and monitoring of the grants that were awarded in the previous year. Contracts worth approximately R80 million have been signed in the 2009/10 financial year. These contracts will run until the completion of the EU LED programme in the remaining two years. This programme is having a positive impact on the environment, good governance and HIV/Aids via some of the projects being funded (eg waste management and forestry).

3. Outlook for the coming financial year (2010/11)

In the coming financial year, the department will continue to aggressively implement those projects undertaken in the 2009/10 financial year. The 2010/11 financial year, therefore, will see the department continue with the following existing projects:

- Centralised Electronic Suppliers Database
- Public Financial Services Agency (PFSA)
- Municipal Support Programme
- CFO Support Programme

The department will continue with the intensification of the municipal support programme to identified municipalities. This will assist in reducing the number of days lost by a vacancy in the Chief Financial Officer's office and accelerated mentorship where there are skills gaps, by:

- Recruiting and deploying contract Senior Managers, Managers and Interns to targeted municipalities.
- Exploring opportunities for shared services in the areas of procurement, internal audit and other similar services like corporate services, etc. Supply Chain Management performance audit

During Supply Chain Management compliance and readiness assessments conducted by Treasury in the 2007/08 and 2008/09 financial years, it was ascertained that the procurement capability in a number of departments, especially the big departments, was inadequate. The situation has resulted in a considerable percentage of contracts potentially having been awarded in a manner not compliant with standard procurement practices.

3.2 Management Information Systems (MIS)

Provincial Treasury will embark on a project involving the development of a MIS to meet the needs of the supply of information, communication services and resources to the department. The system provides information to support operational, management and decision-making functions including dashboard reporting capabilities. An amount of R 1,5 million has been earmarked for this project in the 2010/11 financial year. The associated costs are mainly in respect of resources and software.

3.3 Financial Management Turnaround Intervention Programme

Provincial Treasury has developed a provincial driven three year high impact Audit Intervention Plan that aims at restoring trust and stability in the departments of Education and Health thereby improving service delivery. Additional resources specialising in identified fields of finance, supplier chain management and human resources management will be engaged to assist in the process. Implementation of the plan has already begun. The turnaround plan will require a total of thirty contract positions. Half of these posts have already been filled and it is expected that the remainder of the posts will be advertised later in the year in line with budget availability

While there has been a marked improvement in the audit outcomes of provincial departments since the implementation of the Audit Turnaround Plan, much still needs to be done to ensure that those departments with positive audit outcomes are maintained, while those with qualifications are supported to achieve unqualified status. Particular effort will be placed on the departments of Health and Education in the 2010/11 financial year.

3.4 Baseline study

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

and the alignment of budgets with policy continues to be scrutinised. In response to this challenge Provincial Treasury instituted phase 1 of a provincial budget baseline study. Phase 2 of this study will focus on assessing the expenditure of all departments in order to identify duplication, wastage and excessive allocations to non-core service delivery areas with a view to curtail this and reallocate resources to critical service delivery items. In addition we need to optimize the non-personnel component of the budget for financing measures that can create and protect jobs that are being compromised by the economic crisis.

3.5 Transkei Development and Reserve Fund (TDRF)

The Transkei Development and Reserve Fund was established by an Act of Parliament (Act no. 3 of 1964) of the former Transkei Government. This Fund was established to perform specific functions identified by the Transkei Government, particularly with regards to the economic development of the former Transkei area. The TDRF will be reassigned in the 2010/11 financial year and its resources ring-fenced towards rural development in the province.

4. Summary of receipts

Table 12.2: Summary of departmental receipts

Table 12.2: Summary of departmental receipts										
R' 000	2006/07	2007/08	2008/09	2009/10			2010/11	2011/12	2012/13	% change from 2009/10
	Audited			Main budget	Adjusted budget	Revised estimate	Medium-term estimates			
Equitable share	(174 388)	(319 334)	(89 411)	136 020	137 288	110 157	303 900	322 824	339 533	175.88
Conditional grants										
Departmental receipts	291643	486 705	358 282	123 952	123 952	125 421	581	114	120	(99.54)
Total receipts	117 255	167 371	268 871	259 972	261 240	235 578	304 481	322 938	339 653	29.25

Table 12.3: Summary of departmental receipts by economic classification

Table 12.5: Summary of departmental receipts by economic classification										
R' 000	2006/07	2007/08	2008/09	2009/10			2010/11	2011/12	2012/13	% change from 2009/10
	Audited			Main budget	Adjusted budget	Revised estimate	Medium-term estimates			
Tax receipts										
Casino taxes										
Horse racing taxes										
Liquor licences										
Motor vehicle licences										
Sales of goods and services	111	114	128	105	105	116	109	114	120	(6.03)
Transfers received										
Fines, penalties and forfeits										
Interest, dividends and rent on	291485	486 323	357 495	123 847	123 847	124 558				(100.00)
Sales of capital assets										
Transactions in financial assets	47	268	659			747	472			(36.81)
Total departmental receipts	291643	486 705	358 282	123 952	123 952	125 421	581	114	120	(99.54)

The revenue for the department is mainly composed of interest generated from investment. Due to the financial exposure facing the province, there is no provision made for interest on investment.

5. Payments summary

5.1 Key assumptions

Certain assumptions provide a framework to government officials for setting priorities, determining service levels and allocating limited financial resources. The following assumption and factors were taken into account in finalizing the budget allocation:

- Inflation rate (*Source: MTBPS 2009*)
 - 2010/11: 6.4 %;
 - 2011/12: 5.9%;
 - 2012/13: 5.7%.

The rate of salary increases should be provided at 1% above inflation as follows:

- 2010/11: 5.3% (1 July 2009);
- 2011/12: 5.5%
- 2012/13: 5%;

The rates may be updated as clear indications transpire from the current wage negotiations, inflation outlook and the final decision on the remuneration for public office bearers.

