

Vote 1

Office of the Premier

| R thousand | 2014/15 | | | |
|--|---|------------------------|-----------------|----------|
| | Main appropriation | Adjusted appropriation | Decrease | Increase |
| Operational budget | 695 271 | 681 887 | (13 384) | |
| Premier's remuneration | 1 888 | 1 888 | | |
| Total amount to be appropriated | 697 159 | 683 775 | (13 384) | |
| <i>of which:</i> | | | | |
| Current payments | 618 373 | 582 796 | (35 577) | |
| Transfers and subsidies | 53 996 | 68 771 | | 14 775 |
| Payments for capital assets | 24 790 | 32 208 | | 7 418 |
| Payments for financial assets | - | - | | |
| Responsible Executive Authority | The Premier, Mr E.S. Mchunu | | | |
| Administering department | Office of the Premier | | | |
| Accounting Officer | Director-General: Office of the Premier | | | |

1. Vision and mission

It must be noted that the vision, mission and strategic objectives of the department has changed subsequent to the *Explanatory Memorandum to the EPRE*. The vision and mission are in line with its revised strategic plan and annual performance plan, which were tabled subsequent to the *EPRE*, and which take into account the function shift of the KwaZulu-Natal Gaming and Betting Board (KZNGBB) to Provincial Treasury.

Vision

The vision of the Office of the Premier (OTP) is: *To be the centre of governance, providing leadership towards achieving KZN Vision 2030.*

Mission statement

The mission of the department is: To support the Premier in carrying out his constitutional mandate through:

- Promoting an integrated service delivery model.
- Enhancing co-operative governance within the province.
- Effective stakeholder management and communication.
- Enhancing performance management and accountability through monitoring and evaluation.

2. Strategic objectives

The *strategic policy directions* of the OTP are directly linked to national government's 12 outcomes and also inform the department's strategic objectives, as listed below:

- A co-ordinated, equitable and integrated service delivery system
- Good and co-operative governance
- Stakeholders fully engaged and well informed on KZN Vision 2030
- Improved performance and accountability.

Based on the mission and mandates, the department identified the following strategic objectives:

- To ensure effective service delivery through appropriate mechanisms for the co-ordinated development, maintenance and implementation of policies, programmes, strategies, plans and systems.
- To ensure effective and efficient governance systems across all sectors in the provincial administration.
- To develop, promote and implement effective mechanisms to engage meaningfully with all stakeholders in the planning for, implementation of and reporting on government delivery programmes within the province.
- To develop, maintain and strengthen capacity in the implementation of a provincial-wide monitoring, evaluation and reporting system.

3. Summary of adjusted estimates for the 2014/15 financial year

The 2014/15 Main Appropriation of the OTP was R697.159 million, as detailed in the *Explanatory Memorandum to the EPRE*. During the year, the department received an additional allocation totalling R39.487 million. This amount is made up of an increase in allocation of funds, as well as the roll-over of funds from 2013/14. This increase was offset by a reduction in allocation of R52.871 million, resulting in a net reduction of R13.384 million, which is the amount to be appropriated.

The main adjustments that led to this overall reduction are summarised below, and are explained in more detail in Section 4 hereunder:

- *Roll-overs*: Roll-overs totalling R12.994 million were approved as follows:
 - R2.994 million was rolled over from 2013/14 in respect of the RTI Commission due to an extension of the sittings into 2014/15 that impacted on the finalisation of the commissioners' report and the payment of commission fees was due only upon finalisation. These funds were allocated to Programme 1: Administration against *Goods and services*.
 - R10 million was rolled over from 2013/14 for the Africa Expansion Summit. Funds were received during the 2013/14 Adjustments Estimate and could not be spent due to the limited time to plan and host an event of that magnitude during 2013/14. The event is now scheduled for November 2014. These funds were allocated to Programme 3: Policy and Governance against *Goods and services*.
- *Virement between programmes*: The department undertook a reprioritisation exercise in order to fund various spending pressures that were facing the department. This resulted in numerous virements which are detailed in Section 4, but are summarised between programmes as follows:
 - Programme 1 was increased by R11.600 million due to funds moved from Programme 3 to cover shortfalls in respect of the installation of security systems and tracking devices (R3.800 million), the Zimele Developing Community Self-Reliance project (R4.800 million), and enhancement of the SCM procurement system and training (R4 million). This was offset by the movement of R1 million to Programme 2: Institutional Development for the implementation of departmental employee health and wellness initiatives. These savings are from Programme 1 under the Financial Management sub-programme, because the eMap financial reporting tool and eTrax document tracking tool enhancements were put on hold due to a review of the system.
 - Programme 2 was increased by a net amount of R1 million due to funds moved from Programme 1 to *Goods and services* (R615 000) and *Machinery and equipment* (R385 000) in respect of departmental employee health and wellness initiatives.
 - Programme 3 was decreased by R12.600 million due to savings identified against the funding for the Provincial Nerve Centre whereby software licences were not renewed due to a review being undertaken on software integration. The funds were moved to Programme 1 for the Zimele Developing Community Self-Reliance project, for the enhancement of the SCM procurement system and training, and for the installation of security systems and tracking devices, as previously mentioned.

- In addition to the above virements, the department also undertook virements across sub-programmes and economic classifications within programmes, as detailed in Section 4 below. All virements undertaken are permissible in terms of the PFMA and Treasury Regulations and, where applicable, were approved by Treasury. However, the movement of a portion of the youth ambassadors' funds to be spent in other areas requires Legislature approval, as these funds were specifically and exclusively appropriated.
- *Shifts:* The department undertook the following shift:
 - R8 million was moved from *Compensation of employees* in Programme 3 to Programme 2, *Transfers and subsidies to: Households* to cater for the Provincial Bursary Programme. This was as a result of the reprioritisation of the youth ambassador funds in Programme 2. The purpose of the funds largely remains unchanged as these funds will still be used for youth empowerment activities.
- *Other adjustments:* The department's budget allocation was increased by R26.493 million, which was allocated to Programme 3 for the following purposes:
 - An amount of R11.100 million was received from the Strategic Cabinet initiatives fund for the following purposes:
 - R5 million was received for the Crown Gospel Music Awards ceremony to acknowledge local talent. This was allocated to *Goods and services* in Programme 3.
 - R6.100 million for the Music Unites and Have We Been Heard initiatives. This was allocated to *Goods and services* in Programme 3.
 - R3.136 million was allocated for transfer to the public entity Amafa aKwaZulu-Natali (Amafa). This amount relates to surplus funds from 2012/13 which Amafa surrendered to the Provincial Revenue Fund, with the understanding that these funds would be allocated back to them in 2014/15 to roll-out new projects. This was allocated to Programme 3 against *Transfers and subsidies to: Departmental agencies and accounts*.
 - R4.226 million was allocated to the department, being the province's contribution to the construction of the Denis Hurley Centre in Durban. The facility will include a primary health care clinic and TB screening, job readiness and skills training. The centre will assist the homeless, unemployed and refugees, and will provide rehabilitation for substance abusers. This was allocated to Programme 3 against *Transfers and subsidies to: Public corporations and private enterprises*.
 - R7.800 million was allocated in respect of the 20 years of democracy celebrations held on the 27th of April 2014. This was allocated to *Goods and services* in Programme 3.
 - R231 000 was allocated to the department, suspended from the Department of Social Development (DSD) in respect of the centralisation of funds for external bursaries. These funds were allocated to Programme 2 against *Transfers and subsidies to: Households*.

This increase was offset by the following reductions totalling R45.071 million, resulting in a net decrease of R26.378 million:

- R5 million, which was specifically and exclusively appropriated for security strengthening during the 2014 general elections, was not required for this purpose after all and was therefore surrendered back to the Provincial Revenue Fund. This is removed from *Goods and services* in Programme 1.
- The Department of Agriculture and Rural Development (DARD) inadvertently submitted inflated figures in respect of both the centralisation of communications budget and external bursaries budgets, as they had incorrectly shown that their full communications budget should be centralised under the OTP, as well as surrendered more than required in respect of external bursaries. The re-submitted numbers show that R6.377 million (*Goods and services*) and R1.823 million (*Transfers and subsidies to: Households*), for communications and bursaries, respectively, should have remained with DARD in 2014/15, and this error was therefore

corrected. As such, OTP's budget was reduced by R8.200 million for re-allocation back to DARD. These funds were both removed from Programme 2.

