

VOTE 6

Provincial Treasury

Operational budget	R 832 448 165
MEC remuneration	R 1 734 835
Total amount to be appropriated	R 834 183 000
Responsible MEC	Ms. C. M. Cronjé, MEC for Finance
Administering department	Provincial Treasury
Accounting officer	Accountant General

1. Overview

Vision

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

Mission statement

The department's mission is: *To ensure equitable resources allocation for the province of KwaZulu-Natal, analyse and monitor government (provincial and local, including their public entities) revenue and expenditure, and instil prudent financial management and good governance.*

Through robust public policy research, the Provincial Treasury will contribute to the realisation of government policy priorities by ensuring that government interventions in the economy are targeted, efficient, sustainable, and empower the people.

Strategic objectives

Strategic policy direction: The Provincial Treasury will ensure a credible distribution of available funds between departments taking cognisance of the demands for social services and the need to stimulate economic development and growth, and will commit to provide ongoing, effective and efficient support services to internal and external clients. The department will analyse and monitor government revenue and expenditure in the provincial and local spheres, including public entities, undertake robust public policy research and instil prudent financial management and good governance.

The department has set the following goals and strategic objectives in order to achieve this:

- To promote sound financial and fiscal management and good governance.
- To place strong emphasis on fighting poverty and creating jobs in partnership with communities through the mobilisation and funding of co-operatives and effective procurement targeting.
- To focus on the enhancement of Broad-Based Black Economic Empowerment (B-BBEE) through effective SCM policies.
- To implement a policy of zero tolerance on fraud and corruption.
- To ensure good financial management with the elimination of over-expenditure and the reduction of roll-overs.
- To target government investment in service delivery.
- To promote sound cash management practices and to improve liquidity in the province.

Core functions

The core functions of the department include the following:

- The mobilisation of funds for the provincial government.
- The allocation of fiscal resources to provincial departments.
- The preparation of annual and MTEF budgets.
- Province-wide cash management.
- Provincial financial management through:
 - Budget monitoring and reporting.
 - Internal audit.
 - Financial accounting.
 - Financial systems maintenance.
- Provision of advice on procurement policies and procedures in provincial government.

Legislative mandate

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

- Access to Information Act (Act No. 2 of 2000)
- Annual Division of Revenue Act
- Government Immovable Asset Management Act (Act No. 19 of 2007)
- Intergovernmental Relations Framework Act (Act No. 13 of 2005)
- Municipal Finance Management Act (Act No. 56 of 2003)
- Preferential Procurement Policy Framework Act (Act No. 5 of 2000) (PPPFA)
- Borrowing Powers of Provincial Governments Act (Act No. 48 of 1996)
- Public Finance Management Act (Act No. 1 of 1999, as amended) and Treasury Regulations
- Provincial Internal Audit Act (Act No. 2 of 2001)
- Provincial Tax Regulation Process Act (Act No. 53 of 2001)
- Public Audit Act (Act No. 25 of 2004)
- The Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996)
- Promotion of Access to Information Act (Act No. 2 of 2000)
- Provincial Appropriation Act

2. Review of the 2013/14 financial year

Section 2 provides a review of 2013/14, outlining the main achievements and progress made by the department, as well as providing a brief discussion on challenges and new developments.

Fiscal Resource Management

Economic Analysis: The unit continued to undertake district municipal profiling. It also provided informative analysis about the provincial Socio-economic Review Outlook (SERO), and contributed to municipalities' Integrated Development Plans (IDPs). It also monitored the economic activity of the various airports, such as Richards Bay, Prince Mangosuthu Buthelezi and Pietermaritzburg, which were all recently upgraded.

Infrastructure: In 2013/14, the unit continued to support departments and municipalities. The implementation of the Infrastructure Development Management System (IDMS) was one of the highlights

of the year. This system seeks to improve infrastructure management and delivery by capacitating the main infrastructure delivery departments – i.e. the Departments of Health, Education, Human Settlements and Public Works. The Infrastructure Crack Team continued to provide support to departments, municipalities and public entities with problematic infrastructure projects.

Public Finance: The spending and service delivery achievements of all departments was monitored and these inputs were used to prepare quarterly budget performance reports, with the close-out and mid-year performance reports being tabled with the Finance Portfolio Committee (FPC). In addition, Cabinet was constantly kept up-to-date on KZN's spending. The 2013/14 *Adjustments Estimate of Provincial Revenue and Expenditure (AEPRE)*, and the Adjusted Appropriation Bill, which is a legislative requirement of the PFMA, were prepared and tabled in the Legislature. The 2014/15 *EPRE* was prepared for tabling on 11 March 2014, as well as the Unauthorised Expenditure Authorisation Act for 2012/13. Key focus was placed on the enhancement of revenue collected from health patient fees, with Treasury working closely with Health in conducting this study. The cost-cutting measures first implemented in 2009/10 were expanded and adherence thereto by departments was monitored.

The Division of Revenue Bill for 2014/15 was reviewed and recommendations were made. Reforms in public entities continued to be implemented, with focus being placed on the listing of provincial public entities, analysis of APPs and reviewing of quarterly performance. A study was also conducted on the remuneration of Boards and CEOs of public entities and presented to Cabinet.

Municipal Finance: The unit identified a need for further support to all delegated municipalities with the preparation of their 2013/14 budgets, for full compliance with the requirements of the Municipal Finance Management Act (MFMA), as well as the Municipal Budget and Reporting Regulations (MBRR). The unit, in conjunction with National Treasury, conducted three Municipal Budget workshops on the preparation of the 2013/14 budgets, focusing on the revenue and expenditure framework, as well as the fundamentals of credible capital and cashflow budgeting. Furthermore, on-site technical support was provided to 42 delegated municipalities to augment the 2013/14 budget preparation process. With the exception of one municipality, the draft budgets of 57 municipalities were assessed and key findings were communicated to these municipalities. Twelve delegated municipalities were requested to appear before the Joint Portfolio Committees of Finance and COGTA, and the unit supported the committee during these engagements. Municipal Finance also prepared monthly reports on the financial performance of the 58 delegated municipalities. In addition, four quarterly reports on the financial performance of all municipalities in KZN were prepared. Through the Municipal Support Programme (MSP), 21 municipalities were assisted in various work streams which included cashflow management, internal control enhancement and VAT reviews.

Financial Management

Financial Assets and Liabilities: A positive cash position was maintained in KZN. Departments were monitored on a daily basis to ensure that funds were available as per the departments' cashflow. Support was provided to departments in respect of banking services and payroll tax, and compliance checks were conducted.

Public Private Partnerships (PPP): The PPP unit continued to render assistance to the two large potential PPP projects (Departments of Health and Education). The unit completed the update of the feasibility study for the government office precinct project, and is busy finalising the financial structuring thereof. The concession contract of the Inkosi Albert Luthuli Central Hospital (IALCH) is nearing its end, with only two years remaining. The PPP unit continued to render assistance to the Department of Health in formulating its exit strategy.

Supply Chain Management: The unit continued to provide support and guidance to municipalities and departments on issues relating to SCM policies and procedures. SCM assessments and follow-ups were undertaken to ensure compliance to SCM prescripts. SCM related training was provided to SCM officials and bid committees at specific municipalities. Intervention and support was provided to six municipalities and specialised resources were deployed to various departments and municipalities when needed, such as the Department of Sport and Recreation and the Umkhanyakude Municipality.

The pilot phase for the contract management project was successfully concluded, with contract registers being developed and populated at six departments and three municipalities. The municipal councils at 48 municipalities resolved to adopt the Municipal Bid Appeals Tribunal (MBAT) as part of their normal processes. Tribunal members were trained accordingly. Already, some municipalities have conducted and concluded appeals using the established Tribunals. A process was started to provide B-BBEE verification (10 500 suppliers have been issued with B-BBEE certificates) to service providers registered on the provincial suppliers database. Small and emerging businesses were targeted for the project. The aim of the project is to improve preferential procurement by government.

Financial Reporting: The unit is currently supporting all departments and public entities on Operation Clean Audit initiatives, with allocations going toward Health, Education and Social Development. The provincial consolidated AFS for the Revenue Fund and provincial departments for 2012/13 was audited and tabled in the Provincial Legislature. The Revenue Fund received a clean audit opinion for the past five financial years. Successful implementation of a software programme named Caseware in eight public entities resulted in the 2012/13 AFS being prepared utilising the software. The implementation of Caseware contributed positively to improving the financial reporting and accounting processes in preparation of the AFS. The unit implemented an internally resourced “Back to Basics” programme in 15 municipalities, which focuses on the quality of routine accounting processes and financial management reconciliations taking place within municipalities. This programme achieved great success, as the majority of the municipalities prepared their AFS internally, with assistance from Financial Reporting officials. The assistance provided to these municipalities contributed positively to maintaining or improving municipalities’ audit opinions for 2012/13.

Norms and Standards: National Treasury requested the unit to assist in the revision and enhancement of its diagnostic compliance tool, the upgraded Financial Management Capability Maturity Model (FMCMM) for provincial departments. Assistance provided included the development of high-level foundation questions and appropriate responses across the financial management sphere. The revised model was piloted in two KZN departments (Treasury and Transport) in 2013/14, prior to its roll-out to all KZN departments in 2014/15.

Support and Interlinked Financial Systems: The Biometric Access Control System has been enhanced to improve security controls for the transversal systems (BAS and PERSAL). The HARDCAT asset management system is also being biometric-enabled and the project is in progress. In order to improve the level of support for transversal systems in general and for the Biometric system in particular, a new structure dedicated to these functions was approved.

Internal Audit

Assurance Services: The unit provided internal audit services to departments and some public entities with specific focus on governance and good audit outcomes. The unit identified critical service delivery projects and undertook performance audits to determine value for money for the resources expended. The unit also assisted clients in achieving and sustaining clean audit outcomes, and embarked on a process to identify, review and recommend corrective action on certain key financial controls as part of their review of the AFS and follow-ups on A-G findings.

The unit continued to review non-financial data as part of its audits on performance information, thereby assisting departments in preparing for the audit by the A-G. The unit performed reviews of IT controls at departments and some public entities in order to assist these institutions in identifying and mitigating significant IT risks. The unit supported the activities of the Provincial Audit and Risk Committee and the Cluster Audit and Risk Committees in executing their oversight responsibilities, as well as in promoting accountability and good governance.

Risk and Advisory Services: The Provincial Risk Management Framework approved by Cabinet was adopted by all departments and is now in the process of implementation, with most departments having appointed their own risk managers. This framework was also customised for municipalities, and was rolled out to all delegated municipalities. In 2012/13 and 2013/14, the unit also embarked on a risk streamlining project. This project involved assisting departments to consolidate and clean-up various pockets of

risk profiles to create one risk register for organisational risks. The focus of this project was on revising and updating risk registers for provincial departments.

Forensic Audit Services: The unit successfully completed 23 investigations in 2012/13, and is on track to achieve its set target of 25 finalised investigations for 2013/14. This was achieved despite the challenges currently faced in terms of a shortage of resources and a high demand for its services, which now include requests from municipalities and public entities. Incidents of fraud and corruption were identified and reported to law enforcement agencies. The unit continued to roll-out some pro-active strategies for combating fraud and corruption, including fraud risk assessments and the review of fraud prevention strategies implemented by departments, public entities and municipalities. At the same time, the unit continued to assist the Office of the Premier (OTP) in strengthening its capacity to deal with fraud and corruption.

3. Outlook for the 2014/15 financial year

Section 3 looks at the key focus areas of 2014/15, outlining what the department is hoping to achieve, as well as briefly looking at the challenges facing the department, and proposed new developments.

Fiscal Resource Management

Economic Analysis: The unit will continue to undertake district municipal profiling. It will also provide informative analysis in respect of SERO, and will contribute to municipalities' IDPs. It will monitor the economic activity of the various airports, such as Margate, Richards Bay, Prince Mangosuthu Buthelezi and Pietermaritzburg, which were all recently upgraded.

Infrastructure: The Infrastructure Crack Team will continue to provide support to departments, municipalities and public entities, with problematic infrastructure projects. Emphasis will also be given on the clarification of roles, responsibilities and strategic decision-making points to ensure that uncertain infrastructure delivery mandates, functions and responsibilities are eliminated. Departments and municipalities will be encouraged to work as partners and relate to each other within the framework of co-operative governance.

Public Finance: Public Finance's functions are largely process driven and governed by various legislative requirements. As such, the work often remains largely unchanged from the previous year in terms of the processes that need to be followed and undertaken. Accordingly, monitoring the spending of departments through the various reporting mechanisms, including the monthly IYM, QPR and quarterly budget performance reports, will continue with the aim of keeping provincial spending within budget. Cabinet will continue to be kept informed of the province's budget performance. The Unauthorised Expenditure Authorisation Bill for 2013/14, the AEPRE for 2014/15 and the EPRE for 2015/16 will be prepared. More emphasis will be placed on the collection of health patient fees to ensure increases in revenue from this source.

National Treasury will be provided with information on the Division of Revenue and Provincial Equitable Share (PES), as well as the conditional grant frameworks. The unit's oversight role and monitoring of the performance of public entities will continue.

Municipal Finance: The unit will provide training and technical support to municipalities to ensure compliance with the MBRR. The 30 MFMA monitoring indicators which measure municipal compliance levels with the provisions and requirements of the MFMA will be rolled out in conjunction with the FCMCM to municipalities in 2014/15. The unit will provide assistance to municipalities to conduct self-assessments by means of the FCMCM tool, which has been developed by National Treasury to assess the financial management maturity of municipalities. The unit will also continue to build capacity, with the intention of increasing support to the municipalities.

The MSP will continue to support municipalities with various work streams, based on the individual needs of each municipality, with an ultimate goal of ensuring that municipalities not only achieve clean audits but that they also deliver services efficiently and effectively.

Financial Management

Financial Assets and Liabilities: The unit will continue to monitor all departmental bank balances on a daily basis to ensure that proper cashflow is being maintained. Excess funds will be invested with the Corporate for Public Deposit (CPD) to obtain maximum interest. A support function for banking and payroll tax matters will continue to be offered to departments.

Public Private Partnerships: The PPP unit will continue to address the lack of capacity in departments and municipalities in identifying and managing PPP projects. The unit also aims to create and improve relationships between various stakeholders in the PPP process in order to promote better PPP deal flow, and to prevent deals taking place that are not considered to be value for money and/or affordable.

Supply Chain Management: The unit will continue to provide hands-on support to departments and municipalities. The contract management project will be expanded to include municipalities where the SCM unit provides support. The support system for MBAT, in particular within Provincial Treasury itself, will be intensified. The support and intervention at certain municipalities will need to be enhanced to ensure the success of the programme. The B-BBEE verification project will be finalised in 2014/15.

Financial Reporting: Regular hands-on engagement and support to departments, public entities and municipalities will continue to be provided with the aim of enhancing their financial accounting and reporting performance, as well as continued staff development and training programmes to develop and retain the requisite financial management skills and expertise. The unit will continue to play a major role in the Operation Clean Audit initiative, by ensuring enhanced financial management in all spheres of government.

Norms and Standards: The unit will endeavour to provide greater financial management and technical support to municipalities, departments and the respective public entities by focussing primarily on the assessment, review and development of critical finance-related policies as outlined in the MFMA and PFMA, respectively.

Support and Interlinked Financial Systems: The biometric enablement of the HARDCAT asset management system is scheduled to be completed by the second quarter of 2014/15. It will provide support to transversal systems in the province.

Internal Audit

Assurance Services: The unit will continue to provide internal audit services to departments and public entities by performing risk based audits, with specific focus on overall good governance. The unit will identify additional critical service delivery projects to determine value for money for the resources expended as part of its focus on performance auditing. It will continue to assist clients in achieving and sustaining clean audit outcomes, with specific direction on common, transversal weaknesses such as SCM and the review of key financial controls. Audit efforts on IT controls will be expanded, as this has been identified as a critical risk area. The unit will also continue to perform governance reviews, as well as support the Audit Committee structures.

Risk and Advisory Services: The unit's main focus will be to ensure that the risk management responsibility is devolved to the respective government institutions in line with the PFMA as prescribed in the Provincial Risk Management Framework. The unit will also be reviewing this framework to ensure that emphasis is put on prescribing minimum risk management standards that each provincial department, public entity and municipality should be complying with.

Forensic Audit Services: The continuation of fraud risk assessments and review of fraud prevention plans, together with access to investigative IT tools, and the development of a consolidated, provincial fraud investigation database that incorporates all fraud investigations conducted in KZN, will assist in achieving efficiencies in the fight against fraud and corruption. The unit will also be capacitating/ strengthening its investigation arm by employing more staff at senior level.

4. Receipts and financing

4.1 Summary of receipts and financing

Table 6.1 below shows the sources of funding for Vote 6 over the seven-year period 2010/11 to 2016/17. The table also compares actual and budgeted receipts against actual and budgeted payments.

Table 6.1 : Summary of receipts and financing

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2010/11	2011/12	2012/13	2013/14			2014/15	2015/16	2016/17
Equitable share	640 637	491 486	528 247	587 252	443 490	443 490	659 630	702 653	732 449
Conditional grants	1 634	-	-	-	-	-	-	-	-
Education and Health Infrastructure grants	1 634	-	-	-	-	-	-	-	-
Total receipts	642 271	491 486	528 247	587 252	443 490	443 490	659 630	702 653	732 449
Total payments	388 936	390 325	518 340	684 929	653 971	637 693	834 183	758 215	759 449
Surplus/(Deficit) before financing	253 335	101 161	9 907	(97 677)	(210 481)	(194 203)	(174 553)	(55 562)	(27 000)
Financing									
of which									
Provincial roll-overs	-	18 538	40 926	-	34 004	34 004	-	-	-
Provincial cash resources	50 229	-	44 062	97 677	176 477	176 477	174 553	55 562	27 000
Surplus/(Deficit) after financing	303 564	119 699	94 895	-	-	16 278	-	-	-

The department receives only a provincial allocation from 2011/12. The 2010/11 conditional grant amount was a once-off adjustment relating to the Education and Health Infrastructure grants. An amount of R1.634 million was suspended from Vote 5: Education and Vote 7: Health, being a portion of the Education and Health Infrastructure grants for IDIP.