Table 12.3: Summary of departmental payments and estimates by programme

Table 12.5: Summary of departmental payments and estimates by programme											
R' 000		2006/07	2007/08	2008/09	2009/10			2010/11	2011/12	2012/13	% change from 2009/10
		Audited			Main budget	Adjusted budget	Revised estimate	Medium-term estimates			
1.	Administration	45 848	76 926	123 014	93 674	88 235	83 728	95 759	101 161	106 469	14.37
2.	Sustainable Resource Management	20 620	31 625	58 302	54 295	45 846	42 426	60 477	63 815	67 027	42.55
3.	Asset And Liability Management	42 642	38 701	60 340	44 415	52 856	45 691	71 268	76 677	80 671	55.98
4.	Financial Governance	8 145	20 119	27 215	67 588	74 303	63 733	76 977	81 285	85 486	20.78
Total payments and estimates		117 255	167 371	268 871	259 972	261 240	235 578	304 481	322 938	339 653	29.25

Table 12.3 above reflects the summary of payments and estimates per programme. The actual expenditure increased at an annual average rate of 26, 2% between the 2006/07 and 2009/10 financial years. The increase in actual expenditure is due to investment in projects such as the strengthening of the capacity in internal audit services and the introduction of the Provincial Electronic Supplier Database. The average annual growth rate over the 2010/11 medium term is a moderate 13% per annum. The increase of 29% in the appropriation for 2010/11 financial year from the 2009/10 revised estimate is attributed to the provision of personnel in respect of the Municipal Support Programme housed under Programme 2 Sustainable Resource Management, provision of maintenance costs for the Provincial Electronic Supplier Database under Programme 3 Asset and Liability Management and the provision of contract personnel in respect of the Financial Management Turnaround Plan for the Departments' of Health and Education in Programme 4 Financial Governance.

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

R' 000	2006/07	2007/08	2008/09	2009/10			2010/11	2011/12	2012/13	%
	Audited			Main budget	Adjusted budget	Revised estimate	Medium-term estimates			change from
Current payments	108 988	161 324	245 487	255 359	257 349	231 966	300 097	318 295	334 747	29.37
Compensation of employees	61469	90 481	136 603	168 583	160 094	150 614	223 474	235 767	247 553	48.38
Goods and services	47 519	70 843	108 878	86 776	97 255	81352	76 623	82 528	87 194	(5.81)
Interest and rent on land			6							
Transfers and subsidies	4 329	726	11 428		266	265	1 933	2 047	2 163	629.43
Provinces and municipalities	44		10 000							
Departmental agencies and accounts										
Universities and technikons										
Foreign governments and international										
Public corporations and private	3 460									
Non-profit institutions										
Households	825	726	1428		266	265	1 933	2 047	2 163	629.43
Payments for capital assets	3 938	2 028	11 956	4 613	3 625	3 347	2 451	2 596	2 743	(26.77)
Buildings and other fixed structures										
Machinery and equipment	3 329	2 028	10 814	4 613	3 575	3 297	2 421	2 564	2 709	(26.57)
Heritage assets										
Specialised military assets										
Biological assets										
Land and sub-soil assets										
Software and other intangible assets	609		1142		50	50	30	32	34	
Of which: Capitalised compensation										
Of which: Capitalised goods and services										
Payments for capital assets		3 293								
Total economic classification	117 255	167 371	268 871	259 972	261 240	235 578	304 481	322 938	339 653	29.25

Table 12.3.1 above reflects the summary of payments and estimates per economic classification. The above table reflects an increase of 48, 1% in compensation of employees in the 2010/11 appropriation against the revised estimates for the 2009/10 financial year. This increase is due to the provision of personnel in respect of the Municipal Support Programme, provision of contract personnel in respect of the Financial Management Turnaround Plan for the Departments' of Health and Education and funding the improvement in conditions of service for employees. Due to budget constraints the Department's plan to significantly strengthen its capacity in the Shared Internal Audit Service could not be accommodated. The respective increases in the 2011/12 and 2012/13 financial years have been adjusted in terms of the indicative inflationary rates.

Goods and services has decreased by 5, 8% against the 2009/10 revised estimates. The Department has undertaken budget reprioritisation due to current financial crisis that the province is facing, hence

implementing cost cutting measures. The budget for certain committed projects had to be reduced due to budget constraints. The following provisions have however been made:

- CFO Support R3 million
- Maintenance costs for the Provincial Electronic Supplier Database R15, 8 million
- Investigation on Procurement processes R3 million
- PFSA R10 million
- Financial System Support R2 million
- Management Information System (MIS) R1, 5 million

The increase of R1, 9 million in the baseline for transfers and subsidies is mainly due to the re-classification of bursaries from goods and services to transfers to households in terms of the Standard Chart of Accounts (SCOA) item classification. A provision is also made for employees who will retire in the 2010/11 financial year.

Payment of capital expenditure has decreased in the 2010/11 financial year by 26, 6%.

Table 12.5: Summary of departmental transfers to local government

R' 000	2006/07	2007/08	2008/09	2009/10			2010/11	2011/12	2012/13	%
	Audited			Main budget	Adjusted budget	Revised estimate	Medium-term estimates			change from 2009/10
Category A										
Category B			8 569							
Category C	44		1431							
Unallocated										
Total transfers to local governr	44		10 000							

Table 12.5 reflects a once-off provision of R10 million in the 2008/09 financial year as a transfer to local government in respect of audit fees owed by municipalities to the Office of the Auditor General.

6. Programme Description

Programme 1: Administration

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

Analysis per sub-programme:

Office of the MEC

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

Management Services

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

Corporate Services

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

Financial Management

To provide financial management and advisory services for the department.

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

R' 000		2006/07	2007/08	2008/09	2009/10			2010/11	2011/12	2012/13	% change from 2009/10
		Audited			Main budget	Adjusted budget	Revised estimate	Medium-term estimates			
1.	Office of the MEC	4 069	2 973	3 731	5 110	4 280	4 314	4 308	4 548	4 780	(0.14)
2.	Management Services	7 057	32 503	54 283	15 241	12 403	12 249	11 683	12 341	12 987	(4.62)
3.	Corporate Services	11 201	14 796	25 561	29 656	28 302	25 102	34 465	36 405	38 309	37.30
4.	Financial Management	23 521	26 654	39 439	43 667	43 250	42 063	45 303	47 867	50 393	7.70
Total payments and estimates		45 848	76 926	123 014	93 674	88 235	83 728	95 759	101 161	106 469	14.37

Table 12.8.1(a) reflects actual expenditure increased from R45, 8 million in the 2006/07 financial year to R83, 7 million in 2009/10 with an annual average rate of 22, 2%. During this period the CFO Support Programme and Public Financial Services Agency (PFSA) were housed in sub-programme Management Services. These projects were subsequently moved to Programme 4 Financial Governance in the 2009/10 financial year, hence an increase in the actual expenditure trend. The table reflects a budget of R95, 8 million in 2010/11 which represents an increase of 14, 4% of the 2009/10 revised estimate of R88, 2 million. The increase is as a result of the adjustment of salary benefits to employees, the filling of critical vacant posts and provision for some projects that will be implemented during 2010/11 financial year.

