

VOTE 6

Provincial Treasury

Operational budget	R 710 329 423
MEC remuneration	R 1 821 577
Total amount to be appropriated	R 712 151 000
Responsible MEC	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 enhance the KwaZulu-Natal Provincial Government's service delivery by responding to the expectations of all stakeholders in the value chain as a key driver through:*

- Optimum and transparent allocation of financial resources while enhancing revenue generation and financial management practices in compliance with applicable legislation and corporate governance principles.
- Competent and dedicated employees who are at the centre of ensuring best value to their stakeholders.

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:

- To promote sound financial management practices and fiscal management through good governance.
- To ensure targeted financial resources allocation and utilisation that contributes to improved service delivery.
- To enhance the capacity and capability of Supply Chain Management (SCM) in departments, municipalities and public entities to eliminate irregular expenditure.
- To focus on the enhancement of Broad-Based Black Economic Empowerment (B-BBEE) through effective SCM policies.
- To monitor and facilitate infrastructure delivery in the province and thereby contribute towards job creation.
- To co-ordinate and enhance revenue collection for sustainable service delivery to the citizens.
- To promote sound cash management practices and improve liquidity in the province.

As of 1 April 2014, the KwaZulu-Natal Gaming and Betting Board (KZNGBB) public entity fell under the Provincial Treasury in line with the provincial reconfiguration which took place subsequent to the 2014 general elections.

Core functions

The core functions of the department include the following:

- Mobilisation of funds for the provincial government.
- Allocation of fiscal resources to provincial departments.
- Preparation of annual and MTEF budgets.
- Province-wide cash management.
- Internal audit.
- Provincial financial management in terms of the PFMA and MFMA through:
 - Budget monitoring and reporting.
 - Financial accounting.
 - Financial systems maintenance.
- Provision of advice on procurement policies and procedures in provincial government.
- Control and regulation of the gaming and betting function.

Legislative mandate

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

- 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 (MFMA) (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 Acts
- KwaZulu-Natal Gaming and Betting Act (Act No. 8 of 2010)
- KwaZulu-Natal Gaming and Betting Tax Act (Act No. 9 of 2010)

2. Review of the 2014/15 financial year

Section 2 provides a review of 2014/15, 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

Infrastructure: The unit continued to assist provincial departments in planning for, and implementing infrastructure programmes and initiatives, in order to obtain maximum value for money. The Infrastructure Delivery Management System (IDMS), developed through the Infrastructure Delivery Improvement Programme (IDIP) was facilitated by KZN Treasury *via* National Treasury. The IDMS focused on the Departments of Education, Health and Public Works.

Economic Analysis: The unit continued to produce economic and public policy research, participate in various academic conferences and workshops, undertake district municipality profiling and deliver economic presentations throughout the province. It also provided informative analysis about the provincial Socio-economic Review and Outlook (SERO) and contributed to municipalities' Integrated Development Plans (IDPs). The unit was successfully involved in, among others, a number of strategic events, including various international, African, national and local cycling events.

Public Finance: The spending and service delivery achievements of 15 departments and 13 listed public entities were monitored and the Finance Portfolio Committee was briefed on the mid-year and close-out budget performance of the province. Similarly, the newly established Standing Committee on Oversight was briefed on the budget performance of the Provincial Legislature. The Executive Council was constantly kept up-to-date on KZN's spending. The 2014/15 *Adjustments Estimate of Provincial Revenue and Expenditure (AEPRE)*, which is a legislative requirement of the PFMA, was prepared and tabled in the Legislature. The 2015/16 Main Budget was prepared for tabling on 10 March 2015. Focus was placed on the enhancement of revenue collected from health patient fees, with Treasury working closely with Health in this regard. The cost-cutting measures first implemented in 2009/10 continue to remain in place in KZN, together with the cost-cutting measures issued by National Treasury.

Municipal Finance: The unit continued to provide technical support to municipalities in preparation of their budgets. The roll-out of the Municipal Support Programme (MSP) continued in 2014/15 with the unit assisting municipalities with various work streams, based on their individual needs. The 2014/15 Draft Budgets and Adopted Budgets of all of the delegated municipalities were received and assessed for accuracy and compliance with the MFMA and Municipal Budget and Reporting Regulations (MBRR). A detailed assessment was done on the Draft Budgets in order to provide input into the Final Budgets and a further high level assessment was done on the Adopted Budgets. Furthermore, the unit conducted a monthly analysis and provided feedback 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. The unit assessed the delegated municipalities' level of compliance with the MFMA using the 30 MFMA Indicators Tool.

Financial Management

Financial Assets and Liabilities: Support was provided to departments in respect of pay-roll tax, assets and banking matters. This included a quarterly risk analysis to identify training requirements per department and to ensure compliance with relevant legislation. The introduction of cash blocking ensured that departments' spending was in line with funds available. Funds were made available to departments as required, in line with their cash flow forecasts for the financial year, and as per the equitable share received from National Treasury.

Public Private Partnerships (PPP): The unit continued to provide support on the exit strategy in respect of the Inkosi Albert Luthuli Central Hospital (IALCH), as well as the five-year review and five-year strategy for the Ilembe District Municipality water sanitation concession. The unit rendered assistance and offered innovative solutions to challenges faced by both initiatives.

Supply Chain Management: Support was provided to departments and municipalities with regard to SCM policies and procedures. This entailed conducting compliance assessments to determine the required support interventions and the provision of training, where required. The Contract Management Project (CMP) was rolled out to all provincial departments. This system ensures effective supplier performance management and value for money.

The unit advertised and awarded a bid for the e-Procurement Tool. In addition, B-BBEE verification of suppliers on the suppliers' database commenced in line with the new B-BBEE validation requirements.

The unit successfully launched the Municipal Bid Appeals Tribunal (MBAT) for all municipalities in KZN. The unit continued to ensure effective policy review and updating of practice notes and circulars, in line with Legislative and National Treasury requirements.

Financial Reporting: Significant progress was made in financial management practices in KZN. Financial management support, particularly in local government, was instrumental in the improved audit outcomes for the 2013/14 MFMA audit opinions. Treasury also obtained a clean audit report for the Provincial Revenue Fund for 2013/14. This is the sixth clean audit in a row.

Norms and Standards: The unit provided an enhanced level of policy assistance to municipalities and departments by focussing primarily on the review and development of critical finance-related policies as outlined in the MFMA and PFMA. Moreover, a concerted effort was made to determine the status of these policies in municipal and provincial entities, with support provided where so determined.

Support and Interlinked Financial Systems: The start of the biometric enablement of the asset management system was delayed due to the department streamlining the system in order to make it more cost-efficient. New server infrastructure was installed to ensure that the Biometric Access Control System functions optimally.

KwaZulu-Natal Gaming and Betting Board (KZNGBB): The KZNGBB is responsible for the collection of horse racing and casino taxes for the Province of KwaZulu-Natal, regulating the gambling industry and ensuring the responsible roll-out of gaming and betting initiatives. The entity focused on aligning its structure to the strategy and improving its internal systems. The entity continued with the roll-out of bingo halls and executing its mandate as contained in the Act. One area which received increased focus was the transformation of the gambling industry, with the entity issuing an additional 29 bookmaker licences targeting previously disadvantaged individuals. Other initiatives included the issuing of Type-B Limited Pay-out Machine (LPM) licences and independent site operator licences.

Internal Audit

Assurance Services: The unit provided internal audit services to departments and some public entities with specific focus on enhancing good governance and control through improved audit outcomes. The unit conducted performance audits, audit reviews of interim financial statements, as well as routine audit assignments focusing on transversal and core business areas. The unit also performed a number of formal consulting audit activities – i.e. the Patient Referral System at Health, and the Head Count Project at Education. The unit continued to implement performance information reviews, IT audit reviews of IT controls and governance processes, as well as formal consulting services by providing ongoing advice during the system development of some IT systems implementation, such as the controls on the Biometric Access Control System, the on-line Travel System, and the on-line Leave Management System.