- o R15 million for the construction of the pipeline at the Luwamba Wellness Centre could not be utilised due to the challenges experienced with the various stakeholders, farmers and wards in terms of the appointment of the local community to assist with the project. The project is back on track and the revised completion date is June 2015. As such, these funds were suspended from 2014/15 and will be re-allocated to the department in 2015/16. It must be noted that these funds were specifically and exclusively appropriated and this reduction therefore requires Legislature approval. This was removed from *Goods and services* in Programme 1.
- o R14 million was specifically and exclusively appropriated for the equipping of war rooms but will not be used in 2014/15 due to a review by Information Technology of the war-rooms software requirements. The funds were therefore suspended from 2014/15 and will be allocated back to the department in 2015/16. This was moved from *Goods and services* in Programme 3.
- o R7.800 million was deducted from *Goods and services* in Programme 3. In this regard, the OTP undertook an extensive budget review and identified this amount to be shifted from Vote 1 to Vote 10: The Royal Household to assist the latter to offset spending pressures related to its infrastructure projects.
- o R2.871 million relating to previous years' irregular expenditure. Cabinet approved that, where departments were unable to provide sufficient justification for the irregular expenditure, it becomes a first charge against the vote. This was removed from *Goods and services* in Programme 1.

Tables 1.1 and 1.2 below reflect a summary of the 2014/15 adjusted appropriation of the department, summarised according to programme and economic classification. Detailed information on the adjustments undertaken is provided later in the document.

Table 1.1: Summary by programmes

| R thousand | Main appropriation | Adjustments appropriation | | | | | Total adjustments appropriation | Adjusted appropriation |
|------------------------------|--------------------|---------------------------|---------------------------|----------|----------|-------------------|---------------------------------|------------------------|
| | | Roll-overs | Unforeseeable/unavoidable | Virement | Shifts | Other adjustments | | |
| 1. Administration | 205 990 | 2 994 | - | 11 600 | - | (22 871) | (8 277) | 197 713 |
| 2. Institutional Development | 194 158 | - | - | 1 000 | 8 000 | (7 969) | 1 031 | 195 189 |
| 3. Policy and Governance | 297 011 | 10 000 | - | (12 600) | (8 000) | 4 462 | (6 138) | 290 873 |
| Total | 697 159 | 12 994 | - | - | - | (26 378) | (13 384) | 683 775 |
| Amount to be voted | | | | | | | | (13 384) |

Table 1.2: Summary by economic classification

| R thousand | Main appropriation | Adjustments appropriation | | | | | Total adjustments appropriation | Adjusted appropriation |
|---|--------------------|---------------------------|---------------------------|----------------|----------------|-------------------|---------------------------------|------------------------|
| | | Roll-overs | Unforeseeable/unavoidable | Virement | Shifts | Other adjustments | | |
| Current payments | 618 373 | 12 994 | - | (8 423) | (8 000) | (32 148) | (35 577) | 582 796 |
| Compensation of employees | 240 340 | - | - | (36 197) | (8 000) | - | (44 197) | 196 143 |
| Goods and services | 378 033 | 12 994 | - | 27 774 | - | (32 148) | 8 620 | 386 653 |
| Interest and rent on land | - | - | - | - | - | - | - | - |
| Transfers and subsidies to: | 53 996 | - | - | 1 005 | 8 000 | 5 770 | 14 775 | 68 771 |
| Provinces and municipalities | 13 | - | - | 26 | - | - | 26 | 39 |
| Departmental agencies and accounts | 32 013 | - | - | - | - | 3 136 | 3 136 | 35 149 |
| Higher education institutions | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | 4 226 | 4 226 | 4 226 |
| Households | 21 970 | - | - | 979 | 8 000 | (1 592) | 7 387 | 29 357 |
| Payments for capital assets | 24 790 | - | - | 7 418 | - | - | 7 418 | 32 208 |
| Buildings and other fixed structures | 15 697 | - | - | - | - | - | - | 15 697 |
| Machinery and equipment | 4 033 | - | - | 4 418 | - | - | 4 418 | 8 451 |
| Heritage assets | 5 000 | - | - | 3 000 | - | - | 3 000 | 8 000 |
| Specialised military assets | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - |
| Land and subsoil assets | - | - | - | - | - | - | - | - |
| Software and other intangible assets | 60 | - | - | - | - | - | - | 60 |
| Payments for financial assets | - | - | - | - | - | - | - | - |
| Total | 697 159 | 12 994 | - | - | - | (26 378) | (13 384) | 683 775 |
| Amount to be voted | | | | | | | | (13 384) |

4. Changes to programme purposes and service delivery measures

The department has not changed the purpose and service delivery measures of any of its three programmes, which conform to the sector specific programme and budget structure for OTP.

The non financial information currently reflected in the 2014/15 *EPRE* does not correspond to the department's 2014/15 APP, due to it being an election year and amendments were therefore made to the APP and only tabled in August 2014, while the *EPRE* had already been printed and tabled for 2014/15. The service delivery measures therefore do not correspond with the 2014/15 APP, and this is corrected in the Adjustments Estimate.

4.1 Programme 1: Administration

The purpose of this programme is to provide administrative support to the Premier, Executive Council and the Director-General in fulfilling their legislative and oversight functions and in promoting good governance.

Tables 1.3 and 1.4 below reflect a summary of the 2014/15 adjusted appropriation of Programme 1, summarised according to sub-programme and economic classification. Details of the main adjustments, which resulted in a net decrease of R8.277 million, are given in the paragraphs following the tables.

Table 1.3: Programme 1: Administration

| R thousand | Main appropriation | Adjustments appropriation | | | | | Total adjustments appropriation | Adjusted appropriation |
|---------------------------|--------------------|---------------------------|---------------------------|---------------|----------|-------------------|---------------------------------|------------------------|
| | | Roll-overs | Unforeseeable/unavoidable | Virement | Shifts | Other adjustments | | |
| Premier Support | 29 786 | 2 994 | | 12 900 | | | 15 894 | 45 680 |
| Executive Council Support | 9 618 | | | (150) | | | (150) | 9 468 |
| Director-General | 26 651 | | | 3 100 | | (5 000) | (1 900) | 24 751 |
| Financial Management | 139 935 | | | (4 250) | | (17 871) | (22 121) | 117 814 |
| Total | 205 990 | 2 994 | - | 11 600 | - | (22 871) | (8 277) | 197 713 |
| Amount to be voted | | | | | | | (8 277) | |

Table 1.4: Summary by economic classification

| R thousand | Main appropriation | Adjustments appropriation | | | | | Total adjustments appropriation | Adjusted appropriation |
|---|--------------------|---------------------------|---------------------------|---------------|----------|-------------------|---------------------------------|------------------------|
| | | Roll-overs | Unforeseeable/unavoidable | Virement | Shifts | Other adjustments | | |
| Current payments | 201 468 | 2 994 | - | 7 779 | - | (22 871) | (12 098) | 189 370 |
| Compensation of employees | 78 696 | | | (345) | | - | (345) | 78 351 |
| Goods and services | 122 772 | 2 994 | | 8 124 | | (22 871) | (11 753) | 111 019 |
| Interest and rent on land | | | | | | | - | - |
| Transfers and subsidies to: | 1 333 | - | - | 371 | - | - | 371 | 1 704 |
| Provinces and municipalities | 13 | | | 26 | | | 26 | 39 |
| Departmental agencies and accounts | | | | | | | - | - |
| Higher education institutions | | | | | | | - | - |
| Foreign governments and international organisations | | | | | | | - | - |
| Public corporations and private enterprises | | | | | | | - | - |
| Non-profit institutions | | | | | | | - | - |
| Households | 1 320 | | | 345 | | | 345 | 1 665 |
| Payments for capital assets | 3 189 | - | - | 3 450 | - | - | 3 450 | 6 639 |
| Buildings and other fixed structures | 697 | | | | | | - | 697 |
| Machinery and equipment | 2 492 | | | 3 450 | | | 3 450 | 5 942 |
| Heritage assets | | | | | | | - | - |
| Specialised military assets | | | | | | | - | - |
| Biological assets | | | | | | | - | - |
| Land and subsoil assets | | | | | | | - | - |
| Software and other intangible assets | | | | | | | - | - |
| Payments for financial assets | | | | | | | - | - |
| Total | 205 990 | 2 994 | - | 11 600 | - | (22 871) | (8 277) | 197 713 |
| Amount to be voted | | | | | | | (8 277) | |

Roll-overs – Programme 1: Administration: R2.994 million

An amount of R2.994 million was rolled over from 2013/14 in respect of the RTI Commission due to an extension of the sittings into 2014/15 that impacted on the finalisation of the commissioners' report and the payment of commission fees only being due upon finalisation. This is allocated to the Premier Support sub-programme against *Goods and services*.