In 2010/11, R40 million of the R50.229 million against provincial cash resources was additional funding allocated toward the development of the Pietermaritzburg airport. The balance of R10.229 million was allocated in respect of the prescribed local government levy, which has since been discontinued, paid over to municipalities from casino taxes collected by the Gambling Board and paid over to the Provincial Revenue Fund. The 2010/11 surplus of R303.564 million related mainly to savings realised in respect of overdraft interest charges, as well as under-spending on the construction of the Pietermaritzburg airport due to adverse weather conditions. Funds not spent in respect of the construction of the airport were rolled over to 2011/12, as explained below.

The provincial allocation decreased in 2011/12 due to the suspension of R45 million from the interest on the overdraft provision to Vote 5: Education to assist Section 21 schools in paying municipal arrears. The decrease is also attributed to a drop in the interest on the overdraft provision due to the bank balance remaining positive since May 2010. An amount of R18.538 million was rolled over from 2010/11 in respect of the development of the Pietermaritzburg airport.

The department ended 2011/12 with a surplus of R119.699 million. This was mostly in respect of savings on the overdraft interest provision, following the improvement in the funds available in the IGCC account, due to the effective implementation of cost-cutting measures by the province.

The amount of R40.926 million against provincial roll-overs in 2012/13 is in respect of roll-overs from the previous financial year as follows:

- R16.760 million for the Pietermaritzburg airport, and R7.041 million for the Richards Bay airport.
- R3.904 million in respect of the Infrastructure Crack Team.
- R2.659 million for the purchasing of a server refresher for the computer network system.
- R10.562 million for consultants' fees in respect of Risk Management facilitation workshops and training, forensic investigations, conducting IT risk assessments on the BAS system and the development of the Business Continuity Plan (BCP) and Disaster Recovery Plan (DRP) guidelines.

The amount of R44.062 million against provincial cash resources is made up as follows:

- R20 million in respect of the Pietermaritzburg airport.

- R4 million toward the Thuthuka Bursary Fund.
- R10 million for the Infrastructure Crack Team, to enable it to reach and assist more departments (currently the team is assisting Health, Education, and Human Settlements), and to allow Provincial Treasury to assist various municipalities in unblocking blocked infrastructure projects.
- R2.062 million for the Shayamoya eco-complex, which is a cultural complex and community park in Kokstad, which aims to make East Griqualand a more attractive tourist destination.
- R8 million for the development of a light industrial park at Bhongweni in the Greater Kokstad Municipality. This project aims to develop the infrastructure and institutional arrangements and operationalise a light industrial park that will operate as a small business incubator to attract, train, mentor and assist in the development of skilled artisans.

The department ended 2012/13 with a surplus of R94.895 million. The under-spending was mainly due to the non-filling of posts resulting from high staff turnover and a shortage of suitably qualified candidates. Also accounting for the under-spending, was an improvement in the funds available in the PMG and IGCC accounts resulting from the province earning as opposed to paying interest. The department also under-spent on contract management projects, the Infrastructure Crack Team, legal fees, the e-Procurement Tool, the feasibility study of the government office precinct project, the development of the Pietermaritzburg, Richards Bay, Prince Mangosuthu Buthelezi and Margate airports, as well as the Thuthuka Bursary Fund, the Shayamoya eco-complex, and a light industrial park at Bhongweni, as explained above.

The department's provincial allocation in 2013/14 decreased by R30.958 million from the Main Appropriation of R684.929 million to R653.971 million in the Adjusted Appropriation. This was due to funds being suspended to various departments, such as OTP, Economic Development and Tourism, COGTA, Arts and Culture and Sport and Recreation relating to Strategic Cabinet Initiatives, such as the National Choral Music Awards, the Nelson Mandela Golf Day, the Nelson Mandela Marathon, the EduSport East Coast festival, among others.

The amount of R34.004 million against provincial roll-overs in the 2013/14 Adjusted Appropriation is in respect of roll-overs from 2012/13 for legal fees (R2.900 million), the Infrastructure Crack Team (R7 million), contract management (R2.400 million), the revived feasibility study of the government office precinct project (R2.627 million), and the development of the Margate (R2.288 million), Prince Mangosuthu Buthelezi (R603 000), and Pietermaritzburg (R16.186 million) airports.

The provincial cash resources amount of R176.477 million in the 2013/14 Adjusted Appropriation comprises R97.677 million in respect of various projects, including the feasibility study of the government office precinct project, Operation Clean Audit, the e-Procurement Tool, contract management, Infrastructure Crack Team, forensic investigations, the Shayamoya eco-complex, a light industrial park at Bhongweni, Aero Grand Prix, and Thuthuka Bursary Fund. In addition, R60 million was added to the Strategic Cabinet Initiatives Fund under Vote 6. Furthermore, an amount of R18.800 million was allocated for Operation *Sukuma Sakhe* (OSS), the Infrastructure Crack Team, the Education nutrition programme, the irregular expenditure project, the health assets project, and McCord Hospital.

The department is anticipating ending 2013/14 with under-spending of R16.278 million due to under-spending on *Compensation of employees* resulting from a lack of suitably qualified candidates, high staff turnover and natural attrition.

In 2014/15, the department's baseline increased to R834.183 million from an Adjusted Appropriation in 2013/14 of R653.971 million. The provincial cash resources of R174.553 million are explained by the fact that the department receives an increase in its baseline due to suspensions from the previous financial year. The 2014/15 allocation includes the e-Procurement Tool, contract management, Operation Clean Audit, forensic investigations, government office park precinct project, the balance of the Strategic Cabinet Initiatives Fund, rural development projects, Msunduzi electricity-related developments, etc.

4.2 Departmental receipts collection

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

Table 6.2 : Summary of departmental receipts collection

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2010/11	2011/12	2012/13	2013/14			2014/15	2015/16	2016/17
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sale of goods and services other than capital assets	168	152	159	160	160	171	182	194	207
Transfers received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	1	-	-	-
Interest, dividends and rent on land	29 584	288 008	269 818	200 004	200 004	249 807	266 048	283 341	301 758
Sale of capital assets	634	760	32	-	-	409	160	170	181
Transactions in financial assets and liabilities	440	333	437	340	340	352	375	399	425
Total	30 826	289 253	270 446	200 504	200 504	250 740	266 765	284 105	302 572

The department collects the bulk of its own revenue from interest earned on the IGCC account and the PMG account, which is reflected against the category *Interest, dividends and rent on land*. The fluctuations over the seven-year period are directly linked to the amount of cash-on-hand and movements in interest rates. The low revenue collected in 2010/11 can be attributed to over-expenditure incurred by KZN in that year. The significant improvement, although fluctuating in 2011/12 and 2012/13, related to the increased level of funds available in these accounts, largely because of the collective implementation of cost-cutting by provincial departments. The department decreased its budget in 2013/14 due to the 1, 2 and 3 per cent baseline reductions implemented by National Treasury, coupled with the impact of the 2011 Census data on the province's equitable share. The increase in the 2013/14 Revised Estimate relates to higher than anticipated interest earned on the IGCC and the PMG accounts. Over the MTEF, the department projects an increasing trend from R266.048 million in 2014/15 to R301.758 million in 2016/17.

The revenue collected under *Sale of goods and services other than capital assets* is mainly in respect of game licences. This revenue source is collected by game lodges and paid over to Provincial Treasury. This revenue source is conservatively budgeted, as it depends on the number of people visiting game lodges and the season. In addition, revenue items, such as staff parking fees and commission received from insurance companies for monthly contributions, are collected under this category. The budget over the 2014/15 MTEF grows by inflationary increments.

Sale of capital assets relates to the auctioning of redundant items, such as vehicles, computers, etc. This category is not budgeted for in 2013/14, however, the department expects to collect against this category, hence the amounts reflected in the 2013/14 Revised Estimate. The budgeted amounts against this category over the 2014/15 MTEF are based on the anticipated disposal of motor vehicles in line with the asset disposal policy.

Transactions in financial assets and liabilities relates to recoveries from previous financial years. The fluctuating trend is due to the difficulty in forecasting accurately for this item due to its uncertain nature.

4.3 Donor funding

Table 6.3 provides information on donor funding received by the department from the European Union (EU). Treasury sent a bid to National Treasury for these funds to be given to the province to fund the development of Science Parks in KZN. The request for these funds was evaluated and final allocations were approved by the national Ministers' Committee on the Budget. Table 6.4 shows what the department will be spending over the MTEF.

In total, KZN receives R120 million from the EU through the General Budget Support (GBS) initiative over the period 2014/15 to 2016/17.

Table 6.3 : Details of donor funding

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2010/11	2011/12	2012/13	2013/14			2014/15	2015/16	2016/17
Donor funding	-	-	-	-	-	-	41 600	39 200	39 200
KwaZulu-Natal Science Parks	-	-	-	-	-	-	41 600	39 200	39 200
Total	-	-	-	-	-	-	41 600	39 200	39 200

Table 6.4 : Details of payments and estimates of donor funding

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2010/11	2011/12	2012/13	2013/14			2014/15	2015/16	2016/17
Donor funding	-	-	-	-	-	-	41 600	39 200	39 200
KwaZulu-Natal Science Parks	-	-	-	-	-	-	41 600	39 200	39 200
Total	-	-	-	-	-	-	41 600	39 200	39 200

The department plans to establish four science parks in the province with this funding. These will be located in Pietermaritzburg, Newcastle, Port Shepstone and Richards Bay. The main aim of the science parks is the commercialisation of innovative ideas through which products, processes, strategies and services are formulated to create job opportunities and to create business synergies. The core functions of the science parks include knowledge generation, innovation, enterprise and business formation. The science parks will be aimed at businesses involved in information technology.

5. Payment summary

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

5.1 Key assumptions

The budget for the 2014/15 MTEF is based on the department's approved Strategic Plan and the 2014/15 APP in line with the service delivery requirements and improvements of the department. Some of the main assumptions underpinning the MTEF budget are as follows:

- All inflation related increases are based on CPI projections.
- The expanded cost-cutting measures, as reissued by Provincial Treasury in 2013/14, will continue to be adhered to over the 2014/15 MTEF, in conjunction with National Treasury Instruction 01 of 2013/14: Cost-containment measures.
- Provision was made for the carry-through costs of the 2013 wage agreement and an inflationary wage adjustment of 6.4 per cent in 2014/15 and 2015/16, respectively, and 6.3 per cent in 2016/17, and an annual 1.5 per cent pay progression.
- Provision has been made for the filling of funded vacant posts.

5.2 Additional allocations for the 2012/13 to 2014/15 MTEF

Table 6.5 shows additional funding received by the department over the three MTEF periods: 2012/13, 2013/14 and 2014/15.

The purpose of such a table is two-fold. Firstly, it shows the quantum of additional funding allocated to the department in the past and current MTEF periods. Secondly, it indicates the policies and purposes for which the additional funding was allocated. The carry-through allocations for the 2012/13 and 2013/14 MTEF periods (i.e. for the financial year 2016/17) are based on the incremental percentage used in the 2014/15 MTEF.

Table 6.5 : Summary of additional provincial allocations for the 2012/13 to 2014/15 MTEF

R thousand	2012/13	2013/14	2014/15	2015/16	2016/17
2012/13 MTEF period	51 116	4 585	(1 087)	(1 137)	(1 189)
Carry-through of 2011/12 Adjustments Estimate - Prince Mangosuthu Buthelezi airport	20 000	-	-	-	-
Carry-through of 2011/12 Adjustment Estimate - 2011 wage agreement	1 089	1 144	1 201	1 256	1 314
Capping overdraft interest charges at R50 million per year (R10 million remains within Vote 6)	(40 000)	(40 000)	(46 000)	(48 116)	(50 329)
B-BBEE verification	6 000	6 000	6 000	6 276	6 565
Pietermaritzburg airport (roll-over)	16 027	-	-	-	-
Improving infrastructure support	8 000	8 400	8 820	9 226	9 650
Strategic Cabinet Initiatives	40 000	29 041	28 892	30 221	31 611
2013/14 MTEF period		89 580	(4 539)	(20 517)	(21 461)
Census data update and 1%, 2% and 3% baseline cuts		(8 097)	(16 539)	(20 517)	(21 461)
Feasibility study of government office precinct project		9 000	-	-	-
Operation Clean Audit (Financial Management)		10 000	-	-	-
Provincial SCM procurement tool		8 000	-	-	-
SCM contract management		10 000	-	-	-
Infrastructure Crack Team		10 000	-	-	-
Operation Clean Audit (Internal Audit)		10 000	-	-	-
Forensic investigations		8 000	-	-	-
Shayamoya eco-complex, cultural village and community park		13 677	-	-	-
Thuthuka Bursary Fund		4 000	4 000	-	-
Development of light industrial park - Bhongweni		7 000	8 000	-	-
Aero Grand Prix		8 000	-	-	-
2014/15 MTEF period			213 599	124 853	92 519
Suspension from 2013/14 to 2014/15:			57 553	-	-
<i>e-Procurement Tool</i>			6 000	-	-
<i>Contract management</i>			10 000	-	-
<i>Operation Clean Audit (Internal Audit)</i>			10 000	-	-
<i>Forensic investigations</i>			8 000	-	-
<i>Government office precinct project</i>			9 000	-	-
<i>Balance of Strategic Cabinet Initiatives Fund</i>			14 553	-	-
Rural development projects			50 000	-	-
Msunduzi electricity-related developments			5 500	-	-
Infrastructure Crack Team			10 000	-	-
Irregular expenditure			3 500	-	-
IDIP TAs			8 000	8 000	8 000
Operation Pay-on-Time			3 500	3 500	3 500
Education capped leave			5 000	-	-
Operation Clean Audit (Financial Management)			10 000	5 000	5 000
AFS assist municipalities			5 000	-	-
e-Procurement Tool			4 500	13 000	3 500
Special audits			-	8 000	-
Forensic investigations			-	8 000	-
Contract management			-	-	7 000
Shayamoya roll-over from 12/13 to 14/15			-	2 062	-
Light industrial park - Bhongweni roll-over from 12/13 to 14/15			-	8 000	-
Inkosi Albert Luthuli Central Hospital - floor repairs			4 000	8 000	6 000
Strategic Cabinet Initiatives - increasing to R100m			46 505	59 473	57 325
Carry-through of previous wage agreements			1 404	2 711	3 133
Centralisation of communications budget under OTP			(610)	(640)	(674)
Centralisation of external bursaries budget under OTP			(253)	(253)	(265)
	51 116	94 165	207 973	103 199	69 869

Over the 2012/13 MTEF, the department received the carry-through costs for the 2011 wage agreement, B-BBEE verification, improving infrastructure support, funding toward Strategic Cabinet Initiatives, as well as roll-overs relating to the Pietermaritzburg and Prince Mangosuthu Buthelezi airports. The overdraft interest charges funding was capped at R50 million over the MTEF, whereas it was previously capped at R100 million. Of the R100 million, R40 million was removed from Vote 6: Provincial Treasury and allocated to various provincial priorities while R10 million remained within Vote 6, but was allocated to SCM for the continuation of the contract management project, as well as MBAT.

In the 2013/14 MTEF, National Treasury took a decision to impose 1, 2 and 3 per cent baseline cuts on all spheres of government (i.e. National, Provincial and Local) in order to curb the national deficit as public spending is growing faster than revenue collection. In addition, KZN received reduced equitable share allocations as a result of the reduced proportion in terms of population numbers as reported in the 2011 Census data results. The effect of this on the department was a substantial reduction in the budget over the entire period.

Over the 2013/14 MTEF, the department received once-off funding of R97.677 million for the feasibility study of the government office precinct project, Operation Clean Audit, the e-Procurement Tool, contract management, the Infrastructure Crack Team, forensic investigations, the Shayamoya eco-complex, and the Aero Grand Prix. The department also received an additional R11 million in 2013/14 carried over to 2014/15 for the Thuthuka Bursary Fund (R4 million in both 2013/14 and 2014/15), and the development of a light industrial park at Bhongweni (R7 million in 2013/14 and R8 million in 2015/16). This amount was offset by R8.097 million in respect of the Census data and 1, 2 and 3 per cent baseline cuts.

Over the 2014/15 MTEF, funds of R57.553 million were suspended from the previous financial year for the e-Procurement Tool (R6 million), contract management (R10 million), Operation Clean Audit (R10 million), forensic investigations (R8 million), the government office precinct project (R9 million), and for the balance of the Strategic Cabinet Initiatives Fund (R14.553 million).

In addition, the department received allocations (most of which are once-off) amounting to R156.909 million for the following, many of which are transversal projects affecting most departments:

- R50 million for rural development projects. This amount will not be spent by the department but will be suspended to other departments once they have submitted rural development projects for consideration and approval.
- R5.500 million for Msunduzi electricity-related developments.
- The Infrastructure Crack Team (R10 million).
- Irregular expenditure (R3.500 million).
- IDIP TAs (R8 million with carry-through costs).
- Operation Pay-on-Time (R3.500 million with carry-through costs).
- Education capped leave (R5 million).
- AFS to assist municipalities (R5 million).
- Operation Clean Audit (Financial Management) (R10 million in 2014/15 and R5 million in 2015/16 and 2016/17, respectively).
- E-Procurement Tool (R4.500 million, R13 million and R3.500 million in 2014/15, 2015/16 and 2016/17, respectively).
- Floor repairs to the IALCH (R4 million, R8 million and R6 million in 2014/15, 2015/16 and 2016/17, respectively).
- Strategic Cabinet Initiatives – increasing the allocation to R100 million per year (R46.505 million in 2014/15, R59.473 million in 2015/16 and R57.325 million in 2016/17).
- Carry-through of previous wage agreements (R1.404 million with carry-through costs).