Risk and Advisory Services: The unit continued to provide risk management support to departments and public entities, mainly in areas of facilitation of risk assessment exercises and monitoring of the implementation of risk mitigating plans. The unit also provided training to all members of the risk committees within departments. This training was to improve risk governance and assist in improving maturity of risk management. Risk forums were held with the aim of providing a platform for sharing best practices in risk management, highlighting new processes and topics, as well as addressing concerns such that a transversal solution could be attained.

Forensic Audit Services: The unit completed eight investigations, and conducted 19 follow-ups to track the status of implementation of recommendations arising from forensic investigation reports. It also commenced with the development of a Fraud Case Management system that will be used to record, consolidate and track all forensic investigations conducted within all spheres of provincial government.

3. Outlook for the 2015/16 financial year

Section 3 looks at the key focus areas of 2015/16, outlining what the department is hoping to achieve, as well as briefly looking at the challenges facing the department, and proposed new developments.

The bulk of the department's budget allocation in the 2015/16 MTEF is for financial management (for

general oversight of all departments, municipalities and public entities' budget processes), internal audit, SCM, and support for transversal and interlinked financial systems. In addition, the department is continuing to implement a number of special projects, such as infrastructure support of IDIP Transaction Advisors (TAs), Operation Pay-on-Time, Operation Clean Audit, irregular expenditure projects, MSP, etc.

Fiscal Resource Management

Economic Analysis: The unit will continue to undertake economic and public policy research, participate in various academic conferences and workshops, undertake district municipality profiling and deliver economic presentations throughout the province. It will also continue to support and facilitate strategic development projects, events and activities in the province. Departmental economic impact analysis and spatial analysis will be a key priority for 2015/16.

Infrastructure: The unit will continue to monitor infrastructure planning and delivery performance throughout the province. It will co-ordinate and facilitate infrastructure funding mechanisms and opportunities to support the provincial fiscal framework, including the hosting and expansion of the KZN Funding Fare series which is a platform to bring project promoters and funders together. The unit will continue to assist departments with funding applications and provide technical support in the development and management of the KZN Provincial Infrastructure Master Plan. The implementation of IDMS province-wide and the facilitation of the U-AMPS will continue to be priorities. The Infrastructure Reporting Model (IRM) will be used as a reporting tool for all provincial infrastructure projects (including all *Capital* and *Current* infrastructure).

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 undertaken. Accordingly, monitoring the spending of departments and public entities will continue in 2015/16, with the aim of keeping provincial spending within budget. The Executive Council will continue to be kept informed of the province's budget performance, on a monthly basis. The *AEPRE* for 2015/16 and the *EPRE* for 2016/17 will be prepared. The enhancement of provincial own revenue will gain momentum in view of the budget cuts brought about by the fiscal consolidation plan, which is being implemented by National Treasury to reign in government debt. National Treasury will be provided with information on the Division of Revenue and Provincial Equitable Share (PES), as well as the conditional grant frameworks.

Municipal Finance: Focus will be placed on enhancing the sustainability of municipalities. The unit will monitor and support the delegated municipalities that are piloting the Standard Chart of Accounts (SCOA) framework and system functionality, and will monitor the non-piloting municipalities' preparation for the broader migration of their systems. The MSP will focus on assisting municipalities in enhancing their internal controls, improving their VAT process, as well as instituting cashflow management practices and improving the credibility of their budgets. Post implementation reviews will be conducted to ensure sustainability.

Financial Management

Financial Assets and Liabilities: A support service will continue to be offered to departments in respect of pay-roll tax, assets and banking functions. 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 South African Reserve Bank (SARB) to ensure maximum interest is earned.

Public Private Partnership: 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 project flow, and to prevent projects taking place that are not considered to be value for money and/or affordable. The unit will embark on intense awareness campaigns and capacity building with various SMMEs.

Supply Chain Management: The unit will continue to provide hands-on support to departments and municipalities, and will continue with the subsequent phases of the CMP which will culminate with all municipalities having fully completed contract registers supported by legitimate contract documents. The MBAT is now fully functional and will be introduced *via* way of district road shows to increase public awareness about the MBAT mechanism.

The unit will commence with the implementation of the e-Procurement Tool in departments. The unit will commence work on the benchmark price list which will be updated on an ongoing basis, and will initially comprise of the most frequently procured items by government. Where required, interventions and additional support will be provided to departments, municipalities and public entities.

Financial Reporting: To improve the effectiveness of the unit, focus will be placed on regular hands-on engagement and support to departments, public entities and municipalities to enhance 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 play a major role in the Operation Clean Audit campaign, by ensuring enhanced financial management in all spheres of government.

Norms and Standards: The unit, as per National Treasury's request, will facilitate the implementation of the new upgraded Diagnostic Compliance Tool and the Financial Management Capability Maturity Model (FMCMM), by identifying two departments as part of the pilot project prior to the nationwide roll-out of the financial model. Inputs will be forwarded to National Treasury in order to address the various challenges that may be experienced during the pilot phase.

Support and Interlinked Financial Systems: The biometric enablement of the asset management system will be completed in 2015/16. Enhancements and standardisation of the Biometric Access Control System are to be expedited to improve the level of support for the system in the province.

KwaZulu-Natal Gaming and Betting Board (KZNGBB): The entity will pursue its mandate by ensuring that all gambling authorised under the Act is conducted in a manner which promotes the integrity of the gambling industry and does not cause harm to the public. In addition, the KZNGBB will ensure that gaming promotes tourism, employment, economic and social development. It will continue to invite, consider and process new applications and/or renewals for any gaming or betting licences, to amend, specify, substitute or rescind any casino licence conditions, as well as to undertake investigations or inspections into gambling operations in KZN.

The entity envisages streamlining processes and finalising and implementing new betting regulations, while continuing its efforts to address illegal gambling and transform the KZN horse racing and betting industry. The entity will proceed with the implementation of current initiatives, as well as new gaming initiatives, such as the roll-out of additional licences for LPMs and finalisation of the roll-out of bingo halls, as it strives to grow the industry in a responsible and socially acceptable manner.

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 intention is to identify additional critical service delivery projects to determine value for money for the resources expended as part of its focus on performance auditing. Resources will be directed towards the achievement and sustaining of clean audit outcomes, specifically in areas of transversal operational activities such as SCM and asset management. Audit efforts on IT governance and controls will be expanded, as this has been identified as a critical risk area. The unit will continue to perform governance reviews, as well as support the Audit and Risk Committee structures.

Risk and Advisory Services: The unit's main focus will be to ensure that the implementation plan of the recommendations of the risk management maturity gap analysis findings are on track, and to provide the necessary interventions as and when required. The risk management tool, CURA, will also be rolled out to all departments and selected public entities and municipalities to strengthen awareness and ownership of risk management. The Governance Risk and Compliance Framework will be piloted in two public entities.

Forensic Audit Services: The envisaged Fraud Case Management System will be made accessible to the Office of the Premier (OTP) for provincial reporting purposes during 2015/16, and will be used to assist with monitoring and addressing delays in forensic investigations. More detailed follow-up audits will be conducted to assess the extent to which investigated entities are implementing forensic investigation recommendations. Fraud prevention plan strategies of all departments will also be reviewed.