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

	2006/07	2007/08	2008/09	2009/10			2010/11	2011/12	2012/13	% change from 2009/10
R' 000	Audited			Main budget	Adjusted budget	Revised estimate	Medium-term estimates			
Current payments	43 581	74 923	117 314	89 061	84 610	80 381	91 605	96 761	101 820	13.96
Compensation of employees	23 818	28 802	44 481	52 455	47 704	46 315	61 980	65 393	68 659	33.82
Goods and services	19 763	46 121	72 827	36 606	36 906	34 066	29 625	31 368	33 161	(13.04)
Interest and rent on land			6							
Transfers and subsidies	41	56	284				1 703	1 804	1 906	
Provinces and municipalities	17									
Departmental agencies and accounts										
Universities and technikons										
Foreign governments and international										
Public corporations and private enterprises										
Non-profit institutions										
Households	24	56	284				1 703	1 804	1 906	
Payments for capital assets	2 226	1 947	5 416	4 613	3 625	3 347	2 451	2 596	2 743	(26.77)
Buildings and other fixed structures										
Machinery and equipment	2 226	1 947	5 416	4 613	3 575	3 297	2 421	2 564	2 709	(26.57)
Heritage assets										
Specialised military assets										
Biological assets										
Land and sub-soil assets										
Software and other intangible assets					50	50	30	32	34	(40.00)
Of which: Capitalised compensation										
Of which: Capitalised goods and services										
Payments for capital assets										
Total economic classification	45 848	76 926	123 014	93 674	88 235	83 728	95 759	101 161	106 469	14.37

Table 12.8.1(b) reflects an increase of R12 million in 2010/11 baseline from the 2009/10 revised estimates. In terms of economic classification, this translates to R15, 7 million increase in compensation of employees, R4, 4 million decrease in goods and services, R1, 7 million increase in transfers and subsidies and a R0, 896 million decrease in payments for capital assets. The increase is mainly as a result of the adjustment of salary benefits to employees and the filling of critical vacant posts.

Service delivery measures

Programme Performance Measures	Estimated Actual	Estimated Annual Targets		
	2009/10	2010/11	2011/12	2012/13
A comprehensive organisational performance management system established and implemented.	1	1	1	1
Average departmental vacancy rate. (Base as at Sept. 2009 is 27%)	27%	20%	15%	10%
No. of days for payment of creditors/claims.	30	30	30	30
Unqualified audit opinion.	1	1	1	1

Programme 2: Sustainable Resource Management

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

Programme Support

Provide for the administrative costs, capacity development and functions of the programme manager.

Economic Analysis

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

Fiscal Policy

To provide fiscal policy advice, determine the Medium Term Fiscal Framework, develop and optimize the provincial revenue base and develop a provincial borrowing framework. To determine the overall financing envelope for the MTEF including the administering the medium term revenue planning process, assessing and optimizing national revenue, ensure effective and efficient development of provincial revenue including the assessments of revenue trends and compilation and submission of revenue reports.

Budget Management

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

Public Finance

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

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

R' 000		2006/07	2007/08	2008/09	2009/10			2010/11	2011/12	2012/13	% change from 2009/10
		Audited			Main budget	Adjusted budget	Revised estimate	Medium-term estimates			
1.	Programme Support	726	1509	2 431	3 154	2 732	2 448	3 183	3 359	3 529	30.02
2.	Economic Analysis		620	1802	2 389	2 460	2 319	2 642	2 789	2 930	13.93
3.	Fiscal Policy	1685	3 941	4 893	3 690	2 748	2 839	4 380	4 621	4 853	54.28
4.	Budget Management	1774	6 558	11061	14 487	12 276	11452	8 690	9 170	9 632	(24.12)
5.	Public Finance	16 435	18 997	38 115	30 575	25 630	23 368	41 582	43 876	46 083	77.94
Total payments and estimates		20 620	31 625	58 302	54 295	45 846	42 426	60 477	63 815	67 027	42.55

Table 12.8.2(a) reflects actual expenditure increased from R20, 6 million in the 2006/07 financial year to R42, 4 million in 2009/10 with an annual average rate of 27, 2%. The increase is mainly attributed to the strengthening of capacity in municipal finance support programme. The average annual growth rate over the 2010/11 medium term is 16, 5% per annum as a result of continued investment in the Municipal Support Programme. The table reflects a budget of R 60, 5 million in 2010/11 which represents an increase of 42, 6% of the 2009/10 revised estimate of R42, 4 million. The increase is attributable to provision made for the CFO support in the Municipal Finance section to assist in the financial management support in municipalities.

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

2. Sustainable Resource Management

R' 000	2006/07	2007/08	2008/09	2009/10			2010/11	2011/12	2012/13	% change from 2009/10
	Audited			Main budget	Adjusted budget	Revised estimate	Medium-term estimates			
Current payments	20 530	28 077	48 291	54 295	45 809	42 389	60 455	63 792	67 003	42.62
Compensation of employees	19 043	24 616	37 612	49 531	42 200	39 453	57 569	60 735	63 772	45.92
Goods and services	1487	3 461	10 679	4 764	3 609	2 936	2 886	3 057	3 231	(170)
Interest and rent on land										
Transfers and subsidies	90	255	10 011		37	37	22	23	24	(40.54)
Provinces and municipalities	6		10 000							
Departmental agencies and accounts										
Universities and technikons										
Foreign governments and international										
Public corporations and private enterprises										
Non-profit institutions										
Households	84	255	11		37	37	22	23	24	(40.54)
Payments for capital assets										
Buildings and other fixed structures										
Machinery and equipment										
Heritage assets										
Specialised military assets										
Biological assets										
Land and sub-soil assets										
Software and other intangible assets										
Of which: Capitalised compensation										
Of which: Capitalised goods and services										
Payments for capital assets		3 293								
Total economic classification	20 620	31 625	58 302	54 295	45 846	42 426	60 477	63 815	67 027	42.55

Table 12.8.2(b) reflects an increase of R18, 1 million in 2010/11 baseline from the 2009/10 revised estimates. In terms of economic classification, this translates to R 18, 1 million increase in compensation of employees, R0, 050 million decrease in goods and services and R0, 015 million decrease in transfers and subsidies. The increase is attributable to provision made for the CFO support in the Municipal Finance section to assist in the financial management support in municipalities.

Service delivery measures

Programme Performance Measures	Estimated Actual	Estimated Annual Targets		
	2009/10	2010/11	2011/12	2012/13
Approved provincial budget	1	1	1	1
Economic review and outlook.	1	1	1	1
Medium term budget policy statement.	1	1	1	1
Effective Revenue, Expenditure, Assets, Liabilities management within an approved annual envelope in municipalities.	25	30	35	40

Programme 3: Asset and Liability Management

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

Programme Support

To provide for the costs related to the efficient running of the programme.