Virement – Programme 1: Administration: R11.600 million

The department undertook extensive reprioritisation in order to offset various spending pressures. As a result, savings were identified under Programme 1 due to budgeted vacant posts that were filled later than anticipated, as well as cost-containment on administrative items such as travel and subsistence. The increase of R12.600 million came from Programme 3 and R1 million moved to Programme 2, accounting for Programme 1's budget to be increased by a net amount of R11.600 million as follows:

- R4.800 million was moved from *Goods and services* in Programme 3 to the same category in the Premier Support sub-programme to cover shortfalls in respect of the Zimele Developing Community Self-Reliance project.
- R4 million was moved from *Goods and services* in Programme 3 to the same category in Premier Support for the enhancement of the SCM procurement system and training.
- R3.800 million was moved from *Goods and services* in Programme 3 to the same category in the Premier Support sub-programme for the upgrade of security equipment, access control systems and vehicle trackers.
- This was offset by the movement of R1 million from *Goods and services* in the Financial Management sub-programme to Programme 2 for the implementation of departmental employee health and wellness initiatives. These savings were from Programme 1 under the Financial Management sub-programme, due to the eMap financial reporting tool and eTrax document tracking tool enhancements being put on hold due to a review of the system.

In addition to the above, virements were undertaken across economic categories within the programme as follows:

- *Compensation of employees* was reduced by R345 000 as a result of savings, which were identified from posts becoming vacant due to staff exits as a result of retirements, resignations and natural attrition. These funds were moved to *Transfers and subsidies to: Households* to cater for leave gratuity payments due to staff exits.
- Savings of R4.476 million were identified in *Goods and services* as a result of the implementation of financial control measures on administrative expenses, as well as due to the financial management reporting and tracking system still being developed. These funds were moved to *Transfers and subsidies to: Provinces and municipalities* to cater for motor vehicle licences (R26 000), as well as *Machinery and equipment* for the purchase of replacement motor vehicles and for office furniture and equipment for new appointments (R3.450 million).

All virements undertaken are permissible in terms of the PFMA and Treasury Regulations.

Other adjustments – Programme 1: Administration: (R22.871 million)

Programme 1's budget was reduced by the following amounts:

- R5 million, which was specifically and exclusively appropriated for security strengthening during the 2014 general elections, was not required for this purpose, and was therefore surrendered back to the Provincial Revenue Fund. This was reduced from the Director-General sub-programme against *Goods and services*.
- R15 million for the construction of the pipeline at the Luwamba Wellness Centre could not be utilised due to challenges experienced with the various stakeholders, farmers and wards in terms of the appointment of the local community to assist with the project. The project is back on track and the revised completion date is June 2015. The funds, which are specifically and exclusively appropriated, were therefore suspended from 2014/15 to be re-allocated to the department in 2015/16. This was reduced from Financial Management against *Goods and services*.
- R2.871 million was deducted relating to previous years' irregular expenditure. Cabinet approved that, where departments were unable to provide sufficient justification for the irregular expenditure, it becomes a first charge against the vote. This was deducted from *Goods and services* against the Financial Management sub-programme.

Service delivery measures – Programme 1: Administration

Table 1.5 reflects the service delivery information for Programme 1 as per the 2014/15 APP. The non financial information currently reflected in the 2014/15 EPRE does not correspond to the department's 2014/15 APP, due to it being an election year and amendments were therefore made to the APP and only tabled in August 2014 while the EPRE had already been printed and tabled for 2014/15. The service delivery outputs, performance indicators and targets changed significantly from when the 2014/15 EPRE was tabled, hence the non population of the original targets.

Table 1.5: Service delivery measures – Programme 1: Administration

| Outputs | Performance indicators | Performance targets | | |
|-------------------------------------|--|--|-------------------------------|------------------------------|
| | | 2014/15 Original target | 2014/15 Mid-year actual | 2014/15 Revised target |
| 1. Premier Support | | | | |
| 1.1 | Effective and efficient support to the Premier | <ul style="list-style-type: none"> No. of bi-annual reports on support services to the Premier No. of quarterly reports to the Premier on special projects co-ordination | 1 2 | 2 4 |
| 1.2 | Effective and efficient support to the Spouse to the Premier | <ul style="list-style-type: none"> No. of bi-annual reports on support services provided to the Spousal Office to the Premier | 1 | 2 |
| 2. Executive Council Support | | | | |
| 2.1 | Effective and efficient Provincial Executive Council, clusters and key provincial committees | <ul style="list-style-type: none"> No. of Executive Council meetings decision matrix circulated within one week of meeting No. of Executive Council Makgotla decision matrix | 5 1 | 20 2 |
| 3. Director-General Support | | | | |
| 3.1 | Effective and efficient support to the D-G | <ul style="list-style-type: none"> No. of EXCO meetings supported No. of MANCO meetings supported | 11 4 | 24 8 |
| 4. Financial Management | | | | |
| 4.1 | Economic, effective, and efficient financial and assets management services to OTP | <ul style="list-style-type: none"> Progress toward achieving clean audit in annual audit findings | Unqualified audit | Unqualified audit |
| 4.2 | Effective and efficient financial management services to OTP | <ul style="list-style-type: none"> No. of financial management reports monthly IYM submitted to Treasury by the 15th of each month No. of AFS submitted in terms of prescripts | 6 2 | 12 IYM reports 4 |
| 4.3 | Effective and efficient supply chain management services | <ul style="list-style-type: none"> No. of quarterly reports on SCM timely procurement of goods and services with % percentage compliance with regard to procurement prescripts | 2 | 4 |
| 4.4 | Appropriately accommodated dept. | <ul style="list-style-type: none"> Quarterly progress reports on office accommodation in compliance with prescripts | 2 | 4 |
| 5. Integrity Management | | | | |
| 5.1 | Ethical public service and reduced incidents of fraud and corruption | <ul style="list-style-type: none"> No. of Integrity Leadership sessions Approved risk management register by 31/03/2015 | - 1 | 1 1 |
| 5.2 | Improved quality of govt. services | <ul style="list-style-type: none"> No. of quarterly intervention reports on the resolution of service delivery complaints received No. of provincial Ombudsperson forum meetings No. of OTP Ombudspersons reports | 2 2 1 | 4 4 4 |

4.2 Programme 2: Institutional Development

The purpose of this programme is to improve service delivery through institutional capacity building and transformation management in the province.

Tables 1.6 and 1.7 below reflect a summary of the 2014/15 adjusted appropriation of Programme 2, summarised according to sub-programme and economic classification.

Details of the main adjustments, which resulted in an overall increase of R1.031 million, are provided in the paragraphs below.