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 2011/12 to 2017/18. 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		
	2011/12	2012/13	2013/14	2014/15			2015/16	2016/17	2017/18
Equitable share	512 366	567 640	485 764	703 762	559 154	559 154	648 589	680 768	708 506
Conditional grants	-	-	-	-	-	-	-	-	-
Total receipts	512 366	567 640	485 764	703 762	559 154	559 154	648 589	680 768	708 506
Total payments	411 205	557 733	623 448	878 315	708 472	667 134	712 151	707 768	708 506
Surplus/(Deficit) before financing	101 161	9 907	(137 684)	(174 553)	(149 318)	(107 980)	(63 562)	(27 000)	-
Financing									
of which									
Provincial roll-overs	18 538	40 926	34 004	-	24 765	24 765	-	-	-
Provincial cash resources	-	44 062	180 927	174 553	124 553	124 553	63 562	27 000	-
Surplus/(Deficit) after financing	119 699	94 895	77 247	-	-	41 338	-	-	-

The department receives only a provincial allocation over the seven-year period. In 2011/12, the amount of R18.538 million against provincial roll-overs was in respect of funds rolled over from 2010/11 for 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 Inter-Governmental Cash Co-ordination (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 was in respect of roll-overs from the previous financial year for the Pietermaritzburg (R16.760 million) and Richards Bay (R7.041 million) airports, the Infrastructure Crack Team (R3.904 million), the purchasing of a server refresher for the computer network system (R2.659 million), and 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 (R10.562 million).

The amount of R44.062 million against provincial cash resources in 2012/13 was in respect of the Pietermaritzburg airport (R20 million), the Thuthuka Bursary Fund (R4 million), the Infrastructure Crack Team (R10 million), the Shayamoya eco-complex (R2.062 million), and for the development of a light industrial park at Bhongweni (R8 million). The Shayamoya eco-complex is a cultural complex and community park in Kokstad, which aims to make East Griqualand a more attractive tourist destination. The development of a light industrial park at Bhongweni in the Greater Kokstad Municipality 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. Both projects will be finalised by the end of 2015/16.

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 Pay-Master General (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.

The amount of R34.004 million against provincial roll-overs in 2013/14 relates to 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 R180.927 million in 2013/14 comprises various projects, including 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, a light industrial park at Bhongweni, Aero Grand Prix, and Thuthuka Bursary Fund. Furthermore, funds were allocated for Operation *Sukuma Sakhe* (OSS), the Infrastructure Crack Team, the Education nutrition programme, the irregular expenditure project, the Health assets project, and the McCord Hospital take-over, and for a new IT system for the KZNGBB.

In 2013/14, the budget was under-spent by R77.247 million. This relates to delays in the filling of posts resulting from lengthy recruitment processes and a lack of suitably qualified candidates, lower than anticipated audit and legal costs, under-expenditure on the MSP, delays in the appointment of a service provider for the e-Procurement Tool, delays in negotiations in respect of the McCord Hospital take-over project, and delays in obtaining dates for GRAP training with municipalities. Also contributing, were the late receipt of invoices from service providers dealing with the Health Asset Register project, as well as the Education capped-leave project, delays in spending in respect of a light industrial park at Bhongweni and the Shayamoya eco-complex, savings realised in respect of the development and upgrade of the Prince Mangosuthu Buthelezi and Margate airports, and delays in the selection process regarding students for the Thuthuka Bursary Fund.

The department's provincial allocation in 2014/15 decreased. This was due to Strategic Cabinet Initiatives funds being suspended to various departments, such as OTP, Economic Development, Tourism and Environmental Affairs, Co-operative Governance and Traditional Affairs (COGTA), Arts and Culture, and Sport and Recreation. The Strategic Cabinet Initiatives included the Crown Gospel Awards ceremony, the Nelson Mandela Golf Tournament, Africa Bike Week, National Choral Music awards, U19 International Football tournament, among others. Also, funds of R50 million were suspended in respect of rural development projects under Vote 6 to Vote 11 for the Small Town Rehabilitation programme.

The amount of R24.765 million against provincial roll-overs in the 2014/15 Adjusted Appropriation relates to roll-overs from 2013/14 for the Strategic Cabinet Initiatives Fund (R6.382 million), the construction of the Shayamoya eco-complex (R13.062 million), and the development of a light industrial park at Bhongweni (R5.321 million).

The provincial cash resources amount of R124.553 million in the 2014/15 Adjusted Appropriation includes additional allocations for Msunduzi electricity-related developments, the Infrastructure Crack Team, irregular expenditure projects, IDIP TAs, Operation Pay-on-Time, Education capped leave, AFS training, Operation Clean Audit (Financial Management), the e-Procurement Tool, IALCH floor repairs, Strategic Cabinet Initiatives, and carry-through costs of previous years' wage agreements. The decrease of R50 million from the 2014/15 Main to Adjusted Appropriation relates to the suspension of funds in respect of rural development projects, as explained above.

The 2014/15 Revised Estimate shows that the department is anticipating ending the year with under-spending of R41.338 million mainly in respect of:

- *Compensation of employees* resulting from a lack of suitably qualified candidates and lengthy recruitment processes.
- *Goods and services* emanating from Infrastructure Crack team projects being placed on hold due to unforeseen circumstances, delays in the MSP resulting from the non-payment of invoices emanating from unsatisfactory work done by service providers, enhanced financial controls (particularly in the Office of the MEC where the number of road shows was reduced), lower than anticipated spending on forensic investigations, among others.
- *Transfers and subsidies to: Households* in respect of the late receipt of invoices for the Thuthuka Bursary Fund.
- *Machinery and equipment* due to delays in the receipt of invoices for the biometric server refresher system.

In 2015/16, the department's baseline increased to R712.151 million from the 2014/15 Adjusted Appropriation of R708.472 million. The provincial cash resources amount of R63.562 million in 2015/16 is due to suspensions from the previous financial year relating to additional funding for IDIP TAs (2015/16 and 2016/17), Operation Pay-on-Time (2015/16 and 2016/17), Operation Clean Audit (2015/16 and 2016/17), e-Procurement Tool (2015/16 and 2016/17), special audits (2015/16 only), forensic investigations (2015/16 only), Shayamoya eco-complex (2015/16 only), a light industrial park at Bhongweni (2015/16 only), and IALCH floor repairs (2015/16 and 2016/17). These projects (with carry-through) account for the R27 million against provincial cash resources in 2016/17.

It should be noted that there are no provincial cash resources allocated in 2017/18 due to the non-continuation of IDIP TAs, Operation Clean Audit, Operation Pay-on-Time, the e-Procurement Tool, and IALCH floor repairs, as these were only allocated additional funding for a limited time, in line with project requirements.

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		
	2011/12	2012/13	2013/14	2014/15			2015/16	2016/17	2017/18
Tax receipts	405 857	447 730	488 254	572 705	572 705	531 608	648 227	732 728	776 692
Casino taxes	337 435	383 056	421 355	490 803	490 803	457 046	556 890	630 869	668 721
Horse racing taxes	68 422	64 674	66 899	81 902	81 902	74 562	91 337	101 859	107 971
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sale of goods and services other than capital assets	152	159	169	182	182	297	203	204	209
Transfers received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	1	-	-	-	-	-	-
Interest, dividends and rent on land	288 008	269 818	249 807	266 048	266 048	291 100	283 341	301 757	316 846
Sale of capital assets	760	32	409	160	160	191	170	181	192
Transactions in financial assets and liabilities	333	437	352	375	375	382	380	382	385
Total	695 110	718 176	738 992	839 470	839 470	823 578	932 322	1 035 253	1 094 324

Tax receipts are derived from taxes collected by the KZNGBB in accordance with the KZN Gaming and Betting Tax Act, 2010. Under this category, the major sources of revenue are *Casino taxes* and *Horse racing taxes*. The increased revenue collection over the seven-year period is a result of increased focus on enforcement and surveillance of the functioning of the gaming and betting industry.

Casino taxes, which are largely derived from LPMs and Bingo gaming revenue, accelerated markedly from 2012/13 onward following the increase in tax rates which came into effect in November 2012. Growth over the 2015/16 MTEF can be ascribed to the expected developments in this industry. The increase in revenue projections can largely be attributed to the planned Suncoast Casino expansion and opening of additional Bingo halls across the province.