Asset Management

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

Liability Management

To facilitate the effective and efficient management of liabilities.

Supporting and Interlinked Financial Systems

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

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

R ' 000	2006/07	2007/08	2008/09	2009/10			2010/11	2011/12	2012/13	% change from 2009/10
	Audited			Main budget	Adjusted budget	Revised estimate	Medium-term estimates			
1. Programme Support	265	1 162	1039				1 698	1791	1882	
2. Asset Management	12 183	28 623	44 729	29 807	33 895	29 753	51 699	56 011	58 935	73.76
3. Liability Management	2 787	2 903	4 522	3 449	4 016	4 071	3 557	3 754	3 941	(12.63)
4. Supporting and Interlinked Financial Systems	27 407	6 013	10 050	11 159	14 945	11 867	14 314	15 121	15 913	20.62
Total payments and estimates	42 642	38 701	60 340	44 415	52 856	45 691	71 268	76 677	80 671	55.98

Table 12.8.3(a) reflects actual expenditure increased from R42, 6 million in the 2006/07 financial year to R45, 7 million in 2009/10 with a moderate annual average rate of 2, 3%. The table reflects a budget of R71, 3 million in 2010/11 which represents an increase of 56% of the 2009/10 revised estimates of R45, 7 million. The increase is mainly due to the provision of maintenance costs with respect to the Provincial Electronic Suppliers Database, the adjustment of salary benefits to employees and the filling of critical vacant posts. Provisions have also been made for the Procurement Audit, Management Information Systems (MIS) project and enhanced financial system support earmarked over the 2010/11 medium term.

Table 12.8.3(b): Summary of departmental payments and estimates by economic classification - Programme 3: Asset And Liability Management

	2006/07	2007/08	2008/09	2009/10			2010/11	2011/12	2012/13	% change from 2009/10
R' 000	Audited			Main budget	Adjusted budget	Revised estimate	Medium-term estimates			
Current payments	36 738	38 701	53 144	44 415	52 745	45 580	71 060	76 457	80 438	55.90
Compensation of employees	11002	20 377	31284	34 632	37 333	35 162	45 377	47 873	50 266	29.05
Goods and services	25 736	18 324	21860	9 783	15 412	10 418	25 683	28 584	30 172	146.53
Interest and rent on land										
Transfers and subsidies	4 192		656		111	111	208	220	233	87.39
Provinces and municipalities	15									
Departmental agencies and accounts										
Universities and technikons										
Foreign governments and international										
Public corporations and private enterprises	3 460									
Non-profit institutions										
Households	717		656		111	111	208	220	233	87.39
Payments for capital assets	1 712		6 540							
Buildings and other fixed structures										
Machinery and equipment	1 103		5 398							
Heritage assets										
Specialised military assets										
Biological assets										
Land and sub-soil assets										
Software and other intangible assets	609		1 142							
<i>Of which: Capitalised compensation</i>										
<i>Of which: Capitalised goods and services</i>										
Payments for capital assets										
Total economic classification	42 642	38 701	60 340	44 415	52 856	45 691	71 268	76 677	80 671	55.98

Table 12.8.3(b) reflects an increase of R25, 6 million in 2010/11 baseline from the 2009/10 revised estimate. In terms of economic classification, this translates to R10, 2 million increase in compensation of employees, R 15, 3 million increase in goods and services and R 0,097 million increase in transfers and subsidies. The increase is mainly due to the provision of maintenance costs with respect to the Provincial Electronic Suppliers Database over the 2010/11 medium term, the adjustment of salary benefits to employees and the filling of critical vacant posts.

Service delivery measures

Programme Performance Measures	Estimated Actual	Estimated Annual Targets		
	2009/10	2010/11	2011/12	2012/13
Number of departments complying with asset management regulations.	14	14	14	14
Consolidated provincial infrastructure budgets in line with national guidelines.	1	1	1	1
Price benchmarking analysis on certain specified goods and services	-	2	2	2
Number of departments that have been audited that have contracts prioritized for monitoring, in conjunction with the Auditor-General.	-	5	4	5
Number of departments with overdrawn PMG accounts.	0	0	0	0
Number of departments with access and availability of transversal financial management systems.	14	14	14	14

Programme 4: Financial Governance

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

Program Support

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

Accounting Services

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

Norms and Standards

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

Risk Management

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

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

R' 000		2006/07	2007/08	2008/09	2009/10			2010/11	2011/12	2012/13	% change from 2009/10
		Audited			Main budget	Adjusted budget	Revised estimate	Medium-term estimates			
1.	Program Support	873	486	238	2 628	4 967	3 918	21 884	23 088	24 244	458.55
2.	Accounting Services	4 396	4 125	5 577	35 881	40 557	34 696	21 608	22 852	24 096	(37.72)
3.	Norms and Standards	2 876	2 482	5 076	4 843	4 654	4 383	5 645	5 956	6 255	28.79
4.	Risk Management		8	1362	2 021	1677	1635	2 327	2 455	2 578	42.32
5.	Internal Audit Services		13 018	14 962	22 215	22 448	19 101	25 513	26 934	28 313	33.57
Total payments and estimates		8 145	20 119	27 215	67 588	74 303	63 733	76 977	81 285	85 486	20.78

Table 12.8.4(a) The table above reflects a budget of R76, 9 million in 2010/11 financial year which represent an increase of 20, 8% of the 2009/10 revised estimates of R63, 7 million. The increase is mainly due to the provision of contract personnel in respect of the Financial Management Turnaround Plan for the Departments' of Health and Education. The IT Audit and PFSA projects have been earmarked over 2010/11 medium term. The actual expenditure increased from R8, 1 million in the 2006/07 financial year to R63, 7 million in 2009/10 with an annual average rate of 98, 5%.

The major contributing factors to the increase was the migration of the CFO Support Programme and PFSA from Programme 1 to Programme 4. Efforts are also made to strengthen the capacity in the Shared Internal Audit Services through a rapid recruitment programme. The average annual growth rate over the 2010/11 medium term is a moderate 10, 3% per annum.