Table 1.6: Programme 2: Institutional Development

| R thousand | Main appropriation | Adjustments appropriation | | | | | Total adjustments appropriation | Adjusted appropriation |
|--------------------------------------|--------------------|---------------------------|---------------------------|--------------|--------------|-------------------|---------------------------------|------------------------|
| | | Roll-overs | Unforeseeable/unavoidable | Virement | Shifts | Other adjustments | | |
| Strategic Human Resources | 102 035 | | | 1 472 | 8 000 | (1 592) | 7 880 | 109 915 |
| Information Communication Technology | 25 366 | | | | | | - | 25 366 |
| Legal Services | 12 156 | | | (1 000) | | | (1 000) | 11 156 |
| Communication Services | 54 601 | | | 528 | | (6 377) | (5 849) | 48 752 |
| Total | 194 158 | - | - | 1 000 | 8 000 | (7 969) | 1 031 | 195 189 |
| Amount to be voted | | | | | | | | 1 031 |

Table 1.7: Summary by economic classification

| R thousand | Main appropriation | Adjustments appropriation | | | | | Total adjustments appropriation | Adjusted appropriation |
|---|--------------------|---------------------------|---------------------------|--------------|--------------|-------------------|---------------------------------|------------------------|
| | | Roll-overs | Unforeseeable/unavoidable | Virement | Shifts | Other adjustments | | |
| Current payments | 157 258 | - | - | (18) | - | (6 377) | (6 395) | 150 863 |
| Compensation of employees | 65 230 | | | (633) | | | (633) | 64 597 |
| Goods and services | 92 028 | | | 615 | | (6 377) | (5 762) | 86 266 |
| Interest and rent on land | - | | | | | | - | - |
| Transfers and subsidies to: | 20 650 | - | - | 633 | 8 000 | (1 592) | 7 041 | 27 691 |
| Provinces and municipalities | | | | | | | - | - |
| Departmental agencies and accounts | | | | | | | - | - |
| Higher education institutions | | | | | | | - | - |
| Foreign governments and international organisations | | | | | | | - | - |
| Public corporations and private enterprises | | | | | | | - | - |
| Non-profit institutions | | | | | | | - | - |
| Households | 20 650 | | | 633 | 8 000 | (1 592) | 7 041 | 27 691 |
| Payments for capital assets | 16 250 | - | - | 385 | - | - | 385 | 16 635 |
| Buildings and other fixed structures | 15 000 | | | | | | - | 15 000 |
| Machinery and equipment | 1 250 | | | 385 | | | 385 | 1 635 |
| Heritage assets | | | | | | | - | - |
| Specialised military assets | | | | | | | - | - |
| Biological assets | | | | | | | - | - |
| Land and subsoil assets | | | | | | | - | - |
| Software and other intangible assets | | | | | | | - | - |
| Payments for financial assets | | | | | | | - | - |
| Total | 194 158 | - | - | 1 000 | 8 000 | (7 969) | 1 031 | 195 189 |
| Amount to be voted | | | | | | | | 1 031 |

Virement – Programme 2: Institutional Development: R1 million

The following movements, which have a net effect of R1 million on Programme 2, were undertaken:

- R1 million was moved from *Goods and services* in Programme 1 against Financial Management to the same category in the Strategic Human Resources sub-programme to cater for the implementation of departmental employee health and wellness initiatives.
- In addition to the above, the following virements were undertaken within Programme 2 and across economic categories and, are therefore not visible in the table.
 - o R1 million was deducted from Legal Service to cater for the following:
 - R472 000 was moved within *Compensation of employees* to the Strategic Human Resource Management to cater for new appointments.
 - R528 000 was moved within *Goods and services* to Communication Services for the increase in advertising and marketing costs.

All virements undertaken are permissible in terms of the PFMA and Treasury Regulations and, where applicable, were approved by Treasury.

Shifts – Programme 2: Institutional Development: R8 million

The department undertook one shift of R8 million from *Compensation of employees* in Programme 3 to the Strategic Human Resources sub-programme in Programme 2 against *Transfers and subsidies to: Households* to cater for the Provincial Bursary Programme for external bursaries. This was a result of reprioritisation of the Youth Ambassador funds in Programme 2, as the contracts of the youth

ambassadors were not renewed. These funds were specifically and exclusively appropriated and Treasury gave in-principle support of this movement, as the funds will continue to support youth empowerment projects.

Other adjustments – Programme 2: Institutional Development: (R7.969 million)

- In respect of other adjustments, Programme 2 was reduced by a net amount of R7.969 million due to the following:
 - R6.377 million in respect of DARD, who reported that they had erred when initially submitting the centralisation of communications budget. As such, OTP's budget was reduced by R6.377 million under *Goods and services* in the Communications sub-programme for re-allocation back to DARD.
 - R1.823 million in respect of DARD, who reported that they had erred when initially submitting the centralisation of external bursaries budget. As such, OTP's budget is being reduced by R1.823 million from *Transfers and subsidies to: Households* in the Strategic Human Resources sub-programme for re-allocation back to DARD.
 - This was offset by an increase of R231 000 suspended from the Department of Social Development (DSD), which also inadvertently gave less than required when figures were submitted in respect of the centralisation of funds for the external bursaries. These funds are allocated to Programme 2 under Strategic Human Resources against *Transfers and subsidies to: Households*.

Service delivery measures – Programme 2: Institutional Development

Table 1.8 reflects the service delivery information for Programme 2 as per the 2014/15 APP of the OTP as well as the actual achievements for the first six months of the year. The non financial information currently reflected in the 2014/15 EPRE does not correspond to the department's 2014/15 APP, due to it being an election year and amendments were therefore made to the APP and only tabled in August 2014, while the EPRE had already been printed and tabled for 2014/15. The service delivery outputs, performance indicators and targets changed significantly from when the 2014/15 EPRE was tabled, hence the non population of the original targets.

Table 1.8 Service delivery measures – Programme 2: Institutional Development

| Outputs | Performance indicators | Performance targets | | |
|---|---|-------------------------|-------------------------|------------------------|
| | | 2014/15 Original target | 2014/15 Mid-year actual | 2014/15 Revised target |
| 1. Strategic Human Resource Management | | | | |
| 1.1 Effective and efficient technical human resource management policy support services | • No. of quarterly reports on the technical support services provided to all HR units in the provincial government of KZN on policy development | | 2 | 4 |
| 1.2 Qualified, competent and dedicated HR practitioners | • No. of strategic Human Resource Forums held • No. of HR practitioners trained/capacitated | | 19 1 687 | 32 1 980 |
| 1.3 Fully legally compliant HRM practice in all provincial government departments | • No. of Human Resource compliance reports submitted to G&A & COHOD | | 15 | 35 |
| 1.4 Effective and efficient data management and reporting | • No. of PERSAL technical reports | | 90 | 180 |
| 1.5 Structured skills development programme for the public service | • No. of public servants trained | | 3 342 | 7 000 |
| 1.6 Co-ordinated and integrated Human Resource Development aligned with provincial skills set needs | • No. of KZN HRD strategy implementation reports • No. of districts/metro skills development plans developed based on the KZN HRD strategy | | 1 - | 4 11 |
| 1.7 Functional HRD Council | • No. of HRD Council meetings | | 1 | 3 |
| 1.8 Appropriate youth skills development and lifelong learning programmes | • No. of provincial Integrated Youth Development Co-ordination forum meetings • No. of AET forum meetings | | 2 2 | 4 4 |

Table 1.8 Service delivery measures – Programme 2: Institutional Development

| Outputs | Performance indicators | Performance targets | | |
|---|---|--|-------------------------|-----------------------------|
| | | 2014/15 Original target | 2014/15 Mid-year actual | 2014/15 Revised target |
| 2. Provincial Information Technology | | | | |
| 2.1 | A functional provincial govt. IT Officers Council (PGITOC) | • No. of PGITOC meetings per year | 2 | 4 |
| 2.2 | Effective and efficient provincial govt. information and communication technology support service | • No. of quarterly IT progress reports to MANCO | 1 | 4 |
| 3. Legal Services | | | | |
| 3.1 | Appropriate provincial legislation | • No. of provincial laws, (Bills, Regulations and Proclamation) certified | 7 | 10 |
| 3.2 | Provincial legislative programme monitoring and co-ordination reports to the Provincial Executive | • No. of quarterly reports on provincial legislative programme submitted within 15 days of end of each quarter | 3 | 4 |
| 3.3 | Fully functional KZN Public Sector Lawyers' Forum (KZN PSLF) | <ul style="list-style-type: none"> • No. of ordinary meetings on the KZN PSLF held • (%) of provincial depts represented by their respective legal service components • (%) of legal service components of all provincial depts. reporting monthly to the Chief Directorate SLAS in the OTP by the 7th of the following month in accordance with the approved reporting template | 3 50% 64.29% | 4 75% 75% |
| 4. Provincial Government Communication | | | | |
| 4.1 | Effective and efficient media liaison and public relations services to the Premier | • No. of media engagements facilitated for the Premier | 47 | 50 |
| 4.2 | Effective govt. communications forums | <ul style="list-style-type: none"> • No. of govt. communication forum meetings (provincial) • No. of govt. communication forum meetings (Municipal) | 4 - | 4 provincial 4 municipal |
| 4.3 | Distinctive branding and corporate identity | • No. of external magazines | 16 | 12 |
| 4.4 | Improved Internal communication | • No. of internal magazines | 3 | 12 |

4.3 Programme 3: Policy and Governance

Programme 3's purpose is to initiate province-wide development and implementation of policies and strategies to achieve a co-ordinated approach towards sustainable provincial growth and development.