The low revenue collection against *Horse racing taxes* in 2012/13 was due to constrained global economic circumstances. The decline in the 2014/15 Revised Estimate is largely driven by the under-performance of the industry. However, growth over the MTEF is largely due to growth in the sports betting sector. Also impacting positively on the MTEF projections, are the additional book-making rights that the KZNGBB has issued in the province. It is expected that there will be a significant impact on revenue in 2016/17 when the businesses issued with these rights become operational.

Sale of goods and services other than capital assets is mainly in respect of game licences, commission on PERSAL deductions such as insurance premiums and garnishees, sale of tender documents, parking fees, etc. The department is expecting to over-collect its 2014/15 Revised Estimate due to the higher than anticipated sale of tender documents, which accounts for the negative growth of 8.7 per cent from 2014/15 to 2017/18.

Interest, dividends and rent on land mainly relates to interest earned on the IGCC and the PMG account. The significant improvement, although fluctuating over the seven-year period, is due to the collective implementation of cost-cutting by provincial departments. The decline in revenue collected in 2013/14 was due to the 1, 2 and 3 per cent baseline reductions implemented by National Treasury. Over the 2015/16 MTEF, revenue projections increase at a slow growth rate due to continued implementation of financial control measures.

Sale of capital assets relates to the disposal of redundant assets, such as vehicles, office equipment, etc. Fluctuations over the seven-year period are due to the uncertain nature of this category as it relies on performance at the auction. The department anticipates disposing motor vehicles over the 2015/16 MTEF in line with its asset disposal policy.

Transactions in financial assets and liabilities is made up of recoveries of staff debts such as breached bursary contracts. The fluctuations over the MTEF can be attributed to the difficulty in forecasting accurately for this category, 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). Provincial Treasury sent a bid to National Treasury in 2014 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 the amounts spent to date and to be spent 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		
	2011/12	2012/13	2013/14	2014/15			2015/16	2016/17	2017/18
Donor funding	-	-	-	41 600	41 600	41 600	39 200	39 200	-
KwaZulu-Natal Science Parks	-	-	-	41 600	41 600	41 600	39 200	39 200	-
Total	-	-	-	41 600	41 600	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		
	2011/12	2012/13	2013/14	2014/15			2015/16	2016/17	2017/18
Donor funding	-	-	-	41 600	41 600	500	59 750	59 750	-
KwaZulu-Natal Science Parks	-	-	-	41 600	41 600	500	59 750	59 750	-
Total	-	-	-	41 600	41 600	500	59 750	59 750	-

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.

In 2014/15, funds of only R500 000 were spent due to delays in the procurement process. The procurement process is anticipated to be finalised in the first half of 2015/16. The remaining amount of R41.100 million will be surrendered, but will be motivated for roll-over, as per advice received from National Treasury. A business plan, indicating how these funds will be spent, will be submitted and it is anticipated that these funds will be spent in equal amounts of R20.550 million (in addition to the R39.200 million already projected to be spent in each of these two years) in 2015/16 and 2016/17, respectively, once the roll-over is approved.

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 2015/16 MTEF is based on the department's approved Strategic Plan and the 2015/16 Annual Performance Plan in line with the service delivery requirements and improvements of the department. Some of the main assumptions supporting the MTEF budget are as follows:

- National Treasury imposed fiscal consolidation cuts on the equitable share and conditional grant allocations of provinces for 2015/16 and 2016/17. In KZN, the bulk of the equitable share cut is absorbed by reducing the Contingency Reserve, stopping of the Strategic Cabinet Initiatives Fund, etc. As part of the fiscal consolidation, National Treasury has not provided any funding for the carry-through costs of the 2014 wage agreement, and the department therefore had to fund these by internal reprioritisation and lowering growth of non-essential item budgets.
- Provision was made for the carry-through costs of the 2014 wage agreement and an inflationary wage adjustment of 5.6, 5.5 and 5 per cent for each of the three years of the 2015/16 MTEF, respectively. The department also provided for the 1.5 per cent pay progression.
- Where feasible, CPI projections were used to calculate inflation related items.
- The expanded cost-cutting measures, as reissued by Provincial Treasury in 2014/15, will continue to be adhered to over the 2015/16 MTEF, in conjunction with National Treasury Instruction 01 of 2013/14: Cost-containment measures. The provincial cost-cutting measures will be updated to include those that were adopted by the Committee of Heads of Departments (COHODs) in December 2014.
- Provision has been made for the filling of critical vacant posts.

5.2 Additional allocations for the 2013/14 to 2015/16 MTEF

Table 6.5 shows additional funding received by the department over the three MTEF periods: 2013/14, 2014/15 and 2015/16.

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 2013/14 and 2014/15 MTEF periods (i.e. for the financial year 2017/18) are based on the incremental percentage used in the 2015/16 MTEF.

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 allocations for the feasibility study of the government office precinct project, Operation Clean Audit, the e-Procurement Tool, contract management, Infrastructure Crack Team, forensic investigations, Shayamoya eco-complex, Aero Grand Prix, Thuthuka Bursary Fund, and the development of a light industrial park at Bhongweni.

Table 6.5 : Summary of additional provincial allocations for the 2013/14 to 2015/16 MTEF

R thousand	2013/14	2014/15	2015/16	2016/17	2017/18
2013/14 MTEF period	89 580	(4 539)	(20 517)	(21 461)	(22 534)
Census data update and 1%, 2% and 3% baseline cuts	(8 097)	(16 539)	(20 517)	(21 461)	(22 534)
Feasibility study of government office precinct project	9 000	-	-	-	-
Operation Clean Audit (Financial Management)	10 000	-	-	-	-
Provincial SCM procurement tool	8 000	-	-	-	-
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	97 145
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	8 400
Operation Pay-on-Time		3 500	3 500	3 500	3 675
Education capped leave		5 000	-	-	-
Operation Clean Audit (Financial Management)		10 000	5 000	5 000	5 250
AFS assist municipalities		5 000	-	-	-
e-Procurement Tool		4 500	13 000	3 500	3 675
Special audits		-	8 000	-	-
Forensic investigations		-	8 000	-	-
Contract management		-	-	7 000	7 350
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	6 300
Strategic Cabinet Initiatives - increasing to R100m		46 505	59 473	57 325	60 191
Carry-through of previous wage agreements		1 404	2 711	3 133	3 290
Centralisation of communications budget under OTP		(610)	(640)	(674)	(708)
Centralisation of external bursaries budget under OTP		(253)	(253)	(265)	(278)
2015/16 MTEF period			(91 747)	(99 735)	(139 372)
IALCH floor repairs			8 000	-	-
Removal of Strategic Cabinet Initiatives Fund			(100 000)	(100 000)	(105 000)
Removal of IDIP TAs in 2017/18			-	-	(8 400)
Removal of Operation Pay-on-Time in 2017/18			-	-	(3 675)
Removal of Operation Clean Audit (Financial Management) in 2017/18			-	-	(5 250)
Removal of e-Procurement Tool in 2017/18			-	-	(3 675)
Removal of contract management in 2017/18			-	-	(7 350)
Removal of IALCH - floor repairs in 2017/18			-	-	(6 300)
Decentralisation of bursaries budget			253	265	278
	89 580	209 060	12 589	(28 677)	(64 761)

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 once-off allocations, in 2014/15, amounting to R156.909 million for rural development projects (R50 million), Msunduzi electricity-related developments (R5.500 million), Infrastructure Crack Team (R10 million), irregular expenditure (R3.500 million), IDIP TAs (R8 million with carry-through), Operation Pay-on-Time (R3.500 million with carry-through), Education capped leave (R5 million), Operation Clean Audit (Financial Management) (R10 million with carry-through), AFS training (R5 million), e-Procurement Tool (R4.500 million with carry-through), IALCH floor repairs (R4 million with carry-through), Strategic Cabinet Initiatives (R46.505 million with carry-through), and carry-through costs of previous years' wage agreements (R1.404 million).