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

R ' 000	2006/07	2007/08	2008/09	2009/10			2010/11	2011/12	2012/13	% change from 2009/10
	Audited			Main budget	Adjusted budget	Revised estimate	Medium-term estimates			
Current payments	8 139	19 623	26 738	67 588	74 185	63 616	76 977	81 285	85 486	21.00
Compensation of employees	7 606	16 686	23 226	31965	32 857	29 684	58 548	61766	64 856	97.24
Goods and services	533	2 937	3 512	35 623	41328	33 932	18 429	19 519	20 630	(45.69)
Interest and rent on land										
Transfers and subsidies	6	415	477		118	117				(100.00)
Provinces and municipalities	6									
Departmental agencies and accounts										
Universities and technikons										
Foreign governments and international										
Public corporations and private enterprises										
Non-profit institutions										
Households		415	477		118	117				(100.00)
Payments for capital assets	81									
Buildings and other fixed structures										
Machinery and equipment		81								
Heritage assets										
Specialised military assets										
Biological assets										
Land and sub-soil assets										
Software and other intangible assets										
<i>Of which: Capitalised compensation</i>										
<i>Of which: Capitalised goods and services</i>										
Payments for capital assets										
Total economic classification	8 145	20 119	27 215	67 588	74 303	63 733	76 977	81 285	85 486	20.78

Table 12.8.4(b) reflects an increase of R13, 2 million in 2010/11 baseline from the 2009/10 revised estimates. In terms of economic classification, this translates to R28, 9 million increase in compensation of employees and R15, 5 million decrease in goods and services. The drastic change between the economic classifications is due to the replacement of the CFO Support programme which was classified under goods and services with the Financial Management Turnaround Plan located in compensation of employees.

Service delivery measures

Programme Performance Measures	Estimated Actual	Estimated Annual Targets		
	2009/10	2010/11	2011/12	2012/13
Audit intervention plans for all provincial departments designed and implemented.	14	14	14	14
Financial management training provided to a targeted number of officials in departments.	28	28	28	28
Provincial AFS consolidated and submitted to the AG.	1	1	1	1
Annual risk assessment in all departments conducted.	14	14	14	14
Internal audits performed on the adequacy and effectiveness of internal controls	54	54	54	54

7. Other programme information

7.1 Personnel numbers and costs

Table 12.9: Personnel numbers and costs

Programme R'000	As at 31 March 2007	As at 31 March 2008	As at 31 March 2009	As at 31 March 2010	As at 31 March 2011	As at 31 March 2012	As at 31 March 2013
1. Administration	114	130	133	194	213	213	213
2. Sustainable Resource Management	106	126	123	194	200	200	200
3. Asset And Liability Management	56	93	94	130	143	143	143
4. Financial Governance	25	79	69	185	171	171	171
Total personnel numbers	301	428	419	703	727	727	727
Total personnel cost (R'000)	61469	90 481	136 603	150 614	223 474	235 767	247 553
Unit cost (R'000)	204	211	326	214	307	324	341

Table 12.10: Departmental personnel numbers and costs

R' 000	2006/07	2007/08	2008/09	2009/10			2010/11	2011/12	2012/13	% change from 2009/10
	Audited			Main budget	Adjusted budget	Revised estimate	Medium-term estimates			
Total for department										
Personnel numbers (head count)	301	428	419	703	703	703	727	727	727	3.41
Personnel cost (R'000)	61469	90 481	136 603	168 583	160 094	150 614	223 474	235 767	247 553	48.38
<i>of which</i>										
Human resources component										
Personnel numbers (head count)	40	53	49	73	73	73	87	87	87	19.18
Personnel cost (R'000)	7 337	7 803	13 483	17 122	17 122	15 204	22 488	23 725	24 911	47.91
Head count as % of total for department	13.29	12.38	11.69	10.38	10.38	10.38	11.97	11.97	11.97	15.24
Personnel cost as % of total for department	11.94	8.62	9.87	10.16	10.69	10.09	10.06	10.06	10.06	(0.31)
Finance component										
Personnel numbers (head count)	57	38	53	81	81	81	76	76	76	(6.17)
Personnel cost (R'000)	11 141	11 564	18 057	22 728	21 145	21 145	26 904	28 227	29 635	27.24
Head count as % of total for department	18.94	8.88	12.65	11.52	11.52	11.52	10.45	10.45	10.45	(9.27)
Personnel cost as % of total for department	18.12	12.78	13.22	13.48	13.21	14.04	12.04	11.97	11.97	(14.25)
Full time workers										
Personnel numbers (head count)	196	288	263	463	463	461	420	420	420	(8.89)
Personnel cost (R'000)	38 745	65 442	96 815	119 182	113 092	111 836	144 210	152 138	159 747	28.95
Head count as % of total for department	65.12	67.29	62.77	65.86	65.86	65.58	57.77	57.77	57.77	(11.90)
Personnel cost as % of total for department	63.03	72.33	70.87	70.70	70.64	74.25	64.53	64.53	64.53	(13.09)
Part-time workers										
Personnel numbers (head count)										
Personnel cost (R'000)										
Head count as % of total for department										#VALUE!
Personnel cost as % of total for department										#VALUE!
Contract workers										
Personnel numbers (head count)	8	49	54	86	86	86	144	144	144	67.44
Personnel cost (R'000)	4 246	5 672	8 248	10 822	10 822	10 475	29 873	31 677	33 260	185.18
Head count as % of total for department	2.66	11.45	12.89	12.23	12.23	12.23	19.81	19.81	19.81	61.91
Personnel cost as % of total for department	6.91	6.27	6.04	6.42	6.76	6.95	13.37	13.44	13.44	92.22

7.2 Training

Table 12.11: Payments on training

Table 12.11: Payments on training											
R' 000		2006/07	2007/08	2008/09	2009/10			2010/11	2011/12	2012/13	% change from 2009/10
		Audited			Main budget	Adjusted budget	Revised estimate	Medium-term estimates			
1.	Administration	884	755	1284	204	976	777	359	335	403	(53.80)
	Subsistence and travel										
	Payments on tuition										
	Other	884	755	1284	204	976	777	359	335	403	(53.80)
2.	Sustainable Resource Management							225	286	301	
	Subsistence and travel										
	Payments on tuition										
	Other							225	286	301	
3.	Asset And Liability Management							270	285	302	
	Subsistence and travel										
	Payments on tuition										
	Other							270	285	302	
4.	Financial Governance							224	235	201	
	Subsistence and travel										
	Payments on tuition										
	Other							224	235	201	
Total payments on training		884	755	1284	204	976	777	1078	1141	1207	38.74