The department received the following in the outer years of the MTEF:

- R8 million for special audits (2015/16).
- R8 million for forensic investigations (2015/16).
- R7 million for contract management (2016/17).
- A roll-over of R2.062 million from 2012/13 in respect of the Shayamoya eco-complex (2015/16).
- A roll-over of R8 million from 2012/13 for the development of a light industrial park at Bhongweni (2015/16).

The additional funding in 2014/15 is slightly off-set by funds of R610 000 (with carry-through costs) and R253 000 (with carry-through costs) being moved to OTP for the centralisation of parts of the communications budget, and the centralisation of external bursaries, respectively.

5.3 Summary by programme and economic classification

The services rendered by the department are categorised under five programmes, namely Administration, Fiscal Resource Management, Financial Management, Internal Audit and Growth and Development. These programmes are linked to the core functions of the department. The department does not conform to the generic programme structure of the sector. Negotiations with National Treasury will continue in 2014/15. Tables 6.6 and 6.7 below provide a summary of the vote's payments and budgeted estimates over the seven-year period, by programme and by economic classification, respectively.

Table 6.6 : Summary of payments and estimates by programme: Provincial Treasury

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2010/11	2011/12	2012/13	2013/14			2014/15	2015/16	2016/17
1. Administration	68 755	80 361	97 905	108 328	112 981	107 612	117 338	122 861	129 652
2. Fiscal Resource Management	53 161	32 280	76 870	99 507	102 341	99 789	110 123	103 542	108 606
3. Financial Management	161 359	164 794	212 094	237 874	269 248	266 636	290 663	274 095	284 982
4. Internal Audit	81 025	75 169	93 154	106 079	109 556	103 811	129 749	131 558	121 683
5. Growth and Development	24 636	37 721	38 317	133 141	59 845	59 845	186 310	126 159	114 526
Total	388 936	390 325	518 340	684 929	653 971	637 693	834 183	758 215	759 449

Table 6.7 : Summary of payments and estimates by economic classification: Provincial Treasury

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2010/11	2011/12	2012/13	2013/14			2014/15	2015/16	2016/17
Current payments	368 945	353 868	474 802	651 162	601 309	585 005	805 143	739 338	749 897
Compensation of employees	109 901	127 078	163 143	210 636	208 333	192 029	227 258	245 112	263 288
Goods and services	243 536	225 784	311 659	431 618	390 268	390 268	570 117	483 994	475 835
Interest and rent on land	15 508	1 006	-	8 908	2 708	2 708	7 768	10 232	10 774
Transfers and subsidies to:	17 033	32 406	37 624	26 337	45 250	45 276	18 222	14 835	5 037
Provinces and municipalities	15 676	31 264	28 026	20 697	39 774	39 774	13 522	10 085	24
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1 357	1 142	9 598	5 640	5 476	5 502	4 700	4 750	5 013
Payments for capital assets	2 295	3 819	5 901	7 430	7 412	7 412	10 818	4 042	4 515
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	2 275	3 294	5 507	7 430	7 412	7 412	10 818	4 042	4 515
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	20	525	394	-	-	-	-	-	-
Payments for financial assets	663	232	13	-	-	-	-	-	-
Total	388 936	390 325	518 340	684 929	653 971	637 693	834 183	758 215	759 449

The department shows a fluctuating trend over the seven-year period.

The increase from 2010/11 to 2011/12 against Programme 1: Administration was due to the lifting of the moratorium on the filling of vacant posts. The increase from 2011/12 to 2012/13 pertained largely to the reprioritisation of funds from other programmes in Vote 6 to assist OTP with the payment of bursaries for non-employees, as per a Cabinet decision. The increase from 2012/13 to the 2013/14 Main Appropriation is due to inflationary increments, as well as provision toward the Thuthuka Bursary Fund. The increase from the 2013/14 Main to the Adjusted Appropriation is to cater for higher than anticipated salary costs, OSS initiatives, and legal fees. The increase over the 2014/15 MTEF relates to inflationary increments, as well as additional funding to cater for carry-through of previous wage agreements. The decrease from the 2013/14 Adjusted Appropriation to the Revised Estimate is in respect of the non-filling of posts due to high staff turnover and a lack of suitably qualified candidates.

Programme 2: Fiscal Resource Management shows a substantial decrease from 2010/11 to 2011/12 due to the slow implementation of the MSP, resulting from delays in the appointment of service providers to assist municipalities with their financial management activities. The non-filling of posts due to a lack of suitably qualified candidates also contributed to the low spending. The increase in 2012/13 related mainly

to the continued implementation of the MSP, as well as spending on the Infrastructure Crack Team. The increase from the 2013/14 Main to the Adjusted Appropriation relates to R7 million rolled over from 2012/13, and an additional allocation of R1 million toward the Infrastructure Crack Team support that has also been extended to municipalities. The decrease from the 2013/14 Adjusted Appropriation to the Revised Estimate relates to the non-filling of posts due to a lack of suitably qualified candidates. The increase in the 2014/15 MTEF is due to funding for the Infrastructure Crack Team projects.

The substantial increase against Programme 3: Financial Management from 2011/12 to 2012/13 includes increases in MBAT, contract management and Operation Clean Audit initiatives. The increase in the 2013/14 Adjusted Appropriation from the Main Appropriation is due to funds shifted to this programme for Operation Clean Audit initiatives, the e-Procurement Tool and costs associated with MBAT. Furthermore, additional funding was allocated for the Education Nutrition Programme, the irregular expenditure project, the Health assets project, and for McCord Hospital for the investigation by TAs appointed at the request of Cabinet (these projects are transversal in nature). The fluctuations over the 2014/15 MTEF are mainly a result of once-off allocations for the development of the e-Procurement Tool, education capped leave, irregular expenditure and Operation Pay-on-Time.

Programme 4: Internal Audit shows a decrease from 2010/11 to 2011/12 attributed to delays in finalising the appointment of service providers in respect of specialised audit assignments. Furthermore, the expiry of the contract with the service provider of project *Unembeza* also contributed to the low spending. The increase in 2012/13 was due to the department receiving a roll-over of R10.562 million for consultants' fees in respect of Risk Management facilitation workshops and training, forensic investigations, conducting IT risk assessments on the BAS system, and the development of the Business Continuity Plan (BCP) and Disaster Recovery Plan (DRP) guidelines. The increase from the 2013/14 Main to the Adjusted Appropriation is due to funds shifted from Programme 2 for the appointment of service providers to assist with risk management assignments at municipalities in line with the MSP. The decrease in the Revised Estimate from the 2013/14 Adjusted Appropriation relates to the non-filling of posts due to a lack of suitably qualified candidates. The fluctuations over the 2014/15 MTEF can be ascribed to once-off funding allocated for Operation Clean Audit initiatives, such as special assignments and forensic investigations.

In respect of Programme 5: Growth and Development, spending in 2010/11, 2011/12 and 2012/13 related mainly to the development of the Pietermaritzburg, Prince Mangosuthu Buthelezi, and Richards Bay airports, air shows, and the feasibility study of the government office precinct project. The 2013/14 Adjusted Appropriation shows a decrease from the Main Appropriation, as the Strategic Cabinet Initiatives funding was allocated to different departments for various initiatives. The department also received a roll-over of R21.704 million in respect of the upgrading of the Pietermaritzburg (R16.186 million), Prince Mangosuthu Buthelezi (R603 000) and Margate (R2.288 million) airports, as well as the feasibility study of the government office precinct project (R2.627 million). The substantial increase in 2014/15 is due to the once-off allocations for rural development projects, the Msunduzi electricity-related developments, IALCH for floor repairs, Operation Clean Audit and various Strategic Cabinet Initiatives. The budget in 2015/16 includes only the Strategic Cabinet Initiatives funding, as well as roll-overs relating to the Shayamoya eco-complex and the light industrial park at Bhongweni. The allocation for 2016/17 pertains to the Strategic Cabinet Initiatives, budget communication, and various special infrastructure projects, as detailed under Section 6.5 below.

The increase against *Compensation of employees* from 2010/11 onward was due to the lifting of the moratorium on the filling of vacant posts. The department has budgeted for the full organisational structure over the 2014/15 MTEF. The slight reduction in the 2013/14 Adjusted compared to the Main Appropriation can be attributed to delays in the filling of vacant posts due to a lack of suitably qualified candidates, which also accounts for the lower Revised Estimate against this category. Although the department finds it difficult to fill all its posts due to a scarcity of the required skills in the market place, the full staff establishment is always budgeted for.

The decrease against *Goods and services* from 2010/11 to 2011/12 resulted from delays in finalising the appointment of service providers for various projects such as the MSP, Operation Clean Audit, forensic

investigations, and the Infrastructure Crack Team, among others. The increase in 2012/13 was ascribed to increased spending on MBAT, contract management, the Infrastructure Crack Team, and Operation Clean Audit such as the Municipal Development Programme (MDP) and Operation Pay-On-Time. The decrease from the Main to the Adjusted Appropriation in 2013/14 is in respect of Strategic Cabinet Initiatives funding which was allocated to various departments for different initiatives. The fluctuations over the 2014/15 MTEF (including the peak in 2014/15) include once-off provisions for projects such as contract management, the Infrastructure Crack Team, forensic investigations, Operation Clean Audit, Strategic Cabinet Initiatives, rural development projects, the e-Procurement Tool, floor repairs to the IALCH, and IDIP TAs.

The expenditure against *Interest and rent on land* in 2010/11 and 2011/12 relates to interest paid by the province. There was no expenditure in 2012/13 as a result of the improvement in the provincial cash balances. The decrease in the 2013/14 Adjusted from the Main Appropriation was due to savings from the overdraft interest provision being shifted to fund various financial management initiatives. The improvement in the provincial cash balances resulted in a lower interest provision than in previous years being made over the 2014/15 MTEF.

The expenditure reflected against *Transfers and subsidies to: Provinces and municipalities* in 2010/11, 2011/12 and 2012/13 was for the development of the Pietermaritzburg, Prince Mangosuthu Buthelezi and Richards Bay airports, motor vehicle licence fees, and the prescribed local government levy, as explained previously. The increase in the 2013/14 Adjusted from the Main Appropriation was due to a roll-over from 2012/13, for the development of the Pietermaritzburg, Prince Mangosuthu Buthelezi and Margate airports. The construction of these airports was delayed due to poor weather conditions. The allocation in the 2013/14 Main Appropriation and over the 2014/15 MTEF is ascribed to the payment of motor vehicle licences, as well as a provision for special infrastructure projects which include Msunduzi electricity-related developments, the development of a light industrial park at Bhongweni and the Shayamoya eco-complex, accounting for the fluctuations, as mentioned previously.

Transfers and subsidies to: Households caters for staff exits, as well as bursaries for non-employees. The major fluctuations can be ascribed to the difficulty in budgeting for this category due to its uncertain nature. The substantial increase in 2012/13 was a result of a Cabinet decision to assist OTP with bursaries for non-employees. The decrease from the Main to Adjusted Appropriation is due to the centralisation of external bursaries under OTP from 2013/14 onward. The Thuthuka Bursary Fund is allocated against this category, which grows steadily over the 2014/15 MTEF.

Machinery and equipment is purchased on a cyclical basis, hence the fluctuating trend against this category. The increase in 2012/13 and 2013/14 relates to the upgrade of server refresher hardware in respect of the department's computer network system. The 2014/15 amount will be utilised toward the anticipated upgrade of the Biometric servers and for the reconfiguration of Treasury House (furniture and equipment will be purchased in 2014/15 once the reconfiguration is complete).

The expenditure against *Software and other intangible assets* in 2010/11 and 2011/12 pertained to the purchase of network management software, as well as open text licences for the ECM system. The spending in 2012/13 was for the procurement of an internet connector licence required to connect external departments to the Business Process Mapping (BPM) processors.

Payments for financial assets relates to the write-off of staff debts. The amount in 2011/12 relates to the Soccerex receivables, which were deemed irrecoverable.

5.4 Summary of payments and estimates by district municipal area

Table 6.8 shows departmental spending, including operational costs (full budget), by district municipal area. The department's spending occurs mainly within the uMgungundlovu District Municipality, where the department is based. Although the department provides support services to all provincial departments and municipalities, it is impractical to allocate its budget at this level. The services provided by the department are transversal, hence it is difficult to separate administrative from service delivery costs.

Table 6.8 : Summary of payments and estimates by district municipal area

R thousand	Audited Outcome	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16	2016/17
eThekweni	-	-	-	-	-
Ugu	-	2 288	-	-	-
uMgungundlovu	490 902	614 125	826 183	748 153	759 449
Uthukela	-	-	-	-	-
Umkhanyakude	-	-	-	-	-
Amajuba	-	-	-	-	-
Zululand	19 660	603	-	-	-
uThungulu	7 778	-	-	-	-
Ilembe	-	-	-	-	-
Sisonke	-	20 677	8 000	10 062	-
Total	518 340	637 693	834 183	758 215	759 449

Included against uMgungundlovu is spending for the development of the Pietermaritzburg airport. Also included against this municipality over the 2014/15 MTEF are major projects, such as the Infrastructure Crack Team, Operation Clean Audit, the e-Procurement Tool, contract management, MBAT, MSP, special audits, forensic investigations, Msunduzi electricity-related developments, etc. Over the 2014/15 MTEF, the allocations reflected against uMgungundlovu include salary and subsistence and travel costs due to the fact that the department is based in this district and provides support services to departments, public entities and municipalities across the province.

The amount of R7.778 million against uThungulu in 2012/13 is for the development of the Richards Bay airport. The amount reflected under Ugu in the 2013/14 Revised Estimate pertains to the Margate airport in the Hibiscus Coast Municipality.

The 2013/14 amount against Sisonke relates to the development of a light industrial park at Bhongweni, as well as the Shayamoya eco-complex. Amounts of R8 million and R10.062 million have been allocated against Sisonke in 2014/15 and 2015/16, respectively, as carry-through funding for these projects.

5.5 Summary of conditional grant payments and estimates

The department does not have conditional grant funding. However, the department received a once-off allocation in respect of the Education and Health Infrastructure grants during 2010/11. As explained in Section 4.1 above, R1.634 million was suspended from Vote 5: Education and Vote 7: Health to Provincial Treasury for IDIP, which provided for TAs to assist departments in the roll-out of their infrastructure projects. This grant was allocated against Programme 2 under the sub-programme Economic Analysis and the economic category *Goods and services*. The details of the grant are presented in the *Annexure – Vote 6: Provincial Treasury*.

5.6 Summary of infrastructure payments and estimates

Table 6.9 below summarises the infrastructure payments and estimates relating to the department. The infrastructure budget of the department is placed solely against *Infrastructure transfers: Capital*, as is evident in the table below.

Table 6.9 : Summary of infrastructure payments and estimates by category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2010/11	2011/12	2012/13	2013/14			2014/15	2015/16	2016/17
New and replacement assets	-	-	-	-	-	-	-	-	-
Existing infrastructure assets	-	-	-	-	-	-	-	-	-
Upgrades and additions	-	-	-	-	-	-	-	-	-
Rehabilitation, renovations and refurbishments	-	-	-	-	-	-	-	-	-
Maintenance and repairs	-	-	-	-	-	-	-	-	-
Infrastructure transfers	5 435	31 264	28 012	20 677	39 754	39 754	8 000	10 062	-
Current	-	-	-	-	-	-	-	-	-
Capital	5 435	31 264	28 012	20 677	39 754	39 754	8 000	10 062	-
Total	5 435	31 264	28 012	20 677	39 754	39 754	8 000	10 062	-

The R5.435 million in 2010/11 related to the development of the Pietermaritzburg airport, while R31.264 million in 2011/12 and R28.012 million in 2013/14 related to spending on the upgrading of the Pietermaritzburg, Prince Mangosuthu Buthelezi and Richards Bay airports.

The 2013/14 Main Appropriation includes an allocation for the Shayamoya eco-complex, as well as funds toward the development of a light industrial park at Bhongweni, both of which fall under the Greater Kokstad Municipality. The allocation in the 2013/14 Adjusted Appropriation consists of a roll-over from 2012/13 for the upgrading of the Pietermaritzburg, Prince Mangosuthu Buthelezi and Margate airports.

The development of the airports includes, among others, the upgrading of the run-ways and the building of parallel taxi ways to increase aircraft parking space (Pietermaritzburg airport). The allocations were disbursed to the relevant municipalities on satisfactory proof of progress. The development of the airports is expected to be finalised in 2013/14, hence there is no provision for airports over the 2014/15 MTEF.

The allocation in 2014/15 and 2015/16 is for the development of a light industrial park at Bhongweni, as well as the Shayamoya eco-complex.

5.7 Summary of Public Private Partnerships – Nil

5.8 Transfers to public entities listed in terms of Schedule 3 of the PFMA – Nil

5.9 Transfers to other entities – Nil

5.10 Transfers to local government

Table 6.10 and 6.11 provides a summary of transfers to municipalities. It is noted that *Transfers to local government* include funds in respect of motor vehicle licences. However, these funds will not be transferred to any municipality and, hence, the amounts are not reflected in Tables 6.10 and 6.11. The details are presented in the *Annexure – Vote 6: Provincial Treasury*.