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

Over the 2015/16 MTEF, the department is allocated a once-off additional R8 million for the continuation of the IALCH floor repairs. Also, apart from the carry-through costs in respect of the projects mentioned above, the department was allocated R8 million for forensic investigations and special audits, respectively, R2.062 million for the Shayamoya eco-complex and R8 million for a light industrial park at Bhongweni. In 2016/17, the department received R7 million for contract management.

National Treasury has indicated that the fiscal consolidation that started in 2014/15 is set to continue over the 2015/16 MTEF. In line with this, all three spheres of government have been cut with KZN's portion of this cut being in excess of R500 million per annum. The bulk of this cut is therefore being absorbed by the province's contingency reserve, as well as temporarily halting the government office precinct project and the Strategic Cabinet Initiatives Fund until the period of fiscal consolidation is over. In this regard, the Strategic Cabinet Initiatives Fund (R100 million in 2015/16 and 2016/17, and R105 million in 2017/18) has been removed over the 2015/16 MTEF.

In addition, R34.650 million has been removed in 2017/18 in respect of the following, as these funds were once-off and did not have carry-through beyond 2016/17:

- R8.400 million for IDIP TAs.
- R3.675 million for Operation Pay-on-Time.
- R5.250 million for Operation Clean Audit (Financial Management).
- R3.675 million for the e-Procurement Tool.
- R7.350 million for contract management.
- R6.300 million for IALCH floor repairs.

The above is slightly offset by funds of R253 000 (with carry-through) in respect of the external bursaries budget being decentralised back from OTP to the department following a Cabinet decision.

Note that additional funding was allocated in the 2012/13 MTEF for improving infrastructure support. Although no longer visible in Table 6.5, this funding was specifically and exclusively appropriated and the department has not yet completed the implementation of its revised infrastructure staffing structure that this funding was intended for. Thus amounts of R9.226 million, R9.650 million and R10.133 million remain ring-fenced for this purpose over the three years of the 2015/16 MTEF, in line with the moratorium on the filling of non-critical posts.

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 at this stage, and this is in the process of being reviewed by the department. 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		
	2011/12	2012/13	2013/14	2014/15			2015/16	2016/17	2017/18
1. Administration	80 361	97 905	96 932	117 338	118 312	112 023	123 089	129 917	136 413
2. Fiscal Resource Management	32 280	76 870	91 204	110 123	87 023	76 592	103 567	108 606	105 636
3. Financial Management	185 674	251 487	286 894	334 795	330 695	307 295	319 778	333 036	329 738
4. Internal Audit	75 169	93 154	107 363	129 749	125 749	125 909	131 558	121 683	127 767
5. Growth and Development	37 721	38 317	41 055	186 310	46 693	45 315	34 159	14 526	8 952
Total	411 205	557 733	623 448	878 315	708 472	667 134	712 151	707 768	708 506

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		
	2011/12	2012/13	2013/14	2014/15			2015/16	2016/17	2017/18
Current payments	357 411	478 406	549 746	809 999	618 284	580 388	654 524	660 248	658 764
Compensation of employees	129 790	165 967	188 527	230 825	220 525	213 550	260 566	274 729	280 064
Goods and services	226 615	312 439	361 219	571 406	396 791	365 870	383 726	374 745	367 387
Interest and rent on land	1 006	-	-	7 768	968	968	10 232	10 774	11 313
Transfers and subsidies to:	49 743	73 405	67 171	57 498	78 270	76 860	51 636	42 977	44 969
Provinces and municipalities	31 264	28 026	21 983	13 522	32 120	32 077	10 318	244	256
Departmental agencies and accounts	17 337	35 775	41 881	39 276	39 276	39 276	32 532	34 255	35 968
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	1 000	1 000	3 150	3 150	3 150
Households	1 142	9 604	3 307	4 700	5 874	4 507	5 636	5 328	5 595
Payments for capital assets	3 819	5 909	6 114	10 818	11 918	9 886	5 991	4 543	4 773
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	3 294	5 515	6 114	10 818	11 918	9 886	5 991	4 543	4 773
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	525	394	-	-	-	-	-	-	-
Payments for financial assets	232	13	417	-	-	-	-	-	-
Total	411 205	557 733	623 448	878 315	708 472	667 134	712 151	707 768	708 506

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

The increase from 2011/12 to 2012/13 against Programme 1: Administration 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, as well as the reconfiguration of office space at Treasury House and Nomalanga Building. The increase from 2013/14 to the 2014/15 Main Appropriation was due to inflationary increments, higher than anticipated salary costs, OSS initiatives, and legal fees, as well as provision towards the Thuthuka Bursary Fund. The increase from the 2014/15 Main to the Adjusted Appropriation relates to additional funding allocated to cater for the ex-MEC for Finance's severance package. The increase over the 2015/16 MTEF shows inflationary growth.

The substantial increase from 2011/12 to 2012/13 against Programme 2: Fiscal Resource Management is related to an increase in the number of assignments in respect of the MSP (to assist municipalities with their financial management activities), that could not be implemented in 2011/12. The increase in 2012/13 and 2013/14 related mainly to the continued implementation of the MSP, as well as spending on the Infrastructure Crack Team. The increase from 2013/14 to the 2014/15 Main Appropriation is due to once-off additional funding for the Infrastructure Crack Team and IDIP TAs. The decrease from the 2014/15 Main to the Adjusted Appropriation pertains to the Infrastructure Crack Team being involved in fewer projects than initially anticipated, enhanced financial controls, and savings declared on the MSP, due to delays emanating from unresolved disputes with the service provider. The savings were surrendered to the Provincial Revenue Fund. The substantial decrease from 2016/17 to 2017/18 pertains to the non-continuation of IDIP TAs in 2017/18. Provincial Treasury was allocated once-off additional funds in respect of IDIP TAs (allocated over three-years in line with project requirements) when the 2014/15 MTEF budget was prepared. This meant that the funding would not be provided beyond 2016/17 and, as such, these amounts were removed from the department's baseline in 2017/18.

The substantial increase against Programme 3: Financial Management from 2011/12 to 2012/13 included increases in MBAT, contract management and Operation Clean Audit initiatives, as well as the administrative requirements of the horse racing regulator which was merged into the KZNGBB. The increase from 2012/13 to the 2014/15 Main Appropriation resulted from a once-off allocation for the e-Procurement Tool, contract management, the take-over of McCord Hospital, and Operation Clean Audit initiatives. The decrease in the 2014/15 Adjusted from the Main Appropriation is mainly due to funds that were surrendered to the Provincial Revenue Fund as projected spending in respect of SCM projects, such as MBAT and the B-BBEE verification, was lower than anticipated, as well as the non-filling of vacant posts. The decrease from the 2014/15 Adjusted Appropriation to 2015/16 pertains to the once-off

additional funding allocated in 2014/15 for Msunduzi electricity-related developments, GRAP training for municipalities, Health Asset Register, Education capped-leave, and to assist municipalities with their AFS. The decrease from 2016/17 to 2017/18 is due to the non-continuation of Operation Clean Audit, Operation Pay-on-Time and contract management, as these were only allocated additional funding for a limited time, in line with project requirements.

Programme 4: Internal Audit shows an increase from 2011/12 to 2012/13 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 BCP and DRP guidelines. The increase from 2012/13 to 2013/14 is due to once-off additional funding for Operation Clean Audit initiatives and an increase in forensic investigations. The substantial increase from 2013/14 to the 2014/15 Main Appropriation is mainly attributed to once-off additional funding for Operation Clean Audit initiatives, such as special assignments, and an increase in forensic investigations. The decrease from the 2014/15 Main to the Adjusted Appropriation pertains to funds surrendered to the Provincial Revenue Fund as a result of delays in the filling of posts emanating from lengthy recruitment processes. The fluctuations over the 2015/16 MTEF can be ascribed to once-off additional funding allocated for special audits and additional forensic investigations in 2015/16.