Table 12.12: Information on training

R' 000	2006/07	2007/08	2008/09	2009/10			2010/11	2011/12	2012/13	% change from 2009/10
	Audited			Main budget	Adjusted budget	Revised estimate	Medium-term estimates			
Number of staff	301	428	419	703	703	703	727	727	727	3.41
Number of personnel trained	50	60	84	84	84	84	108	108	108	28.57
<i>of which</i>										
Male	18	23	25	25	25	25	32	32	32	28.00
Female	32	37	59	59	59	59	76	76	76	28.81
Number of training opportunities	50	60	60	60	60	60	108	108	108	80.00
<i>of which</i>										
Tertiary										
Workshops	50	60	60	60	60	60	77	77	77	28.33
Seminars										
Other							31	31	31	
Number of bursaries offered	70	80	60	60	60	60	77	77	77	28.33
Number of interns appointed		50	50	50	50	50	64	64	64	28.00
Number of learnerships appointed										
Number of days spent on training	40	50	50	50	50	50	64	64	64	28.00

7.3 Reconciliation of structural changes

There were no structural changes

Annexure B to
Estimates of Provincial Expenditure
Provincial Treasury

Table 12.B1: Specification of departmental own receipts

R' 000	2006/07	2007/08	2008/09	2009/10			2010/11	2011/12	2012/13	% change from 2009/10
	Audited			Main budget	Adjusted budget	Revised estimate	Medium-term estimates			
Tax receipts										
Casino taxes										
Horse racing taxes										
Liquor licences										
Motor vehicle licences										
Sales of goods and services other than	111	114	128	105	105	116	109	114	120	(6.03)
Sales of goods and services produced by	111	114	128	105	105	116	109	114	120	(6.03)
Sales by market establishments										
Administrative fees										
Other sales	111	114	128	105	105	116	109	114	120	(6.03)
Of which										
Other	111	114	128	105	105	116	109	114	120	(6.03)
Sales of scrap, waste, arms and other used current goods (excluding capital assets)										
Transfers received from:										
Fines, penalties and forfeits										
Interest, dividends and rent on land	291485	486 323	357 495	123 847	123 847	124 558				(100.00)
Interest	291485	486 323	357 495	123 847	123 847	124 558				(100.00)
Dividends										
Rent on land										
Sales of capital assets										
Land and subsoil assets										
Other capital assets										
Financial transactions in assets and	47	268	659			747	472			(36.81)
Total departmental receipts	291 643	486 705	358 282	123 952	123 952	125 421	581	114	120	(99.54)

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

R' 000	2006/07	2007/08	2008/09	2009/10			2010/11	2011/12	2012/13	% change from 2009/10
	Audited			Main budget	Adjusted budget	Revised estimate	Medium-term estimates			
Current payments	108 988	161 324	245 487	255 359	257 349	231 966	300 097	318 295	334 747	29.37
Compensation of employees	61 469	90 481	136 603	168 583	160 094	150 614	223 474	235 767	247 553	48.38
Salaries and wages	61 469	90 481	136 603	168 583	160 094	150 614	223 474	235 767	247 553	48.38
Social contributions										
Goods and services	47 519	70 843	108 878	86 776	97 255	81 352	76 623	82 528	87 194	(5.81)
Of which										
Administrative fees	29	59	72	72	172	67	160	169	179	191
Advertising	813	1224	1002	1344	1474	1353	1 014	1073	1 135	(25.06)
Assets <R5000	1344	876	1277	782	1239	909	640	678	716	(29.59)
Audit cost: External	2 745	3 088	3 054	3 300	3 772	3 700	6 500	6 884	7 276	75.68
Bursaries (employees)	491	747	2 418	2 150	1800	1669	600	635	672	(64.05)
Catering: Departmental activities	13	783	737	859	1275	1019	535	565	597	(47.50)
Communication	2 204	4 249	6 534	7 563	9 304	8 385	8 330	8 819	9 323	(0.66)
Computer services			628	1030	13 241	7 514	21 540	24 197	25 534	186.66
Cons/prof: business & advisory services	30 773	41 833	70 919	42 411	41 403	34 539	16 106	17 056	18 029	(53.37)
Cons/prof: Infrastructure & planning										
Cons/prof: Laboratory services										
Cons/prof: Legal cost			523	1000	676	544	400	424	448	(26.47)
Contractors	667	500	651	1420	318	601	1 026	1087	1149	70.72
Agency & support/outourced services										
Entertainment	130	264	341	466	249	218	155	164	175	(28.90)
Government motor transport										
Housing										
Inventory: Food and food supplies					133	137	109	116	122	(20.44)
Inventory: Fuel, oil and gas					3	3	2	2	2	(33.33)
Inventory: Learn & teacher support materials						1	1	1	1	
Inventory: Raw materials						1				(100.00)
Inventory: Medical supplies							1	1	1	
Medicals inventory interface										
Inventory: Military stores										
Inventory: Other consumables			52	40	121	80	1	1	1	(98.75)
Inventory: Stationery and printing	3 660	2 871	4 511	1856	4 058	4 365	3 130	3 315	3 504	(28.29)
Lease payments	188	2 458	3 953	4 960	4 516	4 375	4 443	4 705	4 974	155
Owned & leasehold property expenditure			1408	2 070	2 004	2 011	2 119	2 244	2 372	5.37
Transport provided dept activity										
Travel and subsistence	2 618	5 727	5 959	9 255	6 952	6 309	6 337	6 711	7 094	0.44
Training & staff development	463	921	992	204	976	777	1 078	1 141	1 207	38.74
Operating expenditure	679	4 349	2 373	4 243	2 541	1843	1 970	2 087	2 208	6.89
Venues and facilities	702	894	1474	1751	1028	842	426	453	475	(49.41)
Other										
Interest and rent on land			6							
Interest			6							
Rent on land										
Transfers and subsidies (Total)	4 329	726	11 428		266	265	1 933	2 047	2 163	629.43
Provinces and municipalities	44		10 000							
Municipalities	44		10 000							
Municipalities	44		10 000							
Municipal agencies and funds										
Public corporations and private enterprises	3 460									
Public corporations	3 460									
Subsidies on production										
Other transfers	3 460									
Households	825	726	1428		266	265	1 933	2 047	2 163	629.43
Social benefits		255								
Other transfers to households	825	471	1428		266	265	1 933	2 047	2 163	629.43
Payments for capital assets	3 938	2 028	11 956	4 613	3 625	3 347	2 451	2 596	2 743	(26.77)
Buildings and other fixed structures										
Buildings										
Other fixed structures										
Machinery and equipment	3 329	2 028	10 814	4 613	3 575	3 297	2 421	2 564	2 709	(26.57)
Transport equipment										
Other machinery and equipment	3 329	2 028	10 814	4 613	3 575	3 297	2 421	2 564	2 709	(26.57)
Software and other intangible	609		1 142		50	50	30	32	34	(40.00)
Payments for financial assets		3 293								
Total economic classification	117 255	167 371	268 871	259 972	261 240	235 578	304 481	322 938	339 653	29.25