Tables 1.9 and 1.10 below reflect a summary of the 2014/15 adjusted appropriation of Programme 3, summarised according to sub-programme and economic classification.

Details of the main adjustments, which resulted in an overall decrease of R6.138 million, are given in the paragraphs below the tables.

Table 1.9: Programme 3: Policy and Governance

| R thousand | Main appropriation | Adjustments appropriation | | | | Total adjustments appropriation | Adjusted appropriation |
|-------------------------------|--------------------|---------------------------|---------------------------|-----------------|----------------|---------------------------------|------------------------|
| | | Roll-overs | Unforeseeable/unavoidable | Virement | Shifts | | |
| Special Programmes | 40 686 | | | (5 700) | (2 100) | (7 800) | 32 886 |
| Intergovernmental Relations | 10 936 | 10 000 | | | | 10 000 | 20 936 |
| Provincial Policy Management | 57 588 | | | (23 500) | 2 100 | (21 400) | 36 188 |
| Premier's Priority Programmes | 120 230 | | | (6 286) | (8 000) | (2 900) | 103 044 |
| Heritage | 67 571 | | | 22 886 | | 7 362 | 97 919 |
| Total | 297 011 | 10 000 | - | (12 600) | (8 000) | 4 462 | 290 873 |
| Amount to be voted | | | | | | | (6 138) |

Table 1.10: Summary by economic classification

| R thousand | Main appropriation | Adjustments appropriation | | | | | Total adjustments appropriation | Adjusted appropriation |
|---|--------------------|---------------------------|-------------|-----------------|----------------|-------------------|---------------------------------|------------------------|
| | | Unforeseeable/ | | Virement | Shifts | Other adjustments | | |
| | | Roll-overs | unavoidable | | | | | |
| Current payments | 259 647 | 10 000 | - | (16 184) | (8 000) | (2 900) | (17 084) | 242 563 |
| Compensation of employees | 96 414 | | | (35 219) | (8 000) | | (43 219) | 53 195 |
| Goods and services | 163 233 | 10 000 | | 19 035 | | (2 900) | 26 135 | 189 368 |
| Interest and rent on land | | | | | | | - | - |
| Transfers and subsidies to: | 32 013 | - | - | 1 | - | 7 362 | 7 363 | 39 376 |
| Departmental agencies and accounts | 32 013 | | | | | 3 136 | 3 136 | 35 149 |
| Higher education institutions | | | | | | | - | - |
| Foreign governments and international organisations | | | | | | | - | - |
| Public corporations and private enterprises | | | | | | | - | - |
| Non-profit institutions | | | | | | 4 226 | 4 226 | 4 226 |
| Households | | | | 1 | | | 1 | 1 |
| Payments for capital assets | 5 351 | - | - | 3 583 | - | - | 3 583 | 8 934 |
| Machinery and equipment | 291 | | | 583 | | | 583 | 874 |
| Heritage assets | 5 000 | | | 3 000 | | | 3 000 | 8 000 |
| Specialised military assets | | | | | | | - | - |
| Biological assets | | | | | | | - | - |
| Land and subsoil assets | | | | | | | - | - |
| Software and other intangible assets | 60 | | | | | | - | 60 |
| Payments for financial assets | | | | | | | - | - |
| Total | 297 011 | 10 000 | - | (12 600) | (8 000) | 4 462 | (6 138) | 290 873 |
| Amount to be voted | | | | | | | | (6 138) |

Roll-overs – Programme 3: Policy and Governance: R10 million

An amount of R10 million was rolled over from 2013/14 for the Africa Expansion Summit. Funds were received during the 2013/14 Adjustments Estimate and could not be spent due to the limited time to plan and host an event of that magnitude during 2013/14. These funds have been allocated against *Goods and services* in the Intergovernmental Relations sub-programme and this event is now scheduled to take place in November 2014.

Virement – Programme 3: Policy and Governance: (R12.600 million)

The department undertook virements within and from Programme 3, which resulted in a net decrease of R12.600 million in the adjusted appropriation as follows:

- R23.500 million was moved from *Goods and services* in the Provincial Policy Management sub-programme to the same category in the sub-programmes Premier's Priority Programmes and Heritage within Programme 3, as well as to Programme 1 as follows:
 - R7 million was allocated to the Premier's Priority sub-programme for the Presidential *Imbizo*, Dukuduku on-site resettlement project, aimed at resolving the conflict between development and nature conservation interests, and to the Inkululeko project which is aimed at improving the lives of rural impoverished communities. Funds were also moved to cover the costs of the official funeral of Senzo Meyiwa, an iconic Bafana Bafana and Orlando Pirates soccer captain.
 - R3.900 million was moved to the Heritage sub-programme to cover the balance of the roll-over of funds that were not approved in terms of the St Helena's Prisoners of War (R900 000) and R3 million to *Heritage assets* for commitments relating to the Isandlwana and Heroes Acre projects from 2013/14 for which no roll-over was received.
 - R4.800 million was allocated to Programme 1 to the Premier Support sub-programme to cover shortfalls in respect of the Zimele Developing Community Self-Reliance project, as well as additional operational costs due to new appointments.
 - R4 million was moved to Programme 1 to the Financial Management sub-programme to cover the enhancement and training of the SCM procurement system.
 - R3.800 million was allocated to Programme 1 to the Director-General sub-programme for security equipment and access control upgrades, as well as the installation of vehicle trackers.
- R5.700 million was moved within Programme 3 from *Goods and services* in the Special

Programmes sub-programme to the same category in the Premier's Priority Programmes sub-programme to cater for the establishment of the Climate Change Council (R1 million) and for the KZN/Mpumalanga project, which is aimed at improving living conditions of people living along the borders between Mpumalanga and KwaZulu-Natal, their living conditions and accessibility and utilisation of government services (R3.700 million). An amount of R1 million was also moved in respect of the St Helena's Prisoners of War against the Heritage sub-programme to provide for commitments from 2013/14, as previously mentioned.

- It must be noted that the department requested permission to divert the youth ambassador funds of R35.219 million from *Compensation of employees* to other spending pressures and these were allocated as follows:
 - R10.186 million was allocated to *Goods and services* to cover the 20 years of democracy event against the Heritage sub-programme. While the event cost R17.986 million to host, R7.800 million of this was funded from provincial cash resources, as discussed under *Other adjustments* below.
 - R7.800 million was realised in an extensive budget review and identified to be shifted from Vote 1 to Vote 10 to assist the latter department to offset spending pressures related to its infrastructure projects.
 - R16.732 million was transferred to the Premier's Priority Programmes sub-programme to cover projects such as the Inkululeko Development project, Dukuduku event, the African Peer Review Mechanism, the Premier's *Imbizo*, Diakonia Council of Churches, the KZN/Mpumalanga project and the Poverty and Makhathini Laboratories.
 - R1 000 was moved to *Transfers and subsidies to: Households* for leave gratuity benefits due to service terminations as a result of staff exits from retirements, resignations and natural attrition.
 - R500 000 was moved to *Machinery and equipment* within Programme 3 for purchase of office equipment and furniture for the establishment of the Youth Chief Directorate.