In respect of Programme 5: Growth and Development, spending in 2011/12 to 2013/14 relates mainly to the development of the Pietermaritzburg, Prince Mangosuthu Buthelezi, Margate and Richards Bay airports, various air shows, Shayamoya eco-complex and a light industrial park at Bhongweni, as well as the feasibility study of the government office precinct project. The substantial increase from 2013/14 to the 2014/15 Main Appropriation is due to the largely once-off allocations for Strategic Cabinet Initiatives, rural development projects, Msunduzi electricity-related developments, Shayamoya eco-complex and a light industrial park at Bhongweni. The 2014/15 Adjusted Appropriation shows a decrease from the Main Appropriation, as the Strategic Cabinet Initiatives funding was suspended to respective departments for various events, and the rural development projects were moved to COGTA for the Small Town Rehabilitation programme, following Cabinet approval. The budget over the 2015/16 MTEF includes budget road shows (2015/16, 2016/17 and 2017/18), finalisation of the Shayamoya eco-complex (2015/16 only), a light industrial park at Bhongweni (2015/16 only), and provisions for IALCH floor repairs (2015/16 and 2016/17).

The increase against *Compensation of employees* from 2011/12 to 2012/13 was due to the lifting of the moratorium on the filling of vacant posts. The department budgeted for the full organisational structure from 2014/15. As of 2014/15, the department made provision for salaries for contract personnel that will be working on certain departmental projects, such as TAs working on IDIP, contract management, etc. The decrease from the 2014/15 Main to the Adjusted Appropriation and further in the Revised Estimate is a result of delays in the filling of posts due to lengthy recruitment processes, and the difficulty in finding suitably qualified candidates.

The increase against *Goods and services* from 2011/12 to 2013/14 was mainly due to increased spending on MBAT, contract management, the Infrastructure Crack Team, and Operation Clean Audit initiatives, MSP project, an increase in forensic investigations, etc., and the reconfiguration of office space at Treasury House and Nomalanga Building. The decrease from the 2014/15 Main to the Adjusted Appropriation is in respect of the suspension of Strategic Cabinet Initiatives funding which was allocated to various departments for various events, and rural development projects, as mentioned. The decreasing trend over the 2015/16 MTEF pertains to the reduction in the number of consultants to be used for forensic investigations, IDIP TAs, SCM, contract management, Operation Pay-on-Time, Operation Clean Audit, etc. Also, contributing to the decrease is the finalisation of the IALCH floor repairs, the removal of the Strategic Cabinet Initiatives Fund (over all three-years of the MTEF), and the non-continuation of the e-Procurement Tool, as mentioned.

The expenditure against *Interest and rent on land* in 2011/12 relates to interest paid by the province. There was no expenditure in 2012/13 and 2013/14 as a result of the improvement in the provincial cash balances. The improvement in the provincial cash balances resulted in a lower interest provision, hence the decrease from the 2014/15 Main to the Adjusted Appropriation. The increase over the MTEF is inflationary related, and provides for interest payments in the event that the province goes back into overdraft.

The expenditure reflected against *Transfers and subsidies to: Provinces and municipalities* in 2011/12 to 2013/14 was for the development of the Pietermaritzburg, Prince Mangosuthu Buthelezi and Richards Bay airports, motor vehicle licence fees, and donations to municipalities in respect of the provision of school uniforms, etc. The increase in the 2014/15 Adjusted from the Main Appropriation was due to a roll-over from 2013/14, for the development of a light industrial park at Bhongweni and the Shayamoya eco-complex. The allocation in the 2014/15 Main Appropriation and in 2015/16 is in respect of the payment of motor vehicle licences, as well as a provision for once-off special infrastructure projects which include Msunduzi electricity-related developments (2014/15 only), the development of a light industrial park at Bhongweni, the Shayamoya eco-complex, and donations to municipalities. The budget in 2016/17 and 2017/18 pertains only to the payment of motor vehicle licence fees and donations to municipalities.

Transfers and subsidies to: Departmental agencies and accounts relates to transfers made to the KZNGBB, as explained in detail under Section 5.7 below.

In the 2014/15 Adjusted Appropriation, an amount of R1 million was allocated to *Transfers and subsidies to: Non-profit institutions* for the Financial Literacy Project (FLP), which is now an independent entity. This project was initiated by the MEC for Finance with the aim of educating the citizens of KZN about using their money wisely and also on various aspects such as encouraging savings and financial discipline. Funds of R3.150 million have been budgeted towards the FLP over each year of the 2015/16 MTEF. This increase in transfer from 2015/16 onward is due to the fact that the FLP was only formed in the latter half of 2014/15, and transfers were only made for one quarter, hence the substantial increase from 2014/15 to 2015/16.

Transfers and subsidies to: Households caters for staff exits, as well as bursaries for non-employees, and the Thuthuka Bursary Fund. 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 2012/13 to 2013/14 is ascribed to the decentralisation of external bursaries to OTP. The increase from the 2014/15 Main to Adjusted Appropriation pertains to the payment of the ex-MEC for Finance's severance package and the payment of leave gratuities that were higher than anticipated. Following a Cabinet decision, the bursaries budget which was previously centralised under OTP, is now being decentralised back (over the 2015/16 MTEF) to all the departments from which the budget was previously moved.

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 the server refresher hardware in respect of the department's computer network system. The 2014/15 Main Appropriation pertains mainly to the upgrade of the biometric servers and for the reconfiguration at Treasury House. The increase from the 2014/15 Main to Adjusted Appropriation is due to the purchase of departmental vehicles.

The expenditure against *Software and other intangible assets* in 2011/12 pertained to the purchase of a network management software system, as well as open text licences for the Enterprise Content Management (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, such as the breach of bursary contracts. The amount in 2011/12 relates to the Soccerex receivables, which were deemed irrecoverable, and in 2012/13 and 2013/14 the amounts relate to the write-off of staff debts.

5.4 Summary of conditional grant payments and estimates – Nil

5.5 Summary of infrastructure payments and estimates

Table 6.8 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 6.8 : Summary of infrastructure payments and estimates by category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2011/12	2012/13	2013/14	2014/15			2015/16	2016/17	2017/18
Existing infrastructure assets	-	-	-	-	-	-	-	-	-
Maintenance and repair: Current	-	-	-	-	-	-	-	-	-
Upgrades and additions: Capital	-	-	-	-	-	-	-	-	-
Refurbishment and rehabilitation: Capital	-	-	-	-	-	-	-	-	-
New infrastructure assets: Capital	-	-	-	-	-	-	-	-	-
Infrastructure transfers	31 264	28 012	21 085	13 500	31 883	31 883	10 062	-	-
Infrastructure transfers: Current	-	-	-	-	-	-	-	-	-
Infrastructure transfers: Capital	31 264	28 012	21 085	13 500	31 883	31 883	10 062	-	-
Infrastructure: Payments for financial assets	-	-	-	-	-	-	-	-	-
Infrastructure: Leases	-	-	-	-	-	-	-	-	-
Total	31 264	28 012	21 085	13 500	31 883	31 883	10 062	-	-
Capital infrastructure	31 264	28 012	21 085	13 500	31 883	31 883	10 062	-	-
Current infrastructure	-	-	-	-	-	-	-	-	-

The spending of R31.264 million and R28.012 million in 2011/12 and 2012/13, respectively, relates to the upgrading of the Pietermaritzburg, Richards Bay and Prince Mangosuthu Buthelezi airports.

The 2013/14 spending of R21.085 million includes spending on the Pietermaritzburg, Prince Mangosuthu Buthelezi and Margate airports which were completed in 2013/14, the Shayamoya eco-complex and a light industrial park at Bhongweni.

The allocation of R13.500 million in the 2014/15 Main Appropriation comprises R8 million for a light industrial park at Bhongweni and R5.500 million for Msunduzi electricity-related projects. The substantial increase from the 2014/15 Main to Adjusted Appropriation is attributed to a roll-over of R18.383 million for the Shayamoya eco-complex (R13.062 million) and a light industrial park at Bhongweni (R5.321 million). Funds were not spent on these projects in 2013/14 due to:

- Delays in the appointment of a service provider for a light industrial park, resulting from delays in the tender process, and subsequent appeals that were lodged upon appointment of a service provider.
- The construction of the Shayamoya eco-complex could not be completed as a result of the value of the tender being above the allocated budget for this project, which ultimately caused delays in the finalisation of the commencement of the project.