Table 6.10 : Summary of departmental transfers to local government by category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17
Category A	7 937	-	-	-	-	-	-	-	-
Category B	5 435	21 249	8 351	20 677	39 151	39 151	13 500	10 062	-
Category C	2 292	10 015	19 661	-	603	603	-	-	-
Unallocated	-	-	-	-	-	-	-	-	-
Total	15 664	31 264	28 012	20 677	39 754	39 754	13 500	10 062	-

Table 6.11 : Summary of departmental transfers to local government by grant name

R thousand	Sub-programme	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
		2010/11	2011/12	2012/13				2014/15	2015/16	2016/17
Local government levy	5.4.Air Shows / Special	10 229	-	-	-	-	-	-	-	-
Pietermaritzburg airport	5.3.Special Infra. Projects	5 435	17 790	574	-	16 186	16 186	-	-	-
Prince Mangosuthu Buthelezi airport	5.3.Special Infra. Projects	-	10 015	19 661	-	603	603	-	-	-
Richards Bay airport	5.3.Special Infra. Projects	-	3 459	7 777	-	-	-	-	-	-
Margate airport	5.3.Special Infra. Projects	-	-	-	-	2 288	2 288	-	-	-
Shayamoya eco-complex	5.3.Special Infra. Projects	-	-	-	13 677	13 677	13 677	-	2 062	-
Development of light industrial park	5.3.Special Infra. Projects	-	-	-	7 000	7 000	7 000	8 000	8 000	-
Msunduzi electricity-related dev	5.3.Special Infra. Projects	-	-	-	-	-	-	5 500	-	-
Total		15 664	31 264	28 012	20 677	39 754	39 754	13 500	10 062	-

Category A transfers in 2010/11 are for the prescribed local government levy which has since been discontinued due to a change in legislation, as mentioned. Category C transfers relate mainly to the discontinued local government levy, and the development of the Prince Mangosuthu Buthelezi airport.

Category B transfers mainly provide for the development of the Pietermaritzburg and Richards Bay airports, as well as the development of the Shayamoya eco-complex and a light industrial park at Bhongweni. The R5.500 million in 2014/15 is for Msunduzi electricity-related developments.

5.11 Transfers and subsidies

Table 6.12 below is a summary of spending on *Transfers and subsidies* by programme and main category. The table reflects a fluctuating trend from 2010/11 to 2016/17 for the category as a whole, details of which are provided below Table 6.12.

Table 6.12 : Summary of transfers and subsidies by programme and main category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2010/11	2011/12	2012/13	2013/14			2014/15	2015/16	2016/17
1. Administration	227	453	9 004	4 260	4 093	4 093	4 022	4 023	4 237
Provinces and municipalities	12	-	14	20	20	20	22	23	24
Motor vehicle licences	12	-	14	20	20	20	22	23	24
Households	215	453	8 990	4 240	4 073	4 073	4 000	4 000	4 213
Employee social benefits	-	-	387	-	15	15	-	-	-
Bursaries (non-employee)	215	453	8 603	4 240	4 058	4 058	4 000	4 000	4 213
2. Fiscal Resource Management	-	-	23	-	32	58	-	-	-
Households	-	-	23	-	32	58	-	-	-
Employee social benefits	-	-	23	-	32	58	-	-	-
3. Financial Management	917	689	556	1 400	1 274	1 274	700	750	800
Households	917	689	556	1 400	1 274	1 274	700	750	800
Employee social benefits	917	689	556	1 400	1 274	1 274	700	750	800
4. Internal Audit	225	-	29	-	97	97	-	-	-
Households	225	-	29	-	97	97	-	-	-
Employee social benefits	225	-	29	-	97	97	-	-	-
5. Growth and Development	15 664	31 264	28 012	20 677	39 754	39 754	13 500	10 062	-
Provinces and municipalities	15 664	31 264	28 012	20 677	39 754	39 754	13 500	10 062	-
Local government levy	10 229	-	-	-	-	-	-	-	-
Pietermaritzburg airport	5 435	17 790	574	-	16 186	16 186	-	-	-
Prince Mangosuthu Buthelezi airport	-	10 015	19 661	-	603	603	-	-	-
Richards Bay airport	-	3 459	7 777	-	-	-	-	-	-
Margate airport	-	-	-	-	2 288	2 288	-	-	-
Shayamoya eco-complex	-	-	-	13 677	13 677	13 677	-	2 062	-
Development of light industrial park	-	-	-	7 000	7 000	7 000	8 000	8 000	-
Msunduzi electricity-related developments	-	-	-	-	-	-	5 500	-	-
Total	17 033	32 406	37 624	26 337	45 250	45 276	18 222	14 835	5 037

The category *Transfers and subsidies* fluctuate over the seven-year period, and include the following:

- *Households (Employee social benefits)* across all programmes caters for staff exit costs. The substantial increase against *Households (Bursaries: non-employee)* under Programme 1 in 2012/13 was a result of a Cabinet decision to assist OTP with bursaries for non-employees, as well as an allocation toward the Thuthuka Bursary Fund in 2013/14 which continues over the 2014/15 MTEF.
- Amounts against *Provinces and municipalities* in Programme 1 are in respect of motor vehicle licence fees.
- *Provinces and municipalities* against Programme 5 includes the following:
 - Amounts in 2010/11 include the prescribed local government levy which has since been discontinued, as explained previously.
 - Amounts from 2010/11 to 2013/14 include allocations toward the development of the Pietermaritzburg, Prince Mangosuthu Buthelezi, Richards Bay and Margate (2013/14 only) airports. Further, allocations are made for the development of a light industrial park at Bhongweni (2013/14 to 2015/16) and the Shayamoya eco-complex (2013/14 and 2015/16 only). The amount of R5.500 million in 2014/15 is for Msunduzi electricity-related developments.

6. Programme description

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

6.1 Programme 1: Administration

The purpose of this programme is to render support services to the department, provide corporate support services, and financial management support to the department.

This programme consists of four sub-programmes, namely Office of the MEC, Head of Department, Chief Financial Office and Corporate Services.

The main services under this programme are as follows:

- To support the Executive Authority in providing strategic and political direction to provincial departments, public entities, as well as municipalities.
- To provide the MEC with technical support on the appropriation of revenue, to ensure equitable distribution among provincial departments.
- To render financial and supply chain management functions to the department.
- To provide human resource management functions to the department.
- To render legal professional guidance in operational matters of the department.
- To deliver auxiliary services to the department, such as the telecom system, transport fleet management and control of registry.

Tables 6.13 and 6.14 below provide a summary of payments and budgeted estimates pertaining to the programme over the seven-year period from 2010/11 to 2016/17. As reflected in the table, some sub-programmes show a steady increase over the seven-year period, while others reflect fluctuating trends.

Table 6.13 : Summary of payments and estimates by sub-programme: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2010/11	2011/12	2012/13	2013/14			2014/15	2015/16	2016/17
1. Office of the MEC	14 403	18 522	22 680	27 794	27 164	25 753	28 612	29 768	31 345
2. Head of Department	5 110	5 739	6 808	7 149	8 757	8 726	9 150	9 486	9 989
3. Chief Financial Office	16 859	17 289	13 729	23 114	24 771	23 021	26 382	28 712	30 560
4. Corporate Services	32 383	38 811	54 688	50 271	52 289	50 112	53 194	54 895	57 758
Total	68 755	80 361	97 905	108 328	112 981	107 612	117 338	122 861	129 652

Table 6.14 : Summary of payments and estimates by economic classification: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2010/11	2011/12	2012/13	2013/14			2014/15	2015/16	2016/17
Current payments	67 582	78 484	87 232	101 382	106 302	100 933	111 174	116 596	122 823
Compensation of employees	32 044	35 936	43 763	54 786	56 386	51 017	62 919	68 287	73 190
Goods and services	35 538	42 548	43 469	46 596	49 916	49 916	48 255	48 309	49 633
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	227	453	9 004	4 260	4 093	4 093	4 022	4 023	4 237
Provinces and municipalities	12	-	14	20	20	20	22	23	24
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	215	453	8 990	4 240	4 073	4 073	4 000	4 000	4 213
Payments for capital assets	934	1 424	1 669	2 686	2 586	2 586	2 142	2 242	2 592
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	934	1 424	1 669	2 686	2 586	2 586	2 142	2 242	2 592
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	12	-	-	-	-	-	-	-	-
Total	68 755	80 361	97 905	108 328	112 981	107 612	117 338	122 861	129 652

The low spending in 2010/11 to 2012/13 against the sub-programme: Office of the MEC was attributed to cost-cutting in areas such as *advertising and stationery and printing*, among others. The decrease from the 2013/14 Main to Adjusted Appropriation relates to the centralisation of parts of the communications budget under OTP commencing in 2013/14, with carry-through over the 2014/15 MTEF. The decrease in the 2013/14 Revised Estimate is due to delays in the filling of funded vacant posts as a result of scarce skills. This sub-programme shows steady growth over the 2014/15 MTEF.

The sub-programme: Head of Department shows a steady increase over the seven-year period. The slightly low spending in 2010/11 was ascribed to cost-cutting and unanticipated staff exits. The increase from the 2013/14 Main to Adjusted Appropriation was to cater for higher than anticipated salary costs. The 2014/15 MTEF is inflationary related.

The lower spending in 2012/13 compared to 2011/12 against the sub-programme: Chief Financial Office is due to cost-cutting, unanticipated staff exits, as well as once-off spending on performance audits. The significant increase from 2012/13 to the 2013/14 Main Appropriation relates to the expansion of the CFO structure to cater for the Strategic Management Services component and audit fees. The increase in the 2013/14 Adjusted Appropriation was in respect of legal fees that were committed in 2012/13, but only paid in 2013/14 due to the late receipt of invoices. The decrease from the 2013/14 Adjusted Appropriation to the Revised Estimate is due to delays in the filling of posts resulting mainly from a lack of suitably qualified candidates. The 2014/15 MTEF includes the carry-through of previous wage agreements.

The sub-programme: Corporate Services shows a sharp increase in 2012/13 due to the reconfiguration of the department's office space, as well as an increase in property management costs in respect of office accommodation. From the 2013/14 Main Appropriation onward, there is an additional allocation of R4 million toward the Thuthuka Bursary Fund. The increase in the 2013/14 Adjusted Appropriation caters for higher than anticipated costs relating to the reconfiguration of office space in Treasury House. Also, in the 2013/14 Adjusted Appropriation going forward, funds were suspended to OTP in respect of the centralisation of external bursaries, resulting in external bursaries no longer being funded by the department. The decrease from the Adjusted Appropriation to the Revised Estimate is due to the non-filling of vacant posts resulting from staff exits and a lack of suitably qualified candidates.

Compensation of employees shows a steady increase from 2010/11 onward due to additional funding allocated for the various wage agreements, as well as the expansion of the CFO structure. The increase from the 2013/14 Main to the Adjusted Appropriation was to cater for higher than anticipated salary costs. The decrease from the 2013/14 Adjusted Appropriation to the Revised Estimate is due to the non-filling of posts resulting from a lack of suitably qualified candidates. The increase over the 2014/15 MTEF caters for the carry-through of previous wage agreements, and for the filling of vacant posts.

The increase against *Goods and services* from 2010/11 to 2011/12 can mainly be ascribed to a once-off allocation of R4 million toward performance audits. The increase from 2011/12 to 2012/13 was due to the reconfiguration of office space at Treasury House. The increase from the 2013/14 Main to the Adjusted Appropriation can be attributed to higher than expected legal costs. The decrease from the 2013/14 Adjusted Appropriation to 2014/15 is the result of cost-cutting, particularly on costs relating to advertising and stationery and printing.

Transfers and subsidies to: Provinces and municipalities relates to motor vehicle licence fees. The department did not receive invoices from the Department of Transport in 2011/12. This category grows steadily over the 2014/15 MTEF.

Transfers and subsidies to: Households caters for staff exits, as well as bursaries for non-employees. The substantial increase in 2012/13 was a result of a Cabinet decision to assist OTP with bursaries for non-employees. In the 2013/14 Adjusted Appropriation, as well as over the 2014/15 MTEF, the allocation against this category was reduced due to the centralisation of external bursaries under OTP. This category includes a provision of R4 million from 2013/14 onward for the Thuthuka Bursary Fund.

Machinery and equipment caters for the purchase of departmental motor vehicles which is centralised under Programme 1. The fluctuating trend over the period can be attributed to the fact that machinery and equipment are purchased on a cyclical nature. The increase in 2013/14 allows for the purchase of office

furniture and computer equipment resulting from the anticipated appointment of critical staff, as well as the replacement of motor vehicles as per the departmental motor vehicle replacement strategy.

The amount in 2010/11 against *Payments for financial assets* was in respect of the write-off of staff debts, as they were deemed irrecoverable.

6.2 Programme 2: Fiscal Resource Management

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

The objectives and services of this programme are as follows:

- To provide strategic leadership in promoting optimal and effective resource allocation (including providing inputs into the provincial equitable share formula and annual Division of Revenue Bill), revenue generation and financial reporting for provincial departments (including public entities).
- To provide a platform to enhance regional economic growth and development through quality research.
- To ensure efficient planning and management of infrastructure.
- To ensure efficient budget management and accurate financial reporting for provincial and local government.
- To assist and provide technical support to delegated municipalities.

Tables 6.15 and 6.16 below provide a summary of payments and budgeted estimates pertaining to this programme for the period 2010/11 to 2016/17. This programme shows a fluctuating trend over the seven-year period, as explained in more detail below.

Table 6.15 : Summary of payments and estimates by sub-programme: Fiscal Resource Management

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2010/11	2011/12	2012/13	2013/14			2014/15	2015/16	2016/17
1. Programme Support	928	548	751	2 905	2 927	2 393	3 059	3 200	3 370
2. Economic Analysis	5 345	4 166	19 499	27 511	35 111	36 073	34 527	25 013	25 915
3. Public Finance	7 794	9 435	9 739	12 733	12 721	11 254	13 564	14 188	14 940
4. Municipal Finance	39 094	18 131	46 881	56 358	51 582	50 069	58 973	61 141	64 381
Total	53 161	32 280	76 870	99 507	102 341	99 789	110 123	103 542	108 606

Table 6.16 : Summary of payments and estimates by economic classification: Fiscal Resource Management

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2010/11	2011/12	2012/13	2013/14			2014/15	2015/16	2016/17
Current payments	52 947	31 778	76 716	99 107	101 707	99 129	109 857	103 266	108 320
Compensation of employees	17 371	21 191	30 283	43 007	41 104	38 526	44 755	48 311	52 070
Goods and services	35 576	10 587	46 433	56 100	60 603	60 603	65 102	54 955	56 250
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	-	-	23	-	32	58	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	23	-	32	58	-	-	-
Payments for capital assets	208	374	131	400	602	602	266	276	286
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	188	374	131	400	602	602	266	276	286
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	20	-	-	-	-	-	-	-	-
Payments for financial assets	6	128	-	-	-	-	-	-	-
Total	53 161	32 280	76 870	99 507	102 341	99 789	110 123	103 542	108 606

The sub-programme: Programme Support reflects a fluctuating trend over the seven-year period. The significantly low spending in 2010/11 and 2011/12 was due to the non-filling of vacant posts resulting from a lack of suitably qualified candidates, as well as the shifting of funds originally earmarked for research capacity to other areas of service delivery across the department. The increase from 2011/12 to 2012/13 is due to the filling of posts. The slight increase from the 2013/14 Main to the Adjusted Appropriation is to cater for higher than anticipated spending in respect of the purchase of machinery and equipment. The decrease from the 2013/14 Adjusted Appropriation to the Revised Estimate is due to the non-filling of posts. The 2014/15 MTEF includes a provision for the filling of vacant posts, e.g. senior manager posts, as well as inflationary increments.

The high amount against the sub-programme: Economic Analysis in 2010/11 included once-off spending of R1.634 million in respect of the IDIP, which explains the decrease in 2011/12. The significant increase in 2012/13, 2013/14 and over the 2014/15 MTEF pertains to additional funding for the Infrastructure Crack Team to assist departments and municipalities in the delivery of infrastructure projects. The same reason applies to the increase from the 2013/14 Main to the Adjusted Appropriation. The 2014/15 MTEF includes provision for the Infrastructure Crack Team and IDIP TAs.

The sub-programme: Public Finance shows a generally steady increase from 2010/11. The increase in 2011/12 was a result of the filling of vacant posts following the lifting of the moratorium on the filling of vacant posts. The decrease from the 2013/14 Adjusted Appropriation to the Revised Estimate is due to the non-filling of posts resulting from a lack of suitably qualified candidates. The 2014/15 MTEF includes a provision for the filling of vacant posts in line with the moratorium on the filling of non-critical posts, as well as inflationary increments.

The substantial decrease against Municipal Finance from 2010/11 to 2011/12 was attributed to the slow implementation of the MSP due to delays in the appointment of service providers to assist municipalities with their financial management activities. The increase in 2012/13 emanated from an increase in the number of assignments relating to the MSP that could not be implemented in 2011/12 due to delays in the appointment of service providers. The decrease from the 2013/14 Main to Adjusted Appropriation was to cater for municipal support to municipalities in Programmes 3 and 4 for MBAT and risk management assignments, respectively. The 2014/15 MTEF includes a provision for the filling of vacant posts in line with the moratorium on the filling of non-critical posts, as well as inflationary increments.

The increase against *Compensation of employees* from 2010/11 to the 2013/14 Main Appropriation is due to the lifting of the moratorium on the filling of vacant posts. The decrease from the 2013/14 Main to the Adjusted Appropriation was a result of the shifting of funds to Programme 1 to cater for the higher than anticipated salary costs within that programme. The decrease from the 2013/14 Adjusted Appropriation to the Revised Estimate is due to the non-filling of posts resulting mainly from a lack of suitably qualified candidates. The increase from the 2013/14 Adjusted Appropriation onward relates to inflationary increments, as well as the anticipated filling of vacant posts.