In addition to the above, the department undertook virements across economic categories within the programme. All virements undertaken are permissible in terms of the PFMA and Treasury Regulations, and where applicable, were approved by Treasury, apart from the reduction in specifically and exclusively appropriated funds in respect of the change in purpose of the youth ambassador funds, which require Legislature approval.

Shifts – Programme 3: Policy and Governance: (R8 million)

The following shifts were undertaken decreasing the allocation of Programme 3:

- The department undertook one shift of R8 million from *Compensation of employees* in Programme 3 to Programme 2, *Transfers and subsidies to: Households* to cater for the Provincial Bursary Programme. This was the result of the reprioritisation of the youth ambassador funds in Programme 2. Treasury approval was given in this regard as the funds will still be used for the empowerment of the youth.

The following shifts were undertaken within Programme 3, but they did not affect the net shift of funds for the programme:

- R2.100 million was shifted from the Special Programmes sub-programme to Provincial Policy Management due to a restructuring of the financial structure for the expenses related to the Programme Manager for Programme 3.

Other adjustments – Programme 3: Policy and Governance: R4.462 million

In respect of other adjustments, Programme 3 was increased by a net amount of R4.462 million due to the following:

- An amount of R18.462 million was received as additional funding for the following:
 - R11.100 was received from the Strategic Cabinet Initiatives fund as follows:
 - R5 million was received for the Crown Gospel Music Awards ceremony to acknowledge local talent. These funds are allocated to the Premier's Priority Programmes sub-programme against *Goods and services*.
 - R6.100 million was received for the Music Unites and Have We Been Heard initiatives. These funds are allocated to the Premier's Priority Programmes sub-programme against *Goods and services*.
 - R3.136 million was allocated for transfer to the public entity Amafa. This amount relates to surplus funds from 2012/13 which Amafa surrendered to the Provincial Revenue Fund, with the understanding that these funds would be allocated back to them in 2014/15 to roll-out new projects. These funds were allocated to the Heritage sub-programme against *Transfers and subsidies to: Departmental agencies and accounts*.
 - R4.226 million was allocated towards the province's contribution to the construction of the Denis Hurley Centre, in Durban, as mentioned previously. These funds were allocated to the Heritage sub-programme against *Transfers and subsidies to: Non-profit institutions*.
 - R7.800 million for the 20 years of democracy celebrations held on the 27th of April 2014. This was allocated to *Goods and services* in Programme 3 against the Heritage sub-programme.
- Off-setting this increase was a reduction of the following:
 - R14 million, which was specifically and exclusively appropriated for the equipping of war rooms but will not be utilised in 2014/15 due to a review by Information Technology of software requirements. The funds were therefore surrendered and will be allocated back to the department in 2015/16.
 - R7.800 million was deducted from Programme 3, against *Goods and services*. In this regard, the OTP undertook an extensive budget review and identified this amount to be shifted from Vote 1 to Vote 10 to assist the latter to offset spending pressures related to its infrastructure projects. In this regard, funds were reprioritised from the youth ambassador funds, as previously mentioned.

Service delivery measures – Programme 3: Policy and Governance

Table 1.11 reflects the service delivery information for Programme 3 as per the 2014/15 APP of OTP as well as the actual achievements for the first six months of the year. The non financial information currently reflected in the 2014/15 EPRE does not correspond to the department's 2014/15 APP, due it being an election year and amendments were therefore made to the APP and only tabled in August 2014, while the EPRE had already been printed and tabled for 2014/15. The service delivery outputs, performance indicators and targets changed significantly from when the 2014/15 EPRE was tabled, hence the non population of the original targets.

Table 1.11: Service delivery measures – Programme 3: Policy and Governance

| Outputs | Performance indicators | Performance targets | | |
|---|---|-------------------------------|-------------------------------|------------------------------|
| | | 2014/15 Original target | 2014/15 Mid-year actual | 2014/15 Revised target |
| 1. Special Programmes | | | | |
| 1.1 Mainstream, instil and monitor a culture of human rights (women, children, persons with disabilities and senior citizens in the province) | • No. of capacity building workshops for govt. depts and communities on all vulnerable groups | | 39 | 80 |
| 1.2 Effective implementation of programmes for vulnerable groups (for gender equality, disability, women, children and senior citizens) | • A strategic plan for each target group: gender equality, disability, women, children; and senior citizens | | 4 | 1 each |
| | • An annual performance plan for each target group: gender equality, disability, women, children; and senior citizens | | 4 | 1 each |
| 1.3 Functional and co-ordinated human rights forums and local points for women, children, persons with disabilities and senior citizens | • No. of provincial forum meetings: gender equality, disability, women, children; and senior citizens | | 12 | 4 each |

Table 1.11: Service delivery measures – Programme 3: Policy and Governance

| Outputs | Performance indicators | Performance targets | | |
|---|--|--|----------------------------------|--|
| | | 2014/15 Original target | 2014/15 Mid-year actual | 2014/15 Revised target |
| 1.4 | Functional Provincial Council on AIDS | | 6 | 3 |
| 1.5 | Co-ordinated monitoring multi-sectorial intervention reports on HIV, AIDS, TB and STI reports | <ul style="list-style-type: none"> No. of PCA resolution reports No. of multi-sectorial intervention reports and co-ordination reports (note reports are done on the preceding year and/or quarter) | 1 2 | 1 annual report 4 quarterly reports |
| 2. Inter-governmental Relations | | | | |
| 2.1 | Promote and strengthen inter-governmental relations for the province | <ul style="list-style-type: none"> No. of consolidated quarterly reports on strategic national engagements facilitated No. of Premier's co-ordinating forum No. of technical Premiers forum No. of COHOD meetings No. of IGR provincial forums | - 1 - 5 - | 4 4 4 8 4 |
| 2.2 | Strengthening global position of the province | <ul style="list-style-type: none"> No. of twinning agreements reviewed No. of quarterly reports on ROUs concluded | - 2 | 2 4 |
| 2.3 | Improved protocol co-ordination at provincial engagements | <ul style="list-style-type: none"> No. of events requiring protocol services co-ordinated and supported | 35 | 6 |
| 3. Provincial Policy Management | | | | |
| 3.1 | Appropriate and aligned provincial public policies | <ul style="list-style-type: none"> No. of policy audit reports No. of governance seminars | 1 2 | 2 1 governance seminar |
| 3.2 | Co-ordinated and improved Citizen Satisfaction Survey bi-annually | <ul style="list-style-type: none"> Citizen Satisfaction Survey findings report | 2 | Revised terms of reference and scope |
| 3.3 | Improved policy co-ordination through a functional inter-departmental policy forum | <ul style="list-style-type: none"> No. of Inter-departmental policy forum co-ordination forum meetings | 2 | 4 |
| 3.4 | Improved research co-ordination through a functional research forum | <ul style="list-style-type: none"> No. of research forum co-ordination meetings | 2 | 4 |
| 3.5 | Appropriate and aligned strategic plans | <ul style="list-style-type: none"> No. of APP and strategic plans reviewed No. of provincial strategic planning alignment assessment reports No. of strategic planning forum meetings | 1 st Drafts 1 2 | 1 APP and 1 SP reviewed for OTP p.a. Assessment reports submitted to depts finalised within 14 days of receipt 4 |
| 3.6 | Professional/technical secretarial and administrative support services to the Provincial Planning Commission (PPC) | <ul style="list-style-type: none"> No. of PPC meetings supported | 6 | Provide professional secretarial and administrative services to 10 meetings of PPC |
| 3.7 | Consultative engagement with key govt., private sector and civil society organisations | <ul style="list-style-type: none"> No. of consultations with stakeholders | 12 | 24 consultative meetings with stakeholders facilitated by the planning secretariat |
| 3.8 | PGDP review report and update | <ul style="list-style-type: none"> No. of PGDP review reports | 2 | No. of PGDP review reports |
| 3.9 | Fully functional automated monitoring and evaluation provincial govt. reporting system (Nerve Centre) | <ul style="list-style-type: none"> No. of quarterly monitoring reports on the status of the Nerve Centre | 1 | 4 |
| 3.10 | Effective and efficient monitoring of provincial performance assessments | <ul style="list-style-type: none"> No. of consolidated MPAT improvement reports tabled at the Governance and Admin Cluster by 31 March No. of PGDP and consolidated action workgroup reports No. of Front Line Service Delivery reports (FLSD) No. of MTSF progress overview reports 1 departmental annual report completed by June each year | 1 2 2 2 1 | 4 4 4 4 1 |
| 3.11 | Building a M&E community of practice | <ul style="list-style-type: none"> No. of M&E co-ordination forum meetings | 2 | 4 |
| 4. Premier's Priority Programmes | | | | |
| 4.1 | Effective and efficient stakeholder management | <ul style="list-style-type: none"> No. of stakeholder forum meetings No. of quarterly reports on social networking | 2 1 | 4 4 |