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

R' 000	2006/07	2007/08	2008/09	2009/10			2010/11	2011/12	2012/13	% change from 2009/10
	Audited			Main budget	Adjusted budget	Revised estimate	Medium-term estimates			
Current payments	43 581	74 923	117 314	89 061	84 610	80 381	91 605	96 761	101 820	13.96
Compensation of employees	23 818	28 802	44 481	52 455	47 704	46 315	61 980	65 393	68 659	33.82
Salaries and wages	23 818	28 802	44 481	52 455	47 704	46 315	61 980	65 393	68 659	33.82
Social contributions										
Goods and services	19 763	46 121	72 827	36 606	36 906	34 066	29 625	31 368	33 161	(13.04)
Of which										
Administrative fees	29	59	72	72	97	84	80	84	90	(4.76)
Advertising	813	1224	1002	1284	1364	1283	1 014	1073	1 135	(20.97)
Assets <R5000	509	876	1277	782	1239	909	640	678	716	(29.59)
Audit cost: External	2 745	2 984	2 400	2 700	2 780	2 685	2 800	2 965	3 134	4.28
Bursaries (employees)	491	747	2 418	2 150	1800	1669	600	635	672	(64.05)
Catering: Departmental activities		515	455	522	714	483	227	240	254	(53.00)
Communication	1988	3 821	5 393	4 839	7 336	6 676	6 315	6 686	7 067	(5.41)
Computer services				1030	2 863	1628	1 300	1377	1455	(20.15)
Cons/prof: business & advisory services	6 294	23 694	43 952	3 805	2 366	2 358	668	707	748	(71.67)
Cons/prof: Legal cost			523	1000	676	544	400	424	448	(26.47)
Contractors	667	500	651	1420	318	601	1 026	1087	1 149	70.72
Agency & support/outsource services										
Entertainment	71	152	224	277	66	66	63	65	70	(4.55)
Inventory: Food and food supplies					133	137	109	116	122	(20.44)
Inventory: Fuel, oil and gas					3	3	2	2	2	(33.33)
Inventory: Learn & teacher support material						1	1	1	1	
Inventory: Raw materials						1				(100.00)
Inventory: Medical supplies							1	1	1	
Inventory: Other consumables			52	40	121	80	1	1	1	(98.75)
Inventory: Stationery and printing	3 610	2 870	4 511	1856	4 058	4 365	3 130	3 315	3 504	(28.29)
Lease payments	188	2 458	3 953	4 960	4 516	4 375	4 443	4 705	4 974	155
Owned & leasehold property expenditure			1408	2 070	2 004	2 011	2 119	2 244	2 372	5.37
Transport provided dept activity										
Travel and subsistence	1358	2 514	2 102	4 197	2 376	2 328	2 356	2 495	2 638	120
Training & staff development	463	837	992	204	973	775	1 078	1 141	1 207	39.10
Operating expenditure	228	2 188	579	2 423	780	736	1 145	1 212	1 282	55.57
Venues and facilities	309	682	863	975	323	268	107	114	119	(60.07)
Other										
Interest and rent on land			6							
Interest			6							
Rent on land										
Transfers and subsidies (Total)	41	56	284				1 703	1 804	1 906	
Provinces and municipalities	17									
Municipalities	17									
Municipalities	17									
Municipal agencies and funds										
Households	24	56	284				1 703	1 804	1 906	
Social benefits										
Other transfers to households	24	56	284				1 703	1 804	1 906	
Payments for capital assets	2 226	1 947	5 416	4 613	3 625	3 347	2 451	2 596	2 743	(26.77)
Buildings and other fixed structures										
Buildings										
Other fixed structures										
Machinery and equipment	2 226	1 947	5 416	4 613	3 575	3 297	2 421	2 564	2 709	(26.57)
Transport equipment										
Other machinery and equipment	2 226	1 947	5 416	4 613	3 575	3 297	2 421	2 564	2 709	(26.57)
Software and other intangible					50	50	30	32	34	(40.00)
Payments for financial assets										
Total economic classification	45 848	76 926	123 014	93 674	88 235	83 728	95 759	101 161	106 469	14.37

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

R' 000	2006/07	2007/08	2008/09	2009/10			2010/11	2011/12	2012/13	% change from 2009/10
	Audited			Main budget	Adjusted budget	Revised estimate	Medium-term estimates			
Current payments	20 530	28 077	48 291	54 295	45 809	42 389	60 455	63 792	67 003	42.62
Compensation of employees	19 043	24 616	37 612	49 531	42 200	39 453	57 569	60 735	63 772	45.92
Salaries and wages	19 043	24 616	37 612	49 531	42 200	39 453	57 569	60 735	63 772	45.92
Social contributions										
Goods and services	1487	3 461	10 679	4 764	3 609	2 936	2 886	3 057	3 231	(170)
Of which										
Administrative fees					75	73	80	85	89	9.59
Catering: Departmental activities		133	144	222	232	249	144	152	161	(42.17)
Communication	72	174	463	1186	748	649	879	931	984	35.44
Computer services										
Cons/prof.business & advisory services	118	1047	7 645	500						
Entertainment	28	32	39	74	46	50	37	41	42	(26.00)
Inventory: Stationery and printing	50									
Lease payments										
Owned & leasehold property expenditure										
Transport provided dept activity										
Travel and subsistence	619	1067	1458	2 015	1581	1497	1 562	1653	1748	4.34
Training & staff development					3	2				(100.00)
Operating expenditure	292	916	725	630	833	336	150	159	169	(55.36)
Venues and facilities	308	92	205	137	91	80	34	36	38	(57.50)
Other										
Transfers and subsidies (Total)	90	255	10 011		37	37	22	23	24	(40.54)
Provinces and municipalities	6		10 000							
Municipalities	6		10 000							
Municipalities	6		10 000							
Municipal agencies and funds										
Non-profit institutions										
Households	84	255	11		37	37	22	23	24	(40.54)
Social benefits		255								
Other transfers to households	84		11		37	37	22	23	24	(40.54)
Payments for capital assets										
Payments for financial assets		3 293								
Total economic classification	20 620	31 625	58 302	54 295	45 846	42 426	60 477	63 815	67 027	42.55