The 2015/16 allocation includes R2.062 million for the Shayamoya eco-complex and R8 million for a light industrial park at Bhongweni, in respect of a roll-over from 2013/14 due to delays in both projects, as explained above. There is no budget allocated over the outer years of the MTEF, due to the fact that both infrastructure projects in Kokstad are anticipated to be completed by the end of 2015/16.

5.6 Summary of Public Private Partnerships – Nil

5.7 Transfers to public entities listed in terms of Schedule 3 of the PFMA

Provincial Treasury exercises oversight over one public entity, namely the KZNGBB. Table 6.9 illustrates transfers made to this public entity over the seven years under review. Financial summaries received from the KZNGBB are given in *Annexure – Vote 6: Provincial Treasury*.

Table 6.9 : Summary of departmental transfers to public entities

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2011/12	2012/13	2013/14	2014/15			2015/16	2016/17	2017/18
KwaZulu-Natal Gaming and Betting Board	17 337	35 775	41 881	39 276	39 276	39 276	32 532	34 255	35 968
Total	17 337	35 775	41 881	39 276	39 276	39 276	32 532	34 255	35 968

The main objective of the KZNGBB is to ensure that all gambling authorised in terms of the KZN Gaming and Betting Act is conducted in a manner that promotes the integrity of the horse racing, betting and gaming industry. In addition, the Board promotes the province's objective to develop the industry as a vehicle for the promotion of tourism, employment creation and economic development. The increase in

2012/13 can be ascribed to additional funding in respect of the merger of the horse racing regulator into the KZNGBB. In 2013/14, there was once-off additional funding of R4.450 million for a new IT system. The decrease from 2014/15 to 2015/16 is attributed to the fiscal consolidation exercise undertaken by Provincial Treasury in terms of which potential areas of savings were identified, such as board fees, subsistence and travel and consultant costs, among others. Hence transfers to the entity were decreased over the 2015/16 MTEF.

5.8 Transfers to other entities

Table 6.10 gives a summary of departmental transfers to other entities, details of which are given below.

Table 6.10 : Summary of departmental transfers to other entities

R thousand	Sub-programme	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
		2011/12	2012/13	2013/14	2014/15			2015/16	2016/17	2017/18
Financial Literacy Programme	1.1. Office of the MEC	-	-	-	-	1 000	1 000	3 150	3 150	3 150
Total		-	-	-	-	1 000	1 000	3 150	3 150	3 150

In the 2014/15 Adjusted Appropriation, an amount of R1 million was allocated to the department for the FLP, which is now an independent entity. This project was initiated by the MEC for Finance with the aim of educating the citizens of KZN about using their money wisely and also on various aspects such as encouraging savings and financial discipline. Funds of R3.150 million have been budgeted towards the FLP over each year of the 2015/16 MTEF. This increase in transfer from 2015/16 onward is due to the fact that the FLP was only formed in the latter half of 2014/15, and transfers were only made for one quarter, hence the substantial increase from 2014/15 to 2015/16.

5.9 Transfers to local government

Tables 6.11 and 6.12 provide a summary of transfers to local government. 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 6.11 and 6.12. The details are presented in the *Annexure – Vote 6: Provincial Treasury*.

Table 6.11 : Summary of departmental transfers to local government by category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2011/12	2012/13	2013/14	2014/15			2015/16	2016/17	2017/18
Category A	-	-	-	-	-	-	-	-	-
Category B	21 249	8 351	19 365	13 500	32 098	32 055	10 062	-	-
Category C	10 015	19 661	2 605	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-	233	220	231
Total	31 264	28 012	21 970	13 500	32 098	32 055	10 295	220	231

Table 6.12 : 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		
		2011/12	2012/13	2013/14	2014/15			2015/16	2016/17	2017/18
Donations	1.1/1.2 MEC/ HOD Office	-	-	885	-	215	172	233	220	231
Pietermaritzburg airport	5.3.Special Infra. Projects	17 790	574	16 186	-	-	-	-	-	-
Prince Mangosuthu Buthelezi	5.3.Special Infra. Projects	10 015	19 661	596	-	-	-	-	-	-
Richards Bay airport	5.3.Special Infra. Projects	3 459	7 777	-	-	-	-	-	-	-
Margate airport	5.3.Special Infra. Projects	-	-	2 009	-	-	-	-	-	-
Shayamoya eco-complex	5.3.Special Infra. Projects	-	-	615	-	13 062	13 062	2 062	-	-
Development of light industrial	5.3.Special Infra. Projects	-	-	1 679	8 000	13 321	13 321	8 000	-	-
Msunduzi electricity-related dev	5.3.Special Infra. Projects	-	-	-	5 500	5 500	5 500	-	-	-
Total		31 264	28 012	21 970	13 500	32 098	32 055	10 295	220	231

Category B transfers provide for the development of the Pietermaritzburg, Margate and Richards Bay airports, as well as donations made to municipalities for schools and old age homes in respect of OSS, and 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.

Category C transfers relate solely to the development of the Prince Mangosuthu Buthelezi airport.

The category Unallocated from 2015/16 reflects anticipated donations to be made to municipalities, for school uniforms, etc., as part of OSS. These amounts are reflected as Unallocated because the recipients are only decided on in-year.

5.10 Transfers and subsidies

Table 6.13 below is a summary of spending on *Transfers and subsidies* by programme and main category. The table reflects a fluctuating trend from 2011/12 to 2017/18 for the category as a whole, details of which are provided below Table 6.13.

Table 6.13 : Summary of transfers and subsidies by programme and main category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2011/12	2012/13	2013/14	2014/15			2015/16	2016/17	2017/18
1. Administration	453	9 004	3 525	4 022	6 211	4 745	7 659	7 872	8 108
Provinces and municipalities	-	14	898	22	237	194	256	244	256
Motor vehicle licences	-	14	13	22	22	22	23	24	25
Donations	-	-	885	-	215	172	233	220	231
Non-profit institutions	-	-	-	-	1 000	1 000	3 150	3 150	3 150
Financial Literacy Programme	-	-	-	-	1 000	1 000	3 150	3 150	3 150
Households	453	8 990	2 627	4 000	4 974	3 551	4 253	4 478	4 702
Employee social benefits	-	387	70	-	974	974	-	213	424
Bursaries (non-employee)	453	8 603	2 557	4 000	4 000	2 577	4 253	4 265	4 278
2. Fiscal Resource Management	-	23	66	-	-	-	-	-	-
Households	-	23	66	-	-	-	-	-	-
Employee social benefits	-	23	66	-	-	-	-	-	-
3. Financial Management	18 026	36 337	42 374	39 976	40 176	40 072	33 865	35 055	36 808
Departmental agencies and accounts	17 337	35 775	41 881	39 276	39 276	39 276	32 532	34 255	35 968
KZNGBB	17 337	35 775	41 881	39 276	39 276	39 276	32 532	34 255	35 968
Households	689	562	493	700	900	796	1 333	800	840
Employee social benefits	689	562	493	700	900	796	1 333	800	840
4. Internal Audit	-	29	121	-	-	160	50	50	53
Households	-	29	121	-	-	160	50	50	53
Employee social benefits	-	29	121	-	-	160	50	50	53
5. Growth and Development	31 264	28 012	21 085	13 500	31 883	31 883	10 062	-	-
Provinces and municipalities	31 264	28 012	21 085	13 500	31 883	31 883	10 062	-	-
Pietermaritzburg airport	17 790	574	16 186	-	-	-	-	-	-
Prince Mangosuthu Buthelezi airport	10 015	19 661	596	-	-	-	-	-	-
Richards Bay airport	3 459	7 777	-	-	-	-	-	-	-
Margate airport	-	-	2 009	-	-	-	-	-	-
Shayamoya eco-complex	-	-	615	-	13 062	13 062	2 062	-	-
Development of light industrial park	-	-	1 679	8 000	13 321	13 321	8 000	-	-
Msunduzi electricity-related developments	-	-	-	5 500	5 500	5 500	-	-	-
Total	49 743	73 405	67 171	57 498	78 270	76 860	51 636	42 977	44 969