The significantly low spending in 2011/12 against *Goods and services* relates to the slow implementation of the MSP and the Infrastructure Crack Team due to delays in the appointment of service providers. Included in 2010/11 was once-off funding of R1.634 million, and additional funds for the Infrastructure Crack Team to assist departments and municipalities in the delivery of infrastructure projects. The increase from the 2013/14 Main to the Adjusted Appropriation includes R7 million rolled over from 2012/13 for the Infrastructure Crack Team, and an additional R2.200 million to cater for the extension of the Infrastructure Crack Team project to municipalities. An amount of R5 million was shifted to cover costs relating to municipal support activities in Programmes 3 and 4 for MBAT and risk management assignments, respectively. The 2014/15 MTEF allocation includes funding toward the Infrastructure Crack Team, IDIP TAs, as well as the MSP to assist municipalities with their financial management activities. Funding toward the Infrastructure Crack Team is once-off, hence the decrease in 2015/16.

Transfers and subsidies to: Households caters for staff exit packages.

The fluctuating trend against *Machinery and equipment* over the seven-year period results from the fact that machinery and equipment is purchased on a cyclical basis.

The amount against *Software and other intangible assets* in 2010/11 relates to the once-off purchase of Econometrics and Stata software packages.

Expenditure against *Payments for financial assets* in 2010/11 and 2011/12 is in respect of the write-off of staff debts that were deemed irrecoverable.

Service delivery measures – Programme 2: Fiscal Resource Management

Table 6.17 below illustrates the service delivery measures pertaining to Programme 2.

Table 6.17 : Service delivery measures – Programme 2: Fiscal Resource Management

Outputs	Performance indicators	Estimated performance		Medium-term targets	
		2013/14	2014/15	2015/16	2016/17
1.1 Economic Analysis					
1.1.1 To determine and evaluate economic parameters and socio-economic imperatives to inform provincial and local resource allocation	<ul style="list-style-type: none"> To provide an economic analysis for the province 	New Produce 1 Socio-economic Review Outlook (SERO) Produce 9 district socio-economic reports	Produce 4 provincial dept. economic reports Produce 1 SERO Produce 9 district socio-economic reports	Produce 5 provincial dept. economic reports Produce 1 SERO Produce 9 district socio-economic reports	Produce 6 provincial dept. economic reports Produce 1 SERO Produce 9 district socio-economic reports
	<ul style="list-style-type: none"> To provide input to Overview of Provincial Revenue and Expenditure (OPRE) on time for tabling 	Input to OPRE on time for tabling	Input to OPRE on time for tabling	Input to OPRE on time for tabling	Input to OPRE on time for tabling
1.1.2 Provide a platform to enhancing regional economic growth and development	<ul style="list-style-type: none"> To provide quality research for regional policy analysis 	1 research project	Produce 4 economic research projects	Produce 4 economic research projects	Produce 4 economic research projects
1.2 Infrastructure					
1.2.1 Ensure efficient infrastructure planning and management in the province	<ul style="list-style-type: none"> Assessment report of User Asset Management Plans (U-AMPs) Reports on the implementation of the IDIP in KZN Reports on site visits conducted Progress reports on infrastructure budgets and delivery plans Estimates of Provincial Revenue and Expenditure (EPRE) 	Compile a consolidated report to NT by 28 February 2013 Produce 4 reports on implementation of IDIP in KZN Submit 4 reports on the site visits conducted Submit 1 consolidated report on infrastructure expenditure in KZN Inputs into EPRE on time for tabling	Compile a consolidated assessment report on the U-AMPs Produce 4 reports on implementation of IDIP in KZN Submit 4 reports on the site visits conducted Submit 4 reports the infrastructure expenditure in KZN Input into EPRE on time for tabling	Compile a consolidated assessment report on the U-AMPs Produce 4 reports on implementation of IDIP in KZN Submit 4 reports on the site visits conducted Submit 4 reports the infrastructure expenditure in KZN Inputs into EPRE on time for tabling	Compile a consolidated assessment report on the U-AMPs Produce 4 reports on implementation of IDIP in KZN Submit 4 reports on the site visits conducted Submit 4 reports the infrastructure expenditure in KZN Inputs into EPRE on time for tabling
2. Public Finance					
2.1 Provincial Budget Management					
2.1.1 Promote effective and optimal financial resource allocation for provincial govt.	<ul style="list-style-type: none"> No. of chapters in MTEC report EPRE on time for tabling AEPRE on time for tabling 	16 inputs completed 1 working day before MTEC EPRE on time for tabling AEPRE on time for tabling	16 inputs completed 1 day before MTEC EPRE on time for tabling AEPRE on time for tabling	16 inputs completed 1 day before MTEC EPRE on time for tabling AEPRE on time for tabling	16 inputs completed 1 day before MTEC EPRE on time for tabling AEPRE on time for tabling
2.1.2 Ensure efficient budget and expenditure management and accurate financial reporting for provincial govt. (including public entities)	<ul style="list-style-type: none"> Section 32 report (monthly provincial IYM report) 4 quarterly budget performance reports submitted by deadline as set by NT 	12 reports submitted to NT by 22nd of each month 3 reports per annum (completed 1 month after end of each quarter)	12 reports to be submitted to NT by 22nd of each month 3 quarterly budget performance reports	12 reports to be submitted to NT by 22nd of each month 3 quarterly budget performance reports	12 reports to be submitted to NT by 22nd of each month 3 quarterly budget performance reports

Table 6.17 : Service delivery measures – Programme 2: Fiscal Resource Management

Outputs	Performance indicators	Estimated performance		Medium-term targets	
		2013/14	2014/15	2015/16	2016/17
2.2 Provincial Own Revenue					
2.2.1 Promote optimal and sustainable revenue generation and collection by provincial depts and public entities	<ul style="list-style-type: none"> Conduct and co-ordinate quarterly Provincial Revenue Forums Monitoring of dept. revenue collection Revenue input into the publication of provincial budget documents 	4 forums per year 16 depts Revenue input into OPRE and PRE on time for tabling	4 forums per year 16 depts Revenue input into OPRE and EPRE on time for tabling	4 forums per year 16 depts Revenue input into OPRE and EPRE on time for tabling	4 forums per year 16 depts Revenue input into OPRE and EPRE on time for tabling
2.3 Special Advisory Support Services					
2.3.1 Promote effective and optimal financial resource allocation for provincial govt. (including public entities)	<ul style="list-style-type: none"> Input into the revision and maintenance of DORA Institutionalise framework for monitoring of provincial public entities 	Input submitted by due date as set by NT Report bi-annually for 11 public entities	Input submitted by due date as set by NT Report bi-annually for all listed public entities	Input submitted by due date as set by NT Report bi-annually for all listed public entities	Input submitted by due date as set by NT Report bi-annually for all listed public entities
3. Municipal Finance					
3.1 To ensure efficient budget and expenditure management and accurate financial reporting for local govt.	<ul style="list-style-type: none"> Section 71(6) report (Monthly municipal IYM report) within the prescribed time frame Section 71(7) quarterly budget performance reports 	12 Section 71(6) reports 4 Section 71(7) quarterly budget performance reports, 45 days after end of quarter	12 Section 71(6) reports 4 Section 71(7) quarterly budget performance reports, 45 days after end of quarter	12 Section 71(6) reports 4 Section 71(7) quarterly budget performance reports, 45 days after end of quarter	12 Section 71(6) reports 4 Section 71(7) quarterly budget performance reports, 45 days after end of quarter
3.2 To assist and provide technical support to delegated municipalities that are in financial distress	<ul style="list-style-type: none"> No. of municipalities supported by MSP 	14 municipalities supported through MSP and 4 for GRAP conversion	8 municipalities to be supported through MSP	10 municipalities to be supported through MSP	10 municipalities to be supported through MSP

6.3 Programme 3: Financial Management

This programme consists of six sub-programmes, namely Financial Asset and Liability Management, Public, Private Partnerships (PPPs), Supply Chain Management (SCM), Financial Reporting, Norms and Standards and Support and Interlinked Financial Systems.

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

- To ensure the effective and efficient management of assets and implementation of PPP projects.
- To realise the effective and efficient acquisition of goods and services for provincial government and to secure sound SCM for local government.
- To optimise liquidity requirements and maximise returns within acceptable levels of risk for provincial government and to secure sound cash management for local government.
- To ensure that financial reporting provides a full and true reflection of the financial position of the province and municipalities as prescribed, inclusive of the accounting responsibilities related to the PMG and IGCC account.
- To develop and implement financial and associated governance norms and standards, in order to enhance performance orientated financial results and accountability in provincial departments and municipalities as prescribed.
- To implement and support transversal financial systems across the province and provide IT services to the department.

Tables 6.18 and 6.19 provide a summary of payments and budgeted estimates pertaining to Programme 3.

Table 6.18 : Summary of payments and estimates by sub-programme: Financial Management

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2010/11	2011/12	2012/13	2013/14			2014/15	2015/16	2016/17
1. Financial Assets and Liability Management	28 956	15 261	14 587	27 520	21 159	19 889	27 255	30 435	32 048
2. Public/Private Partnerships	2 594	3 021	3 251	7 158	7 158	6 353	7 592	7 871	8 288
3. Supply Chain Management	13 560	27 862	41 667	51 492	57 425	56 494	70 614	64 341	64 562
4. Financial Reporting	12 400	12 617	31 731	26 210	58 012	57 801	52 022	34 138	35 497
5. Norms and Standards	2 765	3 857	3 543	5 016	5 016	4 732	5 327	5 668	5 968
6. Support and Interlinked Financial Systems	101 084	102 176	117 315	120 478	120 478	121 367	127 853	131 642	138 619
Total	161 359	164 794	212 094	237 874	269 248	266 636	290 663	274 095	284 982

Table 6.19 : Summary of payments and estimates by economic classification: Financial Management

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2010/11	2011/12	2012/13	2013/14			2014/15	2015/16	2016/17
Current payments	159 520	162 478	207 789	232 980	264 480	261 868	282 363	272 701	283 495
Compensation of employees	27 132	34 784	42 814	51 945	53 945	51 333	56 547	60 701	65 126
Goods and services	116 880	126 688	164 975	172 127	207 827	207 827	218 048	201 768	207 595
Interest and rent on land	15 508	1 006	-	8 908	2 708	2 708	7 768	10 232	10 774
Transfers and subsidies to:	917	689	556	1 400	1 274	1 274	700	750	800
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	917	689	556	1 400	1 274	1 274	700	750	800
Payments for capital assets	830	1 536	3 749	3 494	3 494	3 494	7 600	644	687
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	830	1 011	3 355	3 494	3 494	3 494	7 600	644	687
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	525	394	-	-	-	-	-	-
Payments for financial assets	92	91	-	-	-	-	-	-	-
Total	161 359	164 794	212 094	237 874	269 248	266 636	290 663	274 095	284 982

The programme as a whole reflects an increasing trend over the period, as explained in detail below.

The decrease against the sub-programme: Financial Assets and Liability Management from 2010/11 to 2012/13 resulted from the improvement in the level of funds available in the PMG and IGCC accounts, largely due to the collective implementation of cost-cutting by departments, therefore reducing the amount of interest paid on the overdraft significantly. The increase from the 2013/14 Main Appropriation onward relates to a provision for overdraft interest charges. However, as the cash position remained positive, the amount allocated against the 2013/14 Main Appropriation was reduced in the Adjusted Appropriation.

The low amounts against the sub-programme: Public Private Partnerships (PPPs) from 2010/11 to 2012/13 relate to the non-filling of vacant posts due to a lack of suitably qualified candidates, as well as the continued implementation of cost-cutting. In addition, the fact that the feasibility study of the government office precinct project was placed on hold also contributed to the low spending. The 2014/15 MTEF includes a once-off allocation in 2014/15 for the development of the government office precinct project. The growth over the period 2015/16 to 2016/17 is inflationary related.

The significant increase against the sub-programme: Supply Chain Management from 2010/11 to 2012/13 was due to costs associated with MBAT and contract management. The increase from the 2013/14 Main to the Adjusted Appropriation was the result of funds shifted from Programme 2 to this sub-programme to cater for MBAT and the e-Procurement Tool. The 2014/15 MTEF includes a provision for the B-BBEE verification, e-Procurement Tool, MBAT, contract management, as well as SCM support interventions in departments and municipalities.

The substantial increase in 2012/13 against the sub-programme: Financial Reporting was due to Operation Clean Audit in respect of the MDP relating to the reconciliation of all provincial and municipal government accounts, and Operation Pay-on-Time which aims to improve payment of invoices by departments and to assist with the payment of arrear accounts to municipalities and service providers. The substantial increase from the 2013/14 Main to Adjusted Appropriation and in 2014/15 pertains to additional funds for Operation Clean Audit (2013/14 and 2014/15), the McCord Hospital TAs (2013/14 only), Operation Pay-On-Time (2014/15 to 2016/17), irregular expenditure (2014/15 only), Education capped-leave (2014/15 only), and AFS (2014/15 only) to assist municipalities. The large decrease from 2014/15 to 2016/17 is due to the fact that a number of the above-mentioned allocations were once-off.

The increase from 2010/11 onward against the sub-programme: Norms and Standards was in respect of the filling of posts. The slight decrease in 2012/13 can be ascribed to cost-cutting and unanticipated staff exits. The increase over the 2014/15 MTEF relates to inflationary increments.

The sub-programme: Supporting and Interlinked Financial Systems includes costs relating to all transversal systems (such as BAS, PERSAL and HARDCAT, etc.) for the entire province. The increase from 2012/13 to the 2013/14 Main Appropriation was attributed to the purchase of server refresher hardware for the upgrade of the department's computer network system. Included in 2014/15 is the anticipated upgrade of the Biometric servers. The increase over the MTEF relates to inflationary increments.

The low spending from 2010/11 to 2011/12 against *Compensation of employees* related to the non-filling of posts due to a lack of suitably qualified candidates, as well as the moratorium on the filling of posts. The substantial increase from 2011/12 to 2012/13 was due to the filling of posts in line with the moratorium. The increase from 2012/13 to 2013/14 was to provide for the filling of six Level 6 posts responsible for administrative issues in respect of MBAT. These posts have already been advertised and the recruitment process is underway. The decrease from the 2013/14 Adjusted Appropriation to the Revised Estimate is due to a lack of suitably qualified candidates, which resulted in the non-filling of vacant posts. Over the MTEF, allowance is made for the full structure of the programme, and inflationary increments.

The substantial increase from 2010/11 onward against *Goods and services* can be ascribed to Operation Clean Audit, the MDP, irregular expenditure, asset management projects, etc., as well as contract management and MBAT. The substantial increase in the 2013/14 Adjusted Appropriation is related to funds provided for the e-Procurement Tool, McCord Hospital TAs, as well as Operation Clean Audit initiatives. The 2014/15 MTEF includes a provision for the B-BBEE verification, the e-Procurement Tool, as well as for the previously mentioned projects.

Transfers and subsidies to: Households provides for the payment of staff exit costs. The decrease from the 2013/14 Main Appropriation to the Revised Estimate is due to lower than anticipated spending on pension payouts relating to former development board members who took early retirement when the development boards were amalgamated with the Provincial Administration. The increase over the 2014/15 MTEF is inflationary related.

Machinery and equipment is purchased on a cyclical basis, hence the fluctuating trend against this category. The increase in 2012/13 and 2013/14 related to the roll-out of phase 1 (2012/13) and phase 2 (2013/14) of the server refresher hardware for the upgrade of the department's computer network system. The amount reflected against 2014/15 will be utilised toward the anticipated upgrade of the Biometric servers, accounting for the drop in 2015/16.

The expenditure against *Software and other intangible assets* in 2011/12 relates to the once-off purchase of network management software, as well as open text licences for the ECM system. The spending in 2012/13 was for the procurement of an internet connector licence required to connect external departments to the BPM processors.

The amounts against *Payments for financial assets* in 2010/11 and 2011/12 relate to the write-off of irrecoverable debts.

Service delivery measures – Programme 3: Financial Management

Table 6.20 below illustrates the main service delivery measures for Programme 3.