Table 1.11: Service delivery measures – Programme 3: Policy and Governance

| Outputs | Performance indicators | Performance targets | | |
|---------|---|-------------------------|-------------------------|------------------------|
| | | 2014/15 Original target | 2014/15 Mid-year actual | 2014/15 Revised target |
| 4.2 | Strengthen strategic partnerships | | 2 | 4 |
| | <ul style="list-style-type: none"> No. of forum meetings with each sector No. of workshops of stakeholders on PGDP Vision 2030 | | - | 4 |
| 4.3 | Improve service delivery | | 2 | 4 |
| | <ul style="list-style-type: none"> No. of quarterly monitoring reports on existing and new service delivery improvement plans (SDIP) by govt. depts and municipalities by May 2015 No. of provincial Batho Pele forum meetings (municipal and departmental) No. of quarterly reports on level of compliance with Batho Pele principles as reflected in the quarterly reports | | 2 | 6 |
| 4.4 | Youth development and empowerment | | 2 | 4 |
| | <ul style="list-style-type: none"> No. of co-ordination reports on all projects for youth establishment and supported | | 2 | 4 |
| 4.5 | Effective and efficient community outreach programmes, structures and systems at provincial, district local and ward level | | 2 | 4 |
| | <ul style="list-style-type: none"> No. of quarterly monitoring reports on district and ward task teams (OSS and national War on Poverty) No. of quarterly report on household profiling process and impact of service interventions No. of co-ordinated strategic outreaches (<i>Izimbizos</i>) annually No. of quarterly monitoring and co-ordination reports on the ex-combatants skills development programme No. of quarterly reports on moral regeneration programmes No. of annual reports on African Peer Review (APR) No. of annual reports on African Renaissance | | 2 | 4 |
| 4.6 | Provincial monitoring, strategic support and systems for integrated service delivery (OSS) | | 2 | 4 |
| 4.7 | Effective poverty eradication package | | 3 | 4 |
| 4.8 | Functional KZN CC & SD Council and working groups | | - | 2 |
| | <ul style="list-style-type: none"> No. of KZN CC & SD Council meetings supported No. of 6-monthly progress reports per year detailing the implementation of the Council Business Plans (1 mid-year, 1 annual report) | | - | 2 |
| 4.9 | Monitoring the KwaZulu-Natal Climate Change and Sustainable Development Response Strategy and Action Plan | | 3 | 4 |
| 5. | Heritage | | | |
| 5.1 | To co-ordinate the management, promotion and protection of heritage resources of KwaZulu-Natal and report monthly and quarterly | | 6 | 12 |
| | <ul style="list-style-type: none"> No. of heritage events to profile heritage resources No. of Heritage district co-ordination forum meetings | | - | 2 |
| 5.2 | Heritage memory infrastructure developed | | 2 | 6 |
| | <ul style="list-style-type: none"> No. of memorial/monuments to be erected No. of tombstones to be erected | | 4 | 18 |
| 5.3 | Priority strategic heritage projects implemented | | 3 | 7 |
| 5.4 | Monitoring reports of Amafa Council performance | | 1 | 4 |

5. Gifts, donations and sponsorships

The department is not envisaging any gifts, donations and sponsorships in excess of R100 000 during the current financial year.

6. Infrastructure

Table 1.12 below reflect a summary of the 2014/15 infrastructure payments by category. There were no adjustments made to the infrastructure payments.

Table 1.12: Summary of infrastructure payments by category

| R thousand | Main appropriation | Adjustments appropriation | | | | | Total adjustments appropriation | Adjusted appropriation |
|---|--------------------|---------------------------|---------------------------|----------|--------|-------------------|---------------------------------|------------------------|
| | | Roll-overs | Unforeseeable/unavoidable | Virement | Shifts | Other adjustments | | |
| Existing infrastructure assets | 1 400 | - | - | - | - | - | - | 1 400 |
| Maintenance and repair: Current | 1 400 | | | | | | - | 1 400 |
| Upgrades and additions: Capital | | | | | | | - | - |
| Refurbishment and rehabilitation: Capital | | | | | | | - | - |
| New infrastructure assets: Capital | 15 697 | | | | | | - | 15 697 |
| Infrastructure transfers | - | - | - | - | - | - | - | - |
| Infrastructure transfers: Capital | | | | | | | - | - |
| Infrastructure transfers: Current | | | | | | | - | - |
| Capital infrastructure | 15 697 | - | - | - | - | - | - | 15 697 |
| Current infrastructure | 1 400 | - | - | - | - | - | - | 1 400 |
| Total | 17 097 | - | - | - | - | - | - | 17 097 |
| Amount to be voted | | | | | | | | - |

7. Conditional grants

The department receives no national conditional grants.

8. Transfers and subsidies

Table 1.13 indicates *Transfers and subsidies* per programme. Details of the main adjustments, which resulted in an overall increase of R14.775 million, are given in the paragraphs below the table.

Table 1.13: Summary of transfers and subsidies by programme and main category

| R thousand | Main appropriation | Adjustments appropriation | | | | | Total adjustments appropriation | Adjusted appropriation |
|--|--------------------|---------------------------|---------------------------|----------|--------|-------------------|---------------------------------|------------------------|
| | | Roll-overs | Unforeseeable/unavoidable | Virement | Shifts | Other adjustments | | |
| 1. Administration | 1 333 | - | - | 371 | - | - | 371 | 1 704 |
| Provinces and municipalities | 13 | - | - | 26 | - | - | 26 | 39 |
| Motor vehicle licences | 13 | | | 26 | | | 26 | 39 |
| Households | 1 320 | - | - | 345 | - | - | 345 | 1 665 |
| Social benefit - Post retirement, leave gratuities | 1 320 | | | 345 | | | 345 | 1 665 |
| 2. Institutional Development | 20 650 | - | - | 633 | 8 000 | (1 592) | 7 041 | 27 691 |
| Households | 20 650 | - | - | 633 | 8 000 | (1 592) | 7 041 | 27 691 |
| Social benefits - Leave gratuities | 3 | | | 633 | | | 633 | 636 |
| Provincial bursary programme | 20 647 | | | | 8 000 | (1 592) | 6 408 | 27 055 |
| 3. Policy and Governance | 32 013 | - | - | 1 | - | 7 362 | 7 363 | 39 376 |
| Departmental agencies and accounts | 32 013 | - | - | - | - | 3 136 | 3 136 | 35 149 |
| Amafa aKwaZulu-Natali | 32 013 | | | | | 3 136 | 3 136 | 35 149 |
| Non-profit institutions | - | - | - | - | - | 4 226 | 4 226 | 4 226 |
| Denis Hurley Centre | | | | | | 4 226 | 4 226 | 4 226 |
| Households | - | - | - | 1 | - | - | 1 | 1 |
| Social benefits - Leave gratuities | | | | 1 | | | 1 | 1 |
| Total | 53 996 | - | - | 1 005 | 8 000 | 5 770 | 14 775 | 68 771 |
| Amount to be voted | | | | | | | | 14 775 |