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

R' 000	2006/07	2007/08	2008/09	2009/10			2010/11	2011/12	2012/13	% change from 2009/10
	Audited			Main budget	Adjusted budget	Revised estimate	Medium-term estimates			
Current payments	36 738	38 701	53 144	44 415	52 745	45 580	71 060	76 457	80 438	55.90
Compensation of employees	11002	20 377	31284	34 632	37 333	35 162	45 377	47 873	50 266	29.05
Salaries and wages	11002	20 377	31284	34 632	37 333	35 162	45 377	47 873	50 266	29.05
Social contributions										
Goods and services	25 736	18 324	21860	9 783	15 412	10 418	25 683	28 584	30 172	146.53
Of which										
Administrative fees										
Advertising				60	110	70				(100.00)
Assets <R5000	835									
Audit cost: External			562	300	600	728	3 350	3 548	3 750	360.16
Bursaries (employees)										
Catering: Departmental activities	13	68	103	99	158	125	74	78	82	(40.80)
Communication	120	213	455	792	725	633	655	694	734	3.48
Computer services			628		10 378	5 886	20 240	22 820	24 079	243.87
Cons/prof.business & advisory services	23 996	16 546	18 366	6 130	1446	1323				(100.00)
Entertainment	19	58	45	65	64	56	33	34	37	(4107)
Travel and subsistence	543	599	742	1240	1066	879	781	827	874	(11.15)
Training & staff development										
Operating expenditure	146	774	601	600	364	323	320	339	359	(0.93)
Venues and facilities	64	66	358	497	501	395	230	244	257	(4177)
Other										
Interest and rent on land										
Interest										
Rent on land										
Transfers and subsidies (Total)	4 192		656		111	111	208	220	233	87.39
Provinces and municipalities	15									
Municipalities	15									
Municipalities	15									
Municipal agencies and funds										
Public corporations and private enterprises	3 460									
Public corporations	3 460									
Subsidies on production										
Other transfers	3 460									
Households	717		656		111	111	208	220	233	87.39
Social benefits										
Other transfers to households	717		656		111	111	208	220	233	87.39
Payments for capital assets	1712		6 540							
Machinery and equipment	1103		5 398							
Transport equipment										
Other machinery and equipment	1103		5 398							
Software and other intangible	609		1142							
Payments for financial assets										
Total economic classification	42 642	38 701	60 340	44 415	52 856	45 691	71 268	76 677	80 671	55.98

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

R' 000	2006/07	2007/08	2008/09	2009/10			2010/11	2011/12	2012/13	% change from 2009/10
	Audited			Main budget	Adjusted budget	Revised estimate	Medium-term estimates			
Current payments	8 139	19 623	26 738	67 588	74 185	63 616	76 977	81285	85 486	2100
Compensation of employees	7 606	16 686	23 226	31965	32 857	29 684	58 548	61766	64 856	97.24
Salaries and wages	7 606	16 686	23 226	31965	32 857	29 684	58 548	61766	64 856	97.24
Social contributions										
Goods and services	533	2 937	3 512	35 623	41328	33 932	18 429	19 519	20 630	(45.69)
Of which										
Administrative fees										
Audit cost: External		104	92	300	392	287	350	371	392	2195
Bursaries (employees)										
Catering: Departmental activities		67	35	16	171	162	90	95	100	(44.44)
Communication	24	41	223	746	495	427	481	508	538	12.65
Computer services										
Cons/prof.business & advisory services	365	546	956	31976	37 591	30 858	15 438	16 349	17 281	(49.97)
Entertainment	12	22	33	50	73	46	22	24	26	(52.17)
Inventory: Stationery and printing		1								
Transport provided dept activity										
Travel and subsistence	98	1547	1657	1803	1929	1605	1 638	1736	1834	2.06
Training & staff development		84								
Operating expenditure	13	471	468	590	564	448	355	377	398	(20.76)
Venues and facilities	21	54	48	142	113	99	55	59	61	(44.44)
Other										
Interest and rent on land										
Interest										
Rent on land										
Transfers and subsidies (Total)	6	415	477		118	117				(100.00)
Provinces and municipalities	6									
Provinces										
Provincial Revenue Funds										
Provincial agencies and funds										
Municipalities	6									
Municipalities	6									
Municipal agencies and funds										
Non-profit institutions										
Households		415	477		118	117				(100.00)
Social benefits										
Other transfers to households		415	477		118	117				(100.00)
Payments for capital assets	81									
Machinery and equipment	81									
Transport equipment										
Other machinery and equipment	81									
Of which: Capitalised compensation										
Of which: Capitalised goods and services										
Payments for financial assets										
Total economic classification	8 145	20 119	27 215	67 588	74 303	63 733	76 977	81 285	85 486	20.78

Table 12.B4: Details of departmental transfers to local government

R' 000	2006/07	2007/08	2008/09	2009/10			2010/11	2011/12	2012/13	%
	Audited			Main budget	Adjusted budget	Revised estimate	Medium-term estimates			change from 2009/10
Category A										
Nelson M andela Metro										
Category B	8 569									
Amahlathi										
Baviaans										
Blue Crane Route	679									
Buffalo City										
Camdebo										
Elundini	142									
Emalahleni										
Engcobo	99									
Gariep	468									
Great Kei	49									
Ikwezi	58									
Ingquza										
Inkwanca	148									
Intsika Yethu										
Inxuba Yethemba	206									
King Sabata Dalindyebo	224									
Kouga	389									
Koukamma	251									
Lukhanji										
Makana	592									
Maletswai										
Matatiele										
Mbhashe										
Mbizana	626									
Mhontlo	22									
Mnquma	201									
Ndlambe										
Ngqushwa	101									
Nkonkobe	217									
Ntabankulu	435									
Nxuba	1094									
Nyandeni	55									
Port St Johns	1027									
Qaukeni	477									
Sakizizwe	244									
Senqu	25									
Sundays River Valley	560									
Tsolwana										
Umzimkhulu										
Umzimvubu	180									
Unallocated										
Category C	44		1431							
Alfred Nzo										
Amathole	44		483							
Cacadu										
Chris Hani										
OR Tambo										
Ukhahlamba	948									
Unallocated										
Unallocated										
Total transfers to loc	44		10 000							

Table 12.B5: Summary of departmental payments and estimates by category and district municipality

Table 1A:2010 Summary of payments and estimates by category and region										
R' 000	2006/07	2007/08	2008/09	2009/10			2010/11	2011/12	2012/13	% change from 2009/10
	Audited			Main budget	Adjusted budget	Revised estimate	Medium-term estimates			
Category A										
Nelson Mandela Metro										
Category B										
Unallocated										
Category C										
Alfred Nzo										
Amathole										
Cacadu										
Chris Hani										
OR Tambo										
Ukhahlamba										
EC Whole Province	117 255	167 371	268 871	259 972	261 240	235 578	304 481	322 938	339 653	29.25
Total payments and esti	117 255	167 371	268 871	259 972	261 240	235 578	304 481	322 938	339 653	29.25