Table 6.20 : Service delivery measures – Programme 3: Financial Management

Outputs	Performance indicators	Estimated performance		Medium-term targets	
		2013/14	2014/15	2015/16	2016/17
1. Financial Assets and Liability Management					
1.1.	To promote sound cash management practices and improve liquidity in KZN province and assist depts. and municipalities in attainment of a clean audit outcome for the province	<ul style="list-style-type: none">Conduct tax information seminar annuallyRisk analysis per dept. to ensure compliance to tax legislationProvide quarterly assessment reports to depts. on status of bank related suspense accountsReview monthly bank reconciliations per deptProduce quarterly report on withdrawals from municipal bank accounts	2 sessions 64 reports 64 assessment reports Ongoing support to 16 depts 192 reconciled bank reconciliations	2 sessions 64 reports 64 assessment reports Ongoing support to 16 depts 192 reconciled bank reconciliations	2 sessions 64 reports 64 assessment reports Ongoing support to 16 depts 192 reconciled bank reconciliations
1.2.	To promote sound Asset Management practices in provincial depts	<ul style="list-style-type: none">Number of asset workshops and training sessions conducted	4 seminars/training workshops	4 seminars/training workshops	4 seminars/training workshops
2. Public Private Partnerships (PPPs)					
2.1.	To provide technical, financial and legal advice in support of all provincial PPP projects in line with PPP project cycle as regulated by NT guidelines	<ul style="list-style-type: none">No. of seminars/workshops conducted for prov. depts. and public entitiesNo. of seminars/workshops conducted for municipalities and municipal entitiesNo. of reports for Provincial Treasury, management and MECNo. of reports on closed deal	2 2 12 12	2 2 12 12	2 2 12 12
3. Supply Chain Management					
3.1.	Support and monitor adherence of state institutions to SCM prescripts	<ul style="list-style-type: none">No. of SCM training sessions and information sessions conductedNo. of assessmentsNo. of reviews of the supplier registration formNo. of policies and practice notes reviewed and issued	4 training sessions/workshops 3 SCM forums for depts and municipalities Conduct 76 SCM assessments in depts., municipalities, and public entities. Conduct compliance assessments and investigate complaints New Review and update 4 practice notes	4 training sessions/workshops 3 SCM forums for depts and municipalities Conduct SCM assessments in depts., municipalities, and public entities. Conduct compliance assessments and investigate complaints Review and update supplier information Review and update policies and practice notes	4 training sessions/workshops 3 SCM forums for depts and municipalities Conduct SCM assessments in depts., municipalities, and public entities. Conduct compliance assessments and investigate complaints Review and update supplier information Review and update policies and practice notes
4. Financial Reporting					
4.1.	To present fairly the consolidated financial position of the province	<ul style="list-style-type: none">Consolidated AFS for provincial depts and the provincial revenue fund	Consolidated AFS for FY12/13 Revenue fund AFS for FY 12/13	Consolidated AFS for FY13/14 Revenue fund AFS for FY 13/14	Consolidated AFS for FY14/15 Revenue fund AFS for FY 14/15
4.2.	To provide financial management support to depts, public entities and municipalities	<ul style="list-style-type: none">Provincial audit outcome analysis for municipalities, depts and public entities	Summary of audit outcome. Analysis of AG's audit report for provincial depts and public entities by 31 August 2013 Summary of audit outcome analysis on AG's audit report for municipalities by 31 January 2014	Summary of audit outcome. Analysis of AG's audit report for provincial depts. and public entities by 31 August 2014 Summary of audit outcome analysis on AG's audit report for municipalities by 31 January 2015	Summary of audit outcome. Analysis of AG's audit report for provincial depts and public entities by 31 August 2015 Summary of audit outcome analysis on AG's audit report for municipalities by 31 January 2016

Table 6.20 : Service delivery measures – Programme 3: Financial Management

Outputs	Performance indicators	Estimated performance		Medium-term targets	
		2013/14	2014/15	2015/16	2016/17
	<ul style="list-style-type: none"> AFS support and training to depts Financial management monitoring support to municipalities Financial management monitoring support to public entities Financial management monitoring support to municipalities 	1 AFS training workshop by 31 May 2013 Pre-audit review in 16 depts by 31 May 2013 Summary of Audit Outcomes Analysis after A-G Audit Report Pre-audit readiness assessment in 12 public entities New New Pre-audit assignment report in 15 municipalities by 30 August 2013 Progress reports on on-site financial management support to 15 municipalities within 10 days of the end of each quarter	1 AFS training workshop by 31 March 2014 Pre-audit review in 16 depts by 31 May 2014 Summary of Audit Outcomes Analysis after A-G Audit Report Pre-audit review in 12 public entities by 31 May 2014 1 AFS training workshop for 12 public entities by 31 March 2014 1 AFS training workshop for 58 municipalities by 30 June 2014 Pre-audit assignment report in 10 municipalities by 30 August 2014 Progress reports on on-site financial management support to 10 municipalities within 10 days of the end of each quarter	1 AFS training workshop by 31 March 2015 Pre-audit review in 16 depts by 31 May 2015 Summary of Audit Outcomes Analysis after A-G Audit Report Pre-audit review in 12 public entities by 31 May 2015 1 AFS training workshop for 12 public entities by 31 March 2015 1 AFS training workshop for 58 municipalities by 30 June 2015 Pre-audit assignment report in 15 municipalities by 30 August 2015 Progress reports on on-site financial management support to 15 municipalities within 10 days of the end of each quarter	1 AFS training workshop by 31 March 2016 Pre-audit review in 16 depts by 31 May 2016 Summary of Audit Outcomes Analysis after A-G Report Pre-audit review in 12 public entities by 31 May 2016 1 AFS training workshop for 12 public entities by 31 March 2016 1 AFS training workshop for 58 municipalities by 30 June 2016 Pre-audit assignment report in 20 municipalities by 30 August 2016 Progress reports on on-site financial management support to 20 municipalities within 10 days of the end of each quarter
5. Norms and Standards					
5.1. Develop, review and facilitate the implementation of financial norms and standards in depts. municipalities and the respective entities	<ul style="list-style-type: none"> No. of policies and practice notes developed and reviewed for depts. municipalities and their respective entities 	40 instruction notes and policies developed and/or reviewed based on needs analysis	40 instruction notes and policies developed and/or reviewed based on needs analysis	40 instruction notes and policies developed and/or reviewed based on needs analysis	40 instruction notes and policies developed and/or reviewed based on needs analysis
5.2. Compliance monitoring and evaluation of financial norms and standards		All depts assessed and monitored	All depts assessed and monitored	All depts assessed and monitored	All depts assessed and monitored
6. Supporting and Interlinked Financial Systems					
6.1. Develop, review, implement and monitor dept. supporting information technology enabler policies and procedures	<ul style="list-style-type: none"> No. of policy reviews completed No. of compliance reports completed No. of information sessions conducted 	4 12 8	4 12 8	4 12 8	4 12 8
6.2. To ensure business continuity through management of IT network infrastructure, desktop and LAN support and network security	<ul style="list-style-type: none"> Mean-time to resolve (MTTR) Percentage network uptime 	8 hr MTTR 99%	8 hr MTTR 99%	8 hr MTTR 99%	8 hr MTTR 99%
6.3. Provide technical support for transversal systems	<ul style="list-style-type: none"> MTTR (transversal systems) 	8 hr MTTR	8 hr MTTR	8 hr MTTR	24 hr MTTR

6.4 Programme 4: Internal Audit

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

The following services are rendered by the unit:

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

Tables 6.21 and 6.22 provide a summary of payments and budgeted estimates pertaining to Programme 4.

Table 6.21 : Summary of payments and estimates by sub-programme: Internal Audit

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2010/11	2011/12	2012/13	2013/14			2014/15	2015/16	2016/17
1. Assurance Services	38 917	40 738	54 050	57 633	57 548	53 360	69 885	69 989	65 275
2. Risk Management	42 108	34 431	39 104	48 446	52 008	50 451	59 864	61 569	56 408
Total	81 025	75 169	93 154	106 079	109 556	103 811	129 749	131 558	121 683

Table 6.22 : Summary of payments and estimates by economic classification: Internal Audit

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2010/11	2011/12	2012/13	2013/14			2014/15	2015/16	2016/17
Current payments	80 474	74 671	92 760	105 229	108 729	102 984	128 939	130 678	120 733
Compensation of employees	33 354	35 167	46 283	60 898	56 898	51 153	63 037	67 813	72 902
Goods and services	47 120	39 504	46 477	44 331	51 831	51 831	65 902	62 865	47 831
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	225	-	29	-	97	97	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	225	-	29	-	97	97	-	-	-
Payments for capital assets	323	485	352	850	730	730	810	880	950
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	323	485	352	850	730	730	810	880	950
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	3	13	13	-	-	-	-	-	-
Total	81 025	75 169	93 154	106 079	109 556	103 811	129 749	131 558	121 683

The sub-programme: Assurance Services reflected an increase from 2010/11 mainly due to the re-organisation of the unit's structure, coupled with the creation of a new Audit Committee. The substantial increase from 2011/12 onward was in respect of specialised audit assignments undertaken in line with Operation Clean Audit. The slight decrease from the 2013/14 Main to Adjusted Appropriation is due to savings resulting from cost-cutting. These savings were moved to Programme 2 to cover expenditure pressures relating to the procurement of computer equipment which was under-provided for. The low

spending in the 2013/14 Revised Estimate is the result of the non-filling of posts emanating from staff exits and a lack of suitably qualified candidates. The increase from 2014/15 to 2015/16 can be attributed to a once-off provision for consultant fees for special audits in line with Operation Clean Audit, hence the decrease in 2016/17.

The sub-programme: Risk Management includes expenditure in respect of Project *Unembeza*, forensic investigations in various departments and initiatives such as fraud risk assessments, municipal financial capability assessments, workshops and training on risk management and internal control. The high expenditure in 2010/11 was attributed to an increase in forensic investigations. This also explains the high expenditure against *Goods and services* in the same year. The decrease in 2011/12 was due to delays in finalising the appointment of service providers for Project *Unembeza*. The increase from 2011/12 to 2012/13 was due to commitments from the previous financial year for forensic investigations, as well as risk management facilitation workshops and training. The increase from the 2013/14 Main to Adjusted Appropriation provided for costs relating to the appointment of service providers to assist with risk management assignments at municipalities. The increase in 2014/15 and 2015/16 is due to provision for forensic investigations in 2014/15 and 2015/16 only, hence the decrease in 2016/17.

The substantial increase from 2011/12 to 2012/13 onward against *Compensation of employees* is mainly due to a change in SCOA classification which resulted in an increase in this category. In previous years, learners were paid under *Goods and services*. However when SCOA Version 4 was implemented, learnerships were reclassified as *Compensation of employees*. The substantial decrease in the 2013/14 Adjusted Appropriation to the Revised Estimate was a result of delays in the filling of vacant posts due to a lack of suitably qualified candidates, as well as staff exits. The increase over the 2014/15 MTEF makes provision to fill all vacant posts, and is inflationary related.

The expenditure against *Goods and services* from 2010/11 onward can be attributed to performance audits, fraud risk assessments, municipal financial capability assessments, workshops, training on risk management and internal control, training and development programmes including learnerships, Project *Unembeza* and forensic investigations. The high spending in 2010/11 can be attributed to the increase in forensic investigations, as well as the appointment of service providers with regard to specialised audit assignments, such as performance audits. The substantial decrease in 2011/12 was attributed to delays in finalising the appointment of service providers in respect of specialised audit assignments, as well as the expiry of the contract with the service provider of Project *Unembeza*. The substantial increase in 2012/13 was due to commitments from the previous financial year for specialised audit assignments, forensic investigations, risk management facilitation workshops and training, IT risk assessments on the BAS application system and the development of the BCP and DRP guidelines. The increase from the 2013/14 Main to Adjusted Appropriation relates to higher than anticipated consultants' fees for specialised audit assignments, as well as the appointment of service providers to assist with risk management assignments at municipalities. The 2014/15 and 2015/16 allocations include once-off funds for specialised audit assignments in line with Operation Clean Audit, as well as forensic investigations, and this explains the decrease in 2016/17.

Transfers and subsidies to: Households caters for the payment of staff exit costs.

Machinery and equipment is for the purchase of equipment in respect of new staff appointments, and the replacement and upgrading of equipment. The fluctuating trend over the period is due to its cyclical nature.

The spending against *Payments for financial assets* pertains to the write-off of irrecoverable staff debts.

Service delivery measures – Programme 4: Internal Audit

Table 6.23 below illustrates the main service delivery measures for Programme 4.

Table 6.23 : Service delivery measures – Programme 4: Internal Audit

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2013/14	2014/15	2015/16	2016/17	
1. Assurance Services						
1.1.	An efficient, effective and economical assurance service	Internal audit operational plan and a rolling three-year strategic plan	21	23	23	23
		Annual audit and risk committee report on clients' areas of risk management, governance and internal control submitted to MEC: Finance	1	1	1	1
		Internal Audit risk based and follow up audits conducted, including financial, IT, performance and governance audits	210	160	160	160
		Audits on predetermined objectives	21	23	23	23
1.2.	Build and maintain client relationships	Cluster audit and risk committee meetings with clients	64	60	60	60
1.3.	Enhance capacity within and outside the unit	Training and development programme	16	16	16	16
		Internal and/independent external Quality assurance review (QAR)	2	2	2	2
2. Risk Management (Assurance Services)						
2.1.	An efficient, effective and economical assurance service	Consolidated risk assessments facilitated for municipalities	40	30	30	30
		Updated risk reports issued for depts. and public entities	22	22	22	22
		Follow-up on implementation of risk mitigation and risk maturity improvement plans for each municipality (twice a year) and each dept. (quarterly)	60	120	120	120
		Consolidated provincial risk profile developed	1	1	1	1
		Conduct risk maturity gap analysis and develop action plans for provincial depts. and public entities	-	25	25	25
		Conduct Enterprise Risk Management (ERM) compliance and risk maturity reviews and assist municipalities with addressing identified weaknesses	40	30	35	35
		Audit Committee quarterly reports on the clients' areas of risk management and risk governance	4	60	60	60
		Training/raising awareness on governance and risk management	10	10	10	10
3. Risk Management (Forensic Services)						
3.1	Promote a culture of zero tolerance for fraud and corruption	No. of reviews on the status of fraud management in depts., public entities and municipalities	16	20	20	20
		No. of forensic audits performed and investigations as per clients' requests and referrals from the Assurance team	25	25	30	30
		Updated register of forensic investigations – MEC report	4	4	4	4
		No. of follow-ups on completed investigations	16	30	30	30

6.5 Programme 5: Growth and Development

Programme 5 consists of four sub-programmes, namely Budget Communication, Special Infrastructure Projects, Strategic Cabinet Initiatives and Air Shows/Special Projects. It makes provision for budget road shows, the feasibility studies for the government office precinct project, the 2010 World Cup, special initiatives approved by Cabinet, as well as infrastructure projects such as the development of the Pietermaritzburg, Prince Mangosuthu Buthelezi, Richards Bay and Margate airports.

Tables 6.24 and 6.25 illustrate the payments and budgeted estimates pertaining to Programme 5.

Table 6.24 : Summary of payments and estimates by sub-programme: Growth and Development

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2010/11	2011/12	2012/13	2013/14			2014/15	2015/16	2016/17
1. Budget Communication	3 190	6 457	6 032	7 464	7 464	7 464	7 810	8 097	8 526
2. Special Infrastructure Projects	5 436	31 264	30 285	20 677	39 754	39 754	13 500	10 062	-
3. Strategic Cabinet Initiatives	-	-	-	40 000	-	-	150 000	100 000	100 000
4. Air Shows/ Special Projects	16 010	-	2 000	65 000	12 627	12 627	15 000	8 000	6 000
Total	24 636	37 721	38 317	133 141	59 845	59 845	186 310	126 159	114 526

Table 6.25 : Summary of payments and estimates by economic classification: Growth and Development

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2010/11	2011/12	2012/13	2013/14			2014/15	2015/16	2016/17
Current payments	8 422	6 457	10 305	112 464	20 091	20 091	172 810	116 097	114 526
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	8 422	6 457	10 305	112 464	20 091	20 091	172 810	116 097	114 526
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	15 664	31 264	28 012	20 677	39 754	39 754	13 500	10 062	-
Provinces and municipalities	15 664	31 264	28 012	20 677	39 754	39 754	13 500	10 062	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-
Payments for financial assets	550	-	-	-	-	-	-	-	-
Total	24 636	37 721	38 317	133 141	59 845	59 845	186 310	126 159	114 526

The low spending against the sub-programme: Budget Communication in 2010/11 was due to the reduction in the number of budget road shows held as a result of cost-cutting. The allocation against this sub-programme increases gradually over the 2014/15 MTEF and is in respect of budget road shows.

The expenditure against the sub-programme: Special Infrastructure Projects from 2010/11 to 2012/13 pertained to the development of the Pietermaritzburg, Prince Mangosuthu Buthelezi and Richards Bay airports. The 2013/14 Main Appropriation consisted of funds toward infrastructure projects in Kokstad, namely the Shayamoya eco-complex and the development of a light industrial park in Bhongweni. The increase from the 2013/14 Main to the Adjusted Appropriation was a roll-over of R19.077 million from 2012/13 in respect of the upgrading of the Pietermaritzburg (R16.027 million), Prince Mangosuthu Buthelezi (R603 000) and Margate (R2.288 million) airports, the upgrading of which was delayed in 2012/13 due to poor weather conditions. The allocation of R13.500 million against Special Infrastructure Projects in 2014/15 comprises R8 million for the light industrial park at Bhongweni and R5.500 million for Msunduzi electricity-related projects. The 2015/16 allocation against Special Infrastructure Projects is made up of the Shayamoya eco-complex, and the light industrial park at Bhongweni.

The R40 million in the 2013/14 Main Appropriation against the sub-programme: Strategic Cabinet Initiatives was in respect of the Strategic Cabinet Initiatives funding which was allocated and held by Treasury for allocation to other departments for various strategic provincial events, as and when approved by Cabinet. Due to the high demand placed on these funds, a further R60 million was allocated to this fund in the 2013/14 Adjustments Estimate, bringing the total to R100 million. This allocation is not seen in the table as it was suspended to different departments in the Adjustments Estimate following Cabinet approval for various events. In 2014/15, additional funds with carry-through were allocated to the department to increase the Strategic Cabinet Initiatives funding to R100 million per year over the 2014/15 MTEF. The amount of R150 million in 2014/15 includes a once-off allocation for rural development

projects. As mentioned, the R50 million allocation will not be spent by Treasury but will be suspended to other departments once they have submitted rural development projects for consideration and approval.

The amount reflected against the sub-programme: Air Shows/Special Projects in 2010/11 pertains to the local government levy and an amount of R5.781 million in respect of the last payment made for the feasibility study of the government office precinct project before it was placed on hold. The spending in 2012/13 was for air shows which were held at various airports in the province, to support the provincial aviation industry and to promote tourism and increase economic activity. Funds in the 2013/14 Main Appropriation are once-off allocations for special projects such as the Aero Grand Prix, Operation Clean Audit, the e-Procurement Tool, forensic investigations, contract management, airshows, and the government office precinct project. These funds were moved to their respective programmes during the 2013/14 Adjustments Estimate upon proof of progress. The decrease from the 2013/14 Main to Adjusted Appropriation is due to the department shifting funds from Programme 5 to Programme 3 for Operation Clean Audit and the e-Procurement Tool. A further amount was suspended from this sub-programme to 2014/15 for the government office precinct project, Operation Clean Audit, the e-Procurement Tool, contract management, and forensic investigations. The increase from the 2013/14 Revised Estimate to 2015/16 and 2016/17 are for the IALCH floor repairs.

The amounts reflected against *Goods and services* include expenditure in respect of budget road shows, air shows, Strategic Cabinet Initiatives and special projects, as listed above. The substantial increase from the 2013/14 Revised Estimate to 2014/15 is for IALCH floor repairs, the feasibility study of the government office precinct project funding from 2013/14, as well as an increase in the Strategic Cabinet Initiatives funding to R100 million a year. The decrease against this category from 2014/15 to 2016/17 results from a once-off allocation toward rural development projects.