- *Virement*: R1.005 million was identified from *Compensation employees* to fund the following:
 - R26 000 to *Provinces and municipalities* in Programme 1 for motor vehicle licences due to additional vehicles that were received in April 2014.
 - R345 000 to *Households* in Programme 1, R633 000 in Programme 2 and R1 000 in Programme 3 to provide for unanticipated staff exit costs.
- *Shifts*: An amount of R8 million was reprioritised from the youth ambassador budget and shifted to Programme 2 for the Provincial Bursary Programme for external bursaries.
- *Other adjustments*: The following *Other adjustments* resulting in a net increase of R5.770 million, were undertaken against *Transfers and subsidies*:
 - A amount of R1.592 million was deducted from Programme 2 against *Households* in respect of the Provincial Bursary Programme as follows:

- R1.823 million was deducted from *Households* against the Provincial Bursary Programme in respect of DARD, who reported that they had erred when initially submitting the centralisation of external bursaries budget. As such, OTP's budget is being reduced by R1.823 million for re-allocation back to DARD.
- This was offset by an increase of R231 000 suspended from DSD, which also inadvertently gave less than required when figures were submitted in respect of the centralisation of funds for the external bursaries. These funds were therefore allocated to the department.
- o An additional R7.362 million was allocated to Programme 3 as transfers for the following:
 - R3.136 million was allocated to *Departmental agencies and accounts* for transfer to Amafa. This amount relates to surplus funds from 2012/13 which Amafa surrendered to the Provincial Revenue Fund, with the understanding that these funds would be allocated back to them in 2014/15 to roll-out new projects.
 - R4.226 million was allocated to *Non-profit institutions* as the province's contribution to the construction of the Denis Hurley Centre, in Durban. The facility will include a primary health care clinic and TB screening, job readiness and skills training. The centre will assist the homeless, unemployed, refugees and will provide rehabilitation for substance abusers.

9. Transfers to local government

OTP made no changes to transfer payments to local government. It is noted that an amount of R39 000 is reflected against *Transfers and subsidies to: Provinces and municipalities* in Table 1.2 above. This relates to the payment of motor vehicle licences. As this amount will not be transferred to any municipality, the table reflecting transfers to local government is excluded.

10. Actual payments and revised spending projections for the rest of 2014/15

Tables 1.14 and 1.15 reflect actual payments as at the end of September 2014, projected payments for the rest of the financial year in rand value and as a percentage of the adjusted appropriation per programme and economic classification, and the total revised spending. The tables also show the 2013/14 audited outcome.

The department spent 39.6 per cent of its annual budget after the first six months, which is far lower than the straight-line benchmark of 50 per cent, largely as a result of the following:

- Cost-containment, particularly with regard to travel and subsistence costs.
- The non-renewal of the youth ambassador contracts due to a revisit of the youth development initiatives and to reprioritise funds towards initiatives emanating from the Youth Summit, as well as to address unfunded mandates such as the 20 Years of Democracy event, the Presidential *Imbizo* and the Provincial Bursary Programme.
- Operation *Sukuma Sakhe*, whose low rate of spending is attributed to the service provider's contract that ended during 2013/14 that was not renewed due to a review undertaken by Information Technology in line with new technological developments.
- Heritage projects such as the Indian indentured labourers, as well as the Isandlwana and Heroes Acres projects that will occur in the latter part of 2014/15 due to the liaison of various stakeholders in terms of the finalisation of the location and design of the various monuments that have to be erected.
- The Nerve Centre was subjected to a functional assessment during June 2014 to September 2014. As a result of the recommendations for system integration and rationalisation, the software licences were not renewed and professional services were also limited, resulting in under-spending.
- No maintenance expenditure on the Training Academy due to the agreement that the department must not incur spending on the Training Academy since the facility was claimed back by the Department of Education in 2012/13. Instead, the funds given to the department in this regard should be utilised on the new premises when the construction of the new training academy commence.

Table 1.14: Actual payments and revised spending projections by programme

| R thousand | 2013/14 Audited outcome | Adjusted appropriation | Actual payments | | Projected payments | | Projected actual |
|------------------------------|-------------------------|------------------------|----------------------------|-------------|--------------------------|-------------|------------------|
| | | | April '14 - September 2014 | % of budget | October '14 - March 2015 | % of budget | |
| 1. Administration | 205 886 | 197 713 | 72 085 | 36.5 | 125 628 | 63.5 | 197 713 |
| 2. Institutional Development | 173 972 | 195 189 | 71 179 | 36.5 | 124 010 | 63.5 | 195 189 |
| 3. Policy and Governance | 382 547 | 290 873 | 127 268 | 43.8 | 163 605 | 56.2 | 290 873 |
| Total | 762 405 | 683 775 | 270 532 | 39.6 | 413 243 | 60.4 | 683 775 |

Table 1.15: Actual payments and revised spending projections by economic classification

| R thousand | 2013/14 Audited outcome | Adjusted appropriation | Actual payments | | Projected payments | | Projected actual |
|---|-------------------------|------------------------|----------------------------|-------------|--------------------------|-------------|------------------|
| | | | April '14 - September 2014 | % of budget | October '14 - March 2015 | % of budget | |
| Current payments | 634 951 | 582 796 | 242 671 | 41.6 | 340 125 | 58.4 | 582 796 |
| Compensation of employees | 208 140 | 196 143 | 90 158 | 46.0 | 105 985 | 54.0 | 196 143 |
| Goods and services | 426 811 | 386 653 | 152 513 | 39.4 | 234 140 | 60.6 | 386 653 |
| Interest and rent on land | - | - | - | - | - | - | - |
| Transfers and subsidies to: | 97 553 | 68 771 | 26 699 | 38.8 | 42 072 | 61.2 | 68 771 |
| Provinces and municipalities | 16 | 39 | 24 | 61.5 | 15 | 38.5 | 39 |
| Departmental agencies and accounts | 70 976 | 35 149 | 17 574 | 50.0 | 17 575 | 50.0 | 35 149 |
| Higher education institutions | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - |
| Non-profit institutions | 4 226 | - | - | - | 4 226 | 100.0 | 4 226 |
| Households | 26 561 | 29 357 | 9 101 | 31.0 | 20 256 | 69.0 | 29 357 |
| Payments for capital assets | 29 901 | 32 208 | 1 162 | 3.6 | 31 046 | 96.4 | 32 208 |
| Buildings and other fixed structures | 8 881 | 15 697 | - | - | 15 697 | 100.0 | 15 697 |
| Machinery and equipment | 12 173 | 8 451 | 682 | 8.1 | 7 769 | 91.9 | 8 451 |
| Heritage assets | 8 815 | 8 000 | 247 | 3.1 | 7 753 | 96.9 | 8 000 |
| Specialised military assets | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - |
| Land and subsoil assets | - | - | - | - | - | - | - |
| Software and other intangible assets | 32 | 60 | 233 | 388.3 | (173) | (288.3) | 60 |
| Total | 762 405 | 683 775 | 270 532 | 39.6 | 413 243 | 60.4 | 683 775 |

The department is reflecting a balanced budget at year-end, after all the above-mentioned virements were undertaken and the roll-overs that were approved.

It is noted that the projected expenditure in the remaining quarters against *Compensation of employees* takes into account that the department is phasing in the filling of posts in terms of the increased organisational structure to avoid over-spending against *Compensation of employees* in 2014/15. Furthermore, it must be noted that the department absorbed the additional spending pressures emanating from the higher than anticipated 2014 wage increment as well as notch progressions emanating from the amendment to the EPMS policy.

The high projections in the remaining quarters against *Goods and services* are attributed to the fact that the bulk of events take place from the second half of the year onward such as the Africa Expansion Summit, Zimele Developing Community Self-Reliance project, security system upgrades, enhancement of the procurement system and the Integrity Management road show campaigns.

With regard to *Payments for capital assets*, the expenditure is anticipated to rise in ensuing quarters as R10 million is anticipated to be spent in the third quarter in respect of the commencement of the construction of the new Training Academy in Westville, where a site has been identified and approved (*Buildings and other fixed structures*). Also anticipated is the expenditure on projects, such as the unveiling of the Bhambatha monument in Greytown and the construction of Magolwana kaMkhathini Jiyane tombstone at Nquthu, which will take place the last two quarters of the year, shown under *Heritage assets*.