The expenditure reflected against *Transfers and subsidies to: Provinces and municipalities* relates mainly to the development of regional airports. Included in 2010/11 was the prescribed local government levy that has since been discontinued following a change in legislation. The expenditure in 2011/12 and 2012/13 pertained to the development of the Pietermaritzburg, Prince Mangosuthu Buthelezi and Richards Bay airports. The 2013/14 Adjusted Appropriation included a roll-over relating to the development of the Pietermaritzburg (R16.186 million), Prince Mangosuthu Buthelezi (R633 000) and Margate (R2.288 million) airports. The amount allocated in the 2013/14 Main Appropriation caters for the development of the Shayamoya eco-complex and the light industrial park, with carry-through costs in respect of the two developments going forward into 2014/15 and 2015/16. Also included in 2014/15 is a provision for Msunduzi electricity-related developments.

The amount against *Payments for financial assets* in 2010/11 was for the write-off of debts relating to SoccereX.

Service delivery measures – Programme 5: Growth and Development

Table 6.26 reflects the main service delivery measures pertaining to Programme 5.

Table 6.26 : Service delivery measures – Programme 5: Growth and Development

Table 6.2.2.1: Service delivery measures – Programme of Growth and Development					
Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2013/14	2014/15	2015/16	2016/17
To provide specific departmental approved events and initiatives not catered for in any other programme that will provide development in the province	• No. of events co-ordinated successfully	5	5	5	5

7. Other programme information

7.1 Personnel numbers and costs

Table 6.27 below reflects personnel information per programme for the Provincial Treasury, for the period March 2011 to March 2017. Table 6.28 provides details of personnel in terms of the human resources and finance components. The employees reflected against contract workers are interns that are employed by the department and are provided for under Programme 1. The department budgets for its full staff complement over the MTEF.

Table 6.27 : Personnel numbers and costs by programme

Personnel numbers	As at 31 March 2011	As at 31 March 2012	As at 31 March 2013	As at 31 March 2014	As at 31 March 2015	As at 31 March 2016	As at 31 March 2017
1. Administration	133	175	175	157	188	188	188
2. Fiscal Resource Management	35	52	60	68	73	73	73
3. Financial Management	71	111	110	118	118	118	118
4. Internal Audit	71	135	121	136	163	163	163
5. Growth and Development	-	-	-	-	-	-	-
Total	310	473	466	479	542	542	542
Total personnel cost (R thousand)	109 901	127 078	163 143	192 029	227 258	245 112	263 288
Unit cost (R thousand)	355	269	350	401	419	452	486

Table 6.28 : Summary of departmental personnel numbers and costs by component

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2010/11	2011/12	2012/13	2013/14			2014/15	2015/16	2016/17
Total for the department									
Personnel numbers (head count)	310	473	466	529	479	479	542	542	542
Personnel cost (R thousands)	109 901	127 078	163 143	210 636	208 333	192 029	227 258	245 112	263 288
Human resources component									
Personnel numbers (head count)	25	23	25	31	30	30	30	30	30
Personnel cost (R thousands)	7 384	7 113	9 517	10 454	10 454	10 454	11 076	11 843	12 684
Head count as % of total for department	8.06	4.86	5.36	5.86	6.26	6.26	5.54	5.54	5.54
Personnel cost as % of total for department	6.72	5.60	5.83	4.96	5.02	5.44	4.87	4.83	4.82
Finance component									
Personnel numbers (head count)	23	23	28	41	36	36	41	41	41
Personnel cost (R thousands)	5 884	7 937	9 525	11 768	11 768	11 768	15 966	17 113	18 335
Head count as % of total for department	7.42	4.86	6.01	7.75	7.52	7.52	7.56	7.56	7.56
Personnel cost as % of total for department	5.35	6.25	5.84	5.59	5.65	6.13	7.03	6.98	6.96
Full time workers									
Personnel numbers (head count)	269	424	373	489	395	395	426	426	426
Personnel cost (R thousands)	108 431	124 902	149 480	208 836	193 014	176 710	208 153	223 755	240 376
Head count as % of total for department	86.77	89.64	80.04	92.44	82.46	82.46	78.60	78.60	78.60
Personnel cost as % of total for department	98.66	98.29	91.63	99.15	92.65	92.02	91.59	91.29	91.30
Part-time workers									
Personnel numbers (head count)	-	-	-	-	-	-	-	-	-
Personnel cost (R thousands)	-	-	-	-	-	-	-	-	-
Head count as % of total for department	-	-	-	-	-	-	-	-	-
Personnel cost as % of total for department	-	-	-	-	-	-	-	-	-
Contract workers									
Personnel numbers (head count)	41	49	93	40	84	84	116	116	116
Personnel cost (R thousands)	1 470	2 176	13 663	1 800	15 319	15 319	19 105	21 357	22 912
Head count as % of total for department	13.23	10.36	19.96	7.56	17.54	17.54	21.40	21.40	21.40
Personnel cost as % of total for department	1.34	1.71	8.37	0.85	7.35	7.98	8.41	8.71	8.70

There is a general increase in the total personnel cost over the 2014/15 MTEF. The increase in personnel numbers from 2013/14 to 2014/15 relates to the anticipated filling of vacant posts.

7.2 Training

Tables 6.29 and 6.30 show the department's actual spending and estimates on training per programme. As reflected in Table 6.30, there is a rising trend in the training expenditure over the seven-year period.

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

Table 6.29 : Payments on training by programme

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2010/11	2011/12	2012/13	2013/14			2014/15	2015/16	2016/17
1. Administration	139	791	713	583	583	583	952	704	737
Subsistence and travel	-	-	-	-	-	-	-	-	-
Payments on tuition	139	791	713	583	583	583	952	704	737
Other	-	-	-	-	-	-	-	-	-
2. Fiscal Resource Management	69	223	130	190	190	240	283	283	308
Subsistence and travel	-	-	-	-	-	-	-	-	-
Payments on tuition	69	223	130	190	190	240	283	283	308
Other	-	-	-	-	-	-	-	-	-
3. Financial Management	149	369	277	322	322	322	460	487	513
Subsistence and travel	-	-	-	-	-	-	-	-	-
Payments on tuition	149	369	277	322	322	322	460	487	513
Other	-	-	-	-	-	-	-	-	-
4. Internal Audit	128	702	452	740	740	740	850	870	890
Subsistence and travel	-	-	-	-	-	-	-	-	-
Payments on tuition	128	702	452	740	740	740	850	870	890
Other	-	-	-	-	-	-	-	-	-
5. Growth and Development	-	-	-	-	-	-	-	-	-
Subsistence and travel	-	-	-	-	-	-	-	-	-
Payments on tuition	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	485	2 085	1 572	1 835	1 835	1 885	2 545	2 344	2 448

The significantly low spending in all programmes in 2010/11 is due to cost-cutting and the non-filling of non-critical posts, as well as the fact that the department undertook in-house training, wherever possible.

The high spending in 2011/12 can be attributed to the learnership programme aimed at skills development and also the creation of an available resource pool resulting in the creation of employment opportunities and contributing to the growth of the economy and sustainable development.

The department largely complies with the Skills Development Act – i.e. it budgets for at least 1 per cent of its salary expense going toward staff training.

Table 6.30 illustrates the number of staff affected by the various training programmes and initiatives. It also includes a gender breakdown, an indication of the types of training, as well as details of the number of bursaries and learnerships.

Table 6.30 : Information on training: Provincial Treasury

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2010/11	2011/12	2012/13	2013/14			2014/15	2015/16	2016/17
Number of staff	351	473	466	479	479	479	542	542	542
Number of personnel trained	310	360	466	500	517	517	542	542	542
of which									
Male	152	187	191	250	214	214	220	220	220
Female	158	173	275	250	303	303	322	322	322
Number of training opportunities	51	49	947	71	517	517	502	553	605
of which									
Tertiary	3	-	1	4	-	-	2	3	5
Workshops	39	13	276	40	246	246	150	200	200
Seminars	4	5	171	12	90	90	100	100	100
Other	5	31	499	15	181	181	250	250	300
Number of bursaries offered	27	13	11	40	11	11	11	11	11
Number of interns appointed	41	49	41	40	50	50	50	50	50
Number of learnerships appointed	15	20	16	60	25	25	15	15	15
Number of days spent on training	149	202	177	150	102	102	100	115	150

ANNEXURE – VOTE 6: PROVINCIAL TREASURY

Table 6.A : Details of departmental receipts: Provincial Treasury

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sale of goods and services other than capital assets	168	152	159	160	160	171	182	194	207
Sale of goods and services produced by dept. (excl. capital assets)	166	149	158	160	160	169	180	192	204
Sales by market establishments	47	48	49	50	50	53	56	60	64
Administrative fees	54	50	51	50	50	56	60	64	68
Other sales	65	51	58	60	60	60	64	68	72
Of which									
Other	65	51	58	60	60	60	64	68	72
Sale of scrap, waste, arms and other used current goods (excl. capital assets)	2	3	1	-	-	2	2	2	2
Transfers received from:	-	-	-	-	-	-	-	-	-
Other governmental units	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments	-	-	-	-	-	-	-	-	-
International organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Households and non-profit institutions	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	1	-	-	-
Interest, dividends and rent on land	29 584	288 008	269 818	200 004	200 004	249 807	266 048	283 341	301 758
Interest	29 581	288 004	269 815	200 000	200 000	249 807	266 044	283 337	301 754
Dividends	3	4	3	4	4	-	4	4	4
Rent on land	-	-	-	-	-	-	-	-	-
Sale of capital assets	634	760	32	-	-	409	160	170	181
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Other capital assets	634	760	32	-	-	409	160	170	181
Transactions in financial assets and liabilities	440	333	437	340	340	352	375	399	425
Total	30 826	289 253	270 446	200 504	200 504	250 740	266 765	284 105	302 572

Table 6.B : Payments and estimates by economic classification: Provincial Treasury

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2010/11	2011/12	2012/13	2013/14			2014/15	2015/16	2016/17
Current payments	368 945	353 868	474 802	651 162	601 309	585 005	805 143	739 338	749 897
Compensation of employees	109 901	127 078	163 143	210 636	208 333	192 029	227 258	245 112	263 288
Salaries and wages	94 479	112 306	145 652	183 340	181 037	164 733	200 082	216 650	233 273
Social contributions	15 422	14 772	17 491	27 296	27 296	27 296	27 176	28 462	30 015
Goods and services	243 536	225 784	311 659	431 618	390 268	390 268	570 117	483 994	475 835
Administrative fees	8 088	9 999	10 315	10 871	11 871	11 868	12 366	12 528	13 008
Advertising	1 439	2 609	4 129	3 865	3 728	3 960	4 112	4 151	4 326
Assets less than the capitalisation threshold	133	989	497	1 021	926	926	747	792	838
Audit cost: External	3 479	6 700	4 526	7 540	5 540	5 540	7 365	7 189	7 341
Bursaries: Employees	236	227	297	350	350	350	360	360	360
Catering: Departmental activities	536	1 867	2 199	2 602	3 652	3 652	2 435	2 470	2 504
Communication (G&S)	2 055	1 706	2 357	2 625	2 625	2 625	3 142	3 269	3 385
Computer services	102 332	97 452	110 935	111 818	113 833	113 833	125 625	138 464	135 485
Cons & prof serv: Business and advisory services	88 090	50 080	122 751	238 622	179 635	179 635	349 350	247 152	241 185
Cons & prof serv: Infras and planning	-	-	-	-	-	-	-	-	-
Cons & prof serv: Laboratory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	1 088	2 270	1 660	539	3 439	3 439	715	741	748
Contractors	2 844	2 771	4 574	2 836	12 621	12 385	8 242	10 335	8 431
Agency and support / outsourced services	553	1 181	517	567	567	567	1 161	1 217	1 273
Entertainment	33	2	6	44	44	44	13	14	15
Fleet services (incl. govt motor transport)	785	949	1 017	1 005	1 105	1 105	1 061	1 111	1 161
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	87	129	213	266	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	27	61	64	-	-	-	-	-
Inventory: Materials and supplies	86	310	26	323	-	-	-	-	-
Inventory: Medical supplies	1	-	2	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medias inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	110	105	194	266	1 098	1 105	805	872	937
Consumable: Stationery, printing and office supplies	2 066	1 758	1 522	2 277	2 318	2 318	2 178	2 277	2 343
Operating leases	12 951	11 789	14 805	13 971	13 971	13 971	15 248	15 372	16 180
Property payments	2 211	7 335	7 854	5 200	7 365	7 365	5 387	5 732	5 634
Transport provided: Departmental activity	374	992	531	904	1 054	1 054	900	950	1 000
Travel and subsistence	7 993	8 144	14 143	16 152	17 121	17 121	19 367	20 088	20 702
Training and development	485	2 085	1 572	1 835	1 885	1 885	2 545	2 344	2 448
Operating payments	4 859	12 351	2 402	3 599	2 984	2 984	3 443	2 886	2 722
Venues and facilities	622	1 957	2 554	2 456	2 536	2 536	3 550	3 680	3 809
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	15 508	1 006	-	8 908	2 708	2 708	7 768	10 232	10 774
Interest	15 508	1 006	-	8 908	2 708	2 708	7 768	10 232	10 774
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	17 033	32 406	37 624	26 337	45 250	45 276	18 222	14 835	5 037
Provinces and municipalities	15 676	31 264	28 026	20 697	39 774	39 774	13 522	10 085	24
Provinces	12	-	14	20	20	20	22	23	24
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	12	-	14	20	20	20	22	23	24
Municipalities	15 664	31 264	28 012	20 677	39 754	39 754	13 500	10 062	-
Municipalities	15 664	31 264	28 012	20 677	39 754	39 754	13 500	10 062	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Provide list of entities receiving transfers	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1 357	1 142	9 598	5 640	5 476	5 502	4 700	4 750	5 013
Social benefits	1 142	689	995	1 400	1 418	1 444	700	750	800
Other transfers to households	215	453	8 603	4 240	4 058	4 058	4 000	4 000	4 213
Payments for capital assets	2 295	3 819	5 901	7 430	7 412	7 412	10 818	4 042	4 515
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	2 275	3 294	5 507	7 430	7 412	7 412	10 818	4 042	4 515
Transport equipment	-	820	1 053	1 656	1 606	1 606	1 250	1 350	1 700
Other machinery and equipment	2 275	2 474	4 454	5 774	5 806	5 806	9 568	2 692	2 815
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	20	525	394	-	-	-	-	-	-
Payments for financial assets	663	232	13	-	-	-	-	-	-
Total	388 936	390 325	518 340	684 929	653 971	637 693	834 183	758 215	759 449

Table 6.C : Payments and estimates by economic classification: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2010/11	2011/12	2012/13	2013/14			2014/15	2015/16	2016/17
Current payments	67 582	78 484	87 232	101 382	106 302	100 933	111 174	116 596	122 823
Compensation of employees	32 044	35 936	43 763	54 786	56 386	51 017	62 919	68 287	73 190
Salaries and wages	27 951	31 476	38 804	46 620	48 088	42 719	54 387	59 445	63 933
Social contributions	4 093	4 460	4 959	8 166	8 298	8 298	8 532	8 842	9 257
Goods and services	35 538	42 548	43 469	46 596	49 916	49 916	48 255	48 309	49 633
Administrative fees	114	656	246	252	1 252	1 252	311	325	339
Advertising	805	2 187	3 400	3 253	2 673	2 673	3 263	3 298	3 329
Assets less than the capitalisation threshold	31	422	109	493	493	493	313	320	328
Audit cost: External	3 479	6 700	4 526	7 540	5 540	5 540	7 365	7 189	7 341
Bursaries: Employees	238	227	297	350	350	350	360	360	360
Catering: Departmental activities	89	576	281	575	575	575	305	317	329
Communication (G&S)	1 226	883	1 279	1 371	1 371	1 371	1 588	1 635	1 682
Computer services	5 301	-	5	-	-	-	6	7	8
Cons & prof serv: Business and advisory services	87	464	216	671	671	671	894	736	681
Cons & prof serv: Infras and planning	-	-	-	-	-	-	-	-	-
Cons & prof serv: Laboratory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	76	321	443	419	3 319	3 319	595	611	608
Contractors	2 240	1 263	1 664	1 055	1 805	1 805	721	740	759
Agency and support / outsourced services	97	132	39	88	88	88	111	117	123
Entertainment	33	-	5	34	34	34	10	10	10
Fleet services (incl. govt motor transport)	784	949	1 017	1 005	1 105	1 105	1 061	1 111	1 161
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	49	47	114	157	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	27	61	64	-	-	-	-	-
Inventory: Materials and supplies	79	300	26	304	-	-	-	-	-
Inventory: Medical supplies	1	-	2	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medcas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	109	104	193	262	880	880	554	579	602
Consumable: Stationery, printing and office supplies	1 186	1 118	814	986	1 043	1 043	1 198	1 234	1 270
Operating leases	12 917	11 272	14 201	13 505	13 505	13 505	14 498	14 586	15 360
Property payments	2 211	7 185	7 813	5 200	7 200	7 200	5 345	5 689	5 591
Transport provided: Departmental activity	-	94	-	60	60	60	-	-	-
Travel and subsistence	2 730	2 442	5 086	5 750	5 750	5 750	7 045	7 273	7 489
Training and development	139	791	713	583	583	583	952	704	737
Operating payments	1 348	3 971	689	2 044	1 044	1 044	1 514	1 210	1 256
Venues and facilities	169	417	230	575	575	575	246	258	270
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	227	453	9 004	4 260	4 093	4 093	4 022	4 023	4 237
Provinces and municipalities	12	-	14	20	20	20	22	23	24
Provinces	12	-	14	20	20	20	22	23	24
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	12	-	14	20	20	20	22	23	24
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Provide list of entities receiving transfers	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	215	453	8 990	4 240	4 073	4 073	4 000	4 000	4 213
Social benefits	-	-	387	-	15	15	-	-	-
Other transfers to households	215	453	8 603	4 240	4 058	4 058	4 000	4 000	4 213
Payments for capital assets	934	1 424	1 669	2 686	2 586	2 586	2 142	2 242	2 592
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	934	1 424	1 669	2 686	2 586	2 586	2 142	2 242	2 592
Transport equipment	-	820	1 053	1 656	1 606	1 606	1 250	1 350	1 700
Other machinery and equipment	934	604	616	1 030	980	980	892	892	892
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	12	-	-	-	-	-	-	-	-
Total	68 755	80 361	97 905	108 328	112 981	107 612	117 338	122 861	129 652

Table 6.D : Payments and estimates by economic classification: Fiscal Resource Management

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2010/11	2011/12	2012/13	Appropriation	Appropriation	Estimate	2014/15	2015/16	2016/17
Current payments	52 947	31 778	76 716	99 107	101 707	99 129	109 857	103 266	108 320
Compensation of employees	17 371	21 191	30 283	43 007	41 104	38 526	44 755	48 311	52 070
Salaries and wages	14 823	19 071	27 231	38 292	36 521	33 943	40 084	43 425	46 863
Social contributions	2 548	2 120	3 052	4 715	4 583	4 583	4 671	4 886	5 207
Goods and services	35 576	10 587	46 433	56 100	60 603	60 603	65 102	54 955	56 250
Administrative fees	44	66	81	93	93	90	112	118	123
Advertising	4	16	35	25	368	368	-	-	-
Assets less than the capitalisation threshold	43	115	47	38	158	158	71	77	83
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	11	81	160	98	98	98	170	175	180
Communication (G&S)	130	146	201	300	300	300	309	316	319
Computer services	-	-	16	-	15	15	120	120	120
Cons & prof serv: Business and advisory services	33 172	6 919	42 155	51 656	55 381	55 381	57 812	47 872	49 336
Cons & prof serv: Infras and planning	-	-	-	-	-	-	-	-	-
Cons & prof serv: Laboratory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	-	-	-	-	-	-	-	-	-
Contractors	5	18	25	12	42	45	14	14	14
Agency and support / outsourced services	-	-	-	-	-	-	400	400	400
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (incl. govt motor transport)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	11	17	22	34	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	3	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	-	-	1	1	43	43	48	52	52
Consumable: Stationery, printing and office supplies	212	219	242	392	334	334	310	322	328
Operating leases	-	133	188	96	96	96	195	198	201
Property payments	-	-	-	-	15	15	-	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	948	840	1 633	2 057	1 837	1 837	2 472	2 498	2 508
Training and development	69	223	130	190	240	240	283	283	308
Operating payments	927	1 791	950	1 095	1 095	1 095	1 450	1 173	940
Venues and facilities	-	-	547	13	488	488	1 336	1 337	1 338
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	23	-	32	58	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Provide list of entities receiving transfers	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	23	-	32	58	-	-	-
Social benefits	-	-	23	-	32	58	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	208	374	131	400	602	602	266	276	286
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	188	374	131	400	602	602	266	276	286
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	188	374	131	400	602	602	266	276	286
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	20	-	-	-	-	-	-	-	-
Payments for financial assets	6	128	-	-	-	-	-	-	-
Total	53 161	32 280	76 870	99 507	102 341	99 789	110 123	103 542	108 606

Table 6.E : Payments and estimates by economic classification: Financial Management

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2010/11	2011/12	2012/13	Appropriation	Appropriation	Estimate	2014/15	2015/16	2016/17
Current payments	159 520	162 478	207 789	232 980	264 480	261 868	282 363	272 701	283 495
Compensation of employees	27 132	34 784	42 814	51 945	53 945	51 333	56 547	60 701	65 126
Salaries and wages	22 933	30 500	38 194	44 456	46 456	43 844	48 855	52 622	56 630
Social contributions	4 199	4 284	4 620	7 489	7 489	7 489	7 692	8 079	8 496
Goods and services	116 880	126 688	164 975	172 127	207 827	207 827	218 048	201 768	207 595
Administrative fees	7 830	9 094	9 748	10 331	10 331	10 331	11 663	11 775	12 206
Advertising	419	33	-	-	-	-	-	-	-
Assets less than the capitalisation threshold	59	393	131	490	205	205	153	165	177
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	18	25	26	55	105	105	54	60	65
Communication (G&S)	373	385	485	523	523	523	625	658	684
Computer services	96 996	96 655	110 754	111 018	113 018	113 018	125 199	138 027	135 037
Cons & prof serv: Business and advisory services	7 279	12 041	38 261	44 559	77 070	77 070	74 077	44 561	52 814
Cons & prof serv: Infras and planning	-	-	-	-	-	-	-	-	-
Cons & prof serv: Laboratory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	1 012	1 949	1 217	120	120	120	120	130	140
Contractors	68	187	48	85	85	85	102	105	111
Agency and support / outsourced services	-	-	-	-	-	-	-	-	-
Entertainment	-	-	1	6	6	6	3	4	5
Fleet services (incl. govt motor transport)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	14	34	38	39	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	7	5	-	16	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	-	1	-	3	109	109	135	150	169
Consumable: Stationery, printing and office supplies	373	224	307	515	464	464	398	420	415
Operating leases	34	195	189	105	105	105	236	255	272
Property payments	-	13	41	-	-	-	42	43	43
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	1 342	1 888	3 147	3 811	5 000	5 000	4 640	4 768	4 767
Training and development	149	369	277	322	322	322	460	487	513
Operating payments	859	3 161	301	23	258	258	93	100	106
Venues and facilities	48	36	4	106	106	106	48	60	71
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	15 508	1 006	-	8 908	2 708	2 708	7 768	10 232	10 774
Interest	15 508	1 006	-	8 908	2 708	2 708	7 768	10 232	10 774
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	917	689	556	1 400	1 274	1 274	700	750	800
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Provide list of entities receiving transfers	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	917	689	556	1 400	1 274	1 274	700	750	800
Social benefits	917	689	556	1 400	1 274	1 274	700	750	800
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	830	1 536	3 749	3 494	3 494	3 494	7 600	644	687
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	830	1 011	3 355	3 494	3 494	3 494	7 600	644	687
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	830	1 011	3 355	3 494	3 494	3 494	7 600	644	687
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	525	394	-	-	-	-	-	-
Payments for financial assets	92	91	-	-	-	-	-	-	-
Total	161 359	164 794	212 094	237 874	269 248	266 636	290 663	274 095	284 982

Table 6.F : Payments and estimates by economic classification: Internal Audit

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2010/11	2011/12	2012/13	2013/14			2014/15	2015/16	2016/17
Current payments	80 474	74 671	92 760	105 229	108 729	102 984	128 939	130 678	120 733
Compensation of employees	33 354	35 167	46 283	60 898	56 898	51 153	63 037	67 813	72 902
Salaries and wages	28 772	31 259	41 423	53 972	49 972	44 227	56 756	61 158	65 847
Social contributions	4 582	3 908	4 860	6 926	6 926	6 926	6 281	6 655	7 055
Goods and services	47 120	39 504	46 477	44 331	51 831	51 831	65 902	62 865	47 831
Administrative fees	77	183	229	195	195	195	280	310	340
Advertising	7	7	3	9	9	9	-	-	-
Assets less than the capitalisation threshold	-	59	210	-	70	70	210	230	250
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	(2)	-	-	-	-	-	-	-	-
Catering: Departmental activities	2	26	30	58	58	58	56	58	60
Communication (G&S)	326	292	392	431	431	431	620	660	700
Computer services	35	797	160	800	800	800	300	310	320
Cons & prof serv: Business and advisory services	41 771	30 647	39 846	36 683	43 833	43 833	57 511	53 925	38 292
Cons & prof serv: Infras and planning	-	-	-	-	-	-	-	-	-
Cons & prof serv: Laboratory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	-	-	-	-	-	-	-	-	-
Contractors	9	5	15	-	5	5	-	-	-
Agency and support / outsourced services	-	-	-	-	-	-	-	-	-
Entertainment	-	2	-	4	4	4	-	-	-
Fleet services (incl. govt motor transport)	1	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	13	17	39	36	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	2	-	3	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	1	-	-	-	66	66	68	91	114
Consumable: Stationery, printing and office supplies	285	183	159	384	477	477	272	301	330
Operating leases	-	189	227	265	265	265	319	333	347
Property payments	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	2 973	2 974	4 277	4 534	4 534	4 534	5 210	5 549	5 938
Training and development	128	702	452	740	740	740	850	870	890
Operating payments	1 494	3 419	429	189	339	339	186	203	220
Venues and facilities	-	-	9	-	5	5	20	25	30
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	225	-	29	-	97	97	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Provide list of entities receiving transfers	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	225	-	29	-	97	97	-	-	-
Social benefits	225	-	29	-	97	97	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	323	485	352	850	730	730	810	880	950
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	323	485	352	850	730	730	810	880	950
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	323	485	352	850	730	730	810	880	950
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	3	13	13	-	-	-	-	-	-
Total	81 025	75 169	93 154	106 079	109 556	103 811	129 749	131 558	121 683

Table 6.G : Payments and estimates by economic classification: Growth and Development

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2010/11	2011/12	2012/13	Appropriation	Appropriation	Estimate	2014/15	2015/16	2016/17
Current payments	8 422	6 457	10 305	112 464	20 091	20 091	172 810	116 097	114 526
Compensation of employees	-	-	-	-	-	-	-	-	-
Salaries and wages	-	-	-	-	-	-	-	-	-
Social contributions	-	-	-	-	-	-	-	-	-
Goods and services	8 422	6 457	10 305	112 464	20 091	20 091	172 810	116 097	114 526
Administrative fees	23	-	11	-	-	-	-	-	-
Advertising	204	366	691	578	678	910	849	853	997
Assets less than the capitalisation threshold	-	-	-	-	-	-	-	-	-
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	416	1 159	1 702	1 816	2 816	2 816	1 850	1 860	1 870
Communication (G&S)	-	-	-	-	-	-	-	-	-
Computer services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Business and advisory services	5 781	9	2 273	105 053	2 680	2 680	159 056	100 058	100 062
Cons & prof serv: Infras and planning	-	-	-	-	-	-	-	-	-
Cons & prof serv: Laboratory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	-	-	-	-	-	-	-	-	-
Contractors	522	1 298	2 822	1 684	10 684	10 445	7 405	9 476	7 547
Agency and support / outsourced services	456	1 049	478	479	479	479	650	700	750
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (incl. govt motor transport)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	14	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medcas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	-	-	-	-	-	7	-	-	-
Consumable: Stationery, printing and office supplies	10	14	-	-	-	-	-	-	-
Operating leases	-	-	-	-	-	-	-	-	-
Property payments	-	137	-	-	150	150	-	-	-
Transport provided: Departmental activity	374	898	531	844	994	994	900	950	1 000
Travel and subsistence	-	-	-	-	-	-	-	-	-
Training and development	-	-	-	-	-	-	-	-	-
Operating payments	231	9	33	248	248	248	200	200	200
Venues and facilities	405	1 504	1 764	1 762	1 362	1 362	1 900	2 000	2 100
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	15 664	31 264	28 012	20 677	39 754	39 754	13 500	10 062	-
Provinces and municipalities	15 664	31 264	28 012	20 677	39 754	39 754	13 500	10 062	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	15 664	31 264	28 012	20 677	39 754	39 754	13 500	10 062	-
Municipalities	15 664	31 264	28 012	20 677	39 754	39 754	13 500	10 062	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Provide list of entities receiving transfers	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Social benefits	-	-	-	-	-	-	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	550	-	-	-	-	-	-	-	-
Total	24 636	37 721	38 317	133 141	59 845	59 845	186 310	126 159	114 526

Table 6.H : Summary of transfers to local govt. (airports, Shayamoya eco-complex, light industrial park & Msunduzi electric-related dev)

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2010/11	2011/12	2012/13	2013/14			2014/15	2015/16	2016/17
A KZN2000 eThekweni	7 937	-	-	-	-	-	-	-	-
Total: Ugu Municipalities	98	-	-	-	2 288	2 288	-	-	-
B KZN211 Vulamehlo	-	-	-	-	-	-	-	-	-
B KZN212 Umdoni	-	-	-	-	-	-	-	-	-
B KZN213 Umzumbi	-	-	-	-	-	-	-	-	-
B KZN214 uMuziwabantu	-	-	-	-	-	-	-	-	-
B KZN215 Ezinqoleni	-	-	-	-	-	-	-	-	-
B KZN216 Hibiscus Coast	-	-	-	-	2 288	2 288	-	-	-
C DC21 Ugu District Municipality	98	-	-	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	6 482	17 790	574	-	16 186	16 186	5 500	-	-
B KZN221 uMshwathi	-	-	-	-	-	-	-	-	-
B KZN222 uMngeni	-	-	-	-	-	-	-	-	-
B KZN223 Mpofana	-	-	-	-	-	-	-	-	-
B KZN224 Impendle	-	-	-	-	-	-	-	-	-
B KZN225 Msunduzi	5 435	17 790	574	-	16 186	16 186	5 500	-	-
B KZN226 Mkhambathini	-	-	-	-	-	-	-	-	-
B KZN227 Richmond	-	-	-	-	-	-	-	-	-
C DC22 uMgungundlovu District Municipality	1 047	-	-	-	-	-	-	-	-
Total: Uthukela Municipalities	22	-	-	-	-	-	-	-	-
B KZN232 Emnambithi/Ladysmith	-	-	-	-	-	-	-	-	-
B KZN233 Indaka	-	-	-	-	-	-	-	-	-
B KZN234 Umtshezi	-	-	-	-	-	-	-	-	-
B KZN235 Okhahlamba	-	-	-	-	-	-	-	-	-
B KZN236 Imbabazane	-	-	-	-	-	-	-	-	-
C DC23 Uthukela District Municipality	22	-	-	-	-	-	-	-	-
Total: Umzinyathi Municipalities	31	-	-	-	-	-	-	-	-
B KZN241 Endumeni	-	-	-	-	-	-	-	-	-
B KZN242 Nqutu	-	-	-	-	-	-	-	-	-
B KZN244 Msinga	-	-	-	-	-	-	-	-	-
B KZN245 Umvoti	-	-	-	-	-	-	-	-	-
C DC24 Umzinyathi District Municipality	31	-	-	-	-	-	-	-	-
Total: Amajuba Municipalities	427	-	-	-	-	-	-	-	-
B KZN252 Newcastle	-	-	-	-	-	-	-	-	-
B KZN253 eMadlangeni	-	-	-	-	-	-	-	-	-
B KZN254 Dannhauser	-	-	-	-	-	-	-	-	-
C DC25 Amajuba District Municipality	427	-	-	-	-	-	-	-	-
Total: Zululand Municipalities	33	10 015	19 661	-	603	603	-	-	-
B KZN261 eDumbe	-	-	-	-	-	-	-	-	-
B KZN262 uPhongolo	-	-	-	-	-	-	-	-	-
B KZN263 Abaqulusi	-	-	-	-	-	-	-	-	-
B KZN265 Nongoma	-	-	-	-	-	-	-	-	-
B KZN266 Ulundi	-	-	-	-	-	-	-	-	-
C DC26 Zululand District Municipality	33	10 015	19 661	-	603	603	-	-	-
Total: Umkhanyakude Municipalities	3	-	-	-	-	-	-	-	-
B KZN271 Umhlabyalingana	-	-	-	-	-	-	-	-	-
B KZN272 Jozini	-	-	-	-	-	-	-	-	-
B KZN273 The Big 5 False Bay	-	-	-	-	-	-	-	-	-
B KZN274 Hlabisa	-	-	-	-	-	-	-	-	-
B KZN275 Mtubatuba	-	-	-	-	-	-	-	-	-
C DC27 Umkhanyakude District Municipality	3	-	-	-	-	-	-	-	-
Total: uThungulu Municipalities	584	3 459	7 777	-	-	-	-	-	-
B KZN281 Umfolozi	-	-	-	-	-	-	-	-	-
B KZN282 uMhlathuze	-	3 459	7 777	-	-	-	-	-	-
B KZN283 Ntambanana	-	-	-	-	-	-	-	-	-
B KZN284 uMlalazi	-	-	-	-	-	-	-	-	-
B KZN285 Mthonjaneni	-	-	-	-	-	-	-	-	-
B KZN286 Nkandla	-	-	-	-	-	-	-	-	-
C DC28 uThungulu District Municipality	584	-	-	-	-	-	-	-	-
Total: Ilembe Municipalities	45	-	-	-	-	-	-	-	-
B KZN291 Mandeni	-	-	-	-	-	-	-	-	-
B KZN292 KwaDukuza	-	-	-	-	-	-	-	-	-
B KZN293 Ndwedwe	-	-	-	-	-	-	-	-	-
B KZN294 Maphumulo	-	-	-	-	-	-	-	-	-
C DC29 Ilembe District Municipality	45	-	-	-	-	-	-	-	-
Total: Sisonke Municipalities	2	-	-	20 677	20 677	20 677	8 000	10 062	-
B KZN431 Ingwe	-	-	-	-	-	-	-	-	-
B KZN432 Kwa Sani	-	-	-	-	-	-	-	-	-
B KZN433 Greater Kokstad	-	-	-	20 677	20 677	20 677	8 000	10 062	-
B KZN434 Ubuhlebezwe	-	-	-	-	-	-	-	-	-
B KZN435 Umzimkulu	-	-	-	-	-	-	-	-	-
C DC43 Sisonke District Municipality	2	-	-	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-	-	-	-
Total	15 664	31 264	28 012	20 677	39 754	39 754	13 500	10 062	-