The category *Transfers and subsidies* fluctuates 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 2015/16 MTEF. The decrease from 2012/13 to 2013/14 is ascribed to the decentralisation of external bursaries to OTP. The department received additional funding for the Thuthuka Bursary Fund of R4 million in 2013/14 and 2014/15, and has continued to budget for this over the 2015/16 MTEF (R4 million in each year). The bursaries budget was decentralised back to departments in 2015/16 as per a Cabinet decision, explaining the allocation over the 2015/16 MTEF. The amount of R974 000 in the 2014/15 Adjusted Appropriation is to cater for the exit package for the former MEC for Finance.
- *Provinces and municipalities* in Programme 1 includes motor vehicle licence fees, and donations made (from 2013/14) to municipalities for school uniforms, etc., as part of OSS.
- The amounts of R1 million in the 2014/15 Adjusted Appropriation, and R3.150 million in each year of the 2015/16 MTEF, against *Non-profit institutions* in Programme 1, are in respect of the FLP

(which is now a stand-alone entity). The transfer to this entity increased in 2015/16 due to the fact that the FLP was only formed in the latter half of 2014/15, as mentioned previously.

- *Departmental agencies and accounts* against Programme 3 are in respect of the transfers to the KZNGBB. From 2012/13 onward, the budget includes additional funding for the merger of the horse racing regulator into the KZNGBB. The increase from 2012/13 to 2013/14 is due to once-off additional funding for the KZNGBB IT system. The decrease from 2014/15 to 2015/16 is attributed to the fiscal consolidation exercise undertaken by Provincial Treasury in terms of which potential areas of savings were identified, such as board fees, subsistence and travel and consultant costs, among others. Hence transfers were decreased to the entity over the 2015/16 MTEF.
- *Provinces and municipalities* against Programme 5 includes the following:
 - o Amounts from 2011/12 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 to 2015/16).
 - o Amounts in 2014/15 and 2015/16 relate to the development of a light industrial park at Bhongweni, the Shayamoya eco-complex, and 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 provide strategic support services in terms of financial management, human resources, auxiliary services, information communication and technology, and legal services.

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 6.14 and 6.15 below provide a summary of payments and budgeted estimates pertaining to the programme over the seven-year period from 2011/12 to 2017/18. As reflected in the table, some sub-programmes show a steady increase over the seven-year period, while others reflect fluctuating trends.

Table 6.14 : Summary of payments and estimates by sub-programme: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2011/12	2012/13	2013/14	2014/15			2015/16	2016/17	2017/18
1. Office of the MEC	18 522	22 680	23 465	28 612	25 536	23 504	29 768	31 345	32 912
2. Head of Department	5 739	6 808	6 669	9 150	9 150	8 378	9 486	9 989	10 489
3. Chief Financial Office	17 289	13 729	17 441	26 382	24 382	23 811	28 687	30 560	32 089
4. Corporate Services	38 811	54 688	49 357	53 194	59 244	56 330	55 148	58 023	60 923
Total	80 361	97 905	96 932	117 338	118 312	112 023	123 089	129 917	136 413

Table 6.15 : Summary of payments and estimates by economic classification: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2011/12	2012/13	2013/14	2014/15			2015/16	2016/17	2017/18
Current payments	78 484	87 232	91 313	111 174	108 859	104 811	113 133	119 425	125 552
Compensation of employees	35 936	43 763	49 660	62 919	57 519	57 013	68 415	73 216	76 877
Goods and services	42 548	43 469	41 653	48 255	51 340	47 798	44 718	46 209	48 675
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	453	9 004	3 525	4 022	6 211	4 745	7 659	7 872	8 108
Provinces and municipalities	-	14	898	22	237	194	256	244	256
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	1 000	1 000	3 150	3 150	3 150
Households	453	8 990	2 627	4 000	4 974	3 551	4 253	4 478	4 702
Payments for capital assets	1 424	1 669	2 073	2 142	3 242	2 467	2 297	2 620	2 753
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	1 424	1 669	2 073	2 142	3 242	2 467	2 297	2 620	2 753
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	21	-	-	-	-	-	-
Total	80 361	97 905	96 932	117 338	118 312	112 023	123 089	129 917	136 413

The low spending in 2011/12 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 2014/15 Main to Adjusted Appropriation relates to the non-filling of posts emanating from lengthy recruitment processes and difficulty in finding suitably qualified candidates, as well as reduced spending on the printing and publication of documents. The increase over the 2015/16 MTEF is in respect of FLP, for which the department has budgeted R3.150 million per annum.

The sub-programme: Head of Department shows a steady increase over the seven-year period. The increase from 2013/14 to the 2014/15 Main Appropriation is due to the upgrading of posts. The 2015/16 MTEF shows inflationary growth.

The low 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 in 2011/12. The increase from 2012/13 to 2013/14 relates to the expansion of the CFO structure to cater for budget and reporting support staff, and internal control staff, higher than anticipated audit fees, and payments for legal fees that were committed in 2012/13, but only paid in 2013/14 due to the late receipt of invoices. The significant increase from 2013/14 to the 2014/15 Main Appropriation relates to the payment of legal fees. The decrease from the 2014/15 Main to Adjusted Appropriation is in respect of the non-filling of posts due to lengthy recruitment processes. The 2015/16 MTEF shows inflationary growth.

The sub-programme: Corporate Services shows a sharp increase from 2011/12 to 2012/13 due to the reconfiguration of the department's office space at Treasury House and Nomalanga Building, as well as an increase in property management costs. From 2013/14 onward, there is an additional allocation of R4 million towards the Thuthuka Bursary Fund. The increase from the 2014/15 Main to Adjusted Appropriation is due to the procurement of departmental vehicles, higher than anticipated property payments, and increased running costs of the departmental fleet. The 2015/16 MTEF shows inflationary growth.

Compensation of employees shows an increasing trend over the seven-year period. The increase from 2011/12 to 2012/13 was due to the lifting of the moratorium on the filling of vacant posts. The increase from 2012/13 to 2013/14 relates mainly to the expansion of the CFO structure to cater for budget and reporting support staff, and internal control staff. The decrease from the 2014/15 Main to Adjusted Appropriation is due to the non-filling of posts resulting from lengthy recruitment processes. The increase over the 2015/16 MTEF caters for the carry-through of previous wage agreements, and for the filling of vacant posts. This category caters for the full staff complement of the CFOs office's new structure.

The slight decrease in *Goods and services* from 2012/13 to 2013/14 relates to cost-cutting on stationery and printing, and subsistence and travel costs. The substantial increase from 2013/14 to the 2014/15 Main Appropriation relates to OSS initiatives (this initiative aims to improve the daily lives of the people of KZN, through donations to previously disadvantaged schools in the form of school uniforms, old age homes, etc.), legal fees, and the reconfiguration at Treasury House and Nomalanga Building. The increase from the 2014/15 Main to Adjusted Appropriation is attributed to increased running costs of the departmental fleet, higher than anticipated property payments, and the reconfiguration at Treasury House. The decrease from the 2014/15 Adjusted Appropriation to 2015/16 is mainly in respect of costs relating to the reconfiguration at Treasury House (which is anticipated to be completed by the end of 2014/15), legal fees and enhanced financial control.

Transfers and subsidies to: Provinces and municipalities relates to motor vehicle licence fees, and donations made to municipalities for school uniforms, etc., relating to OSS. The department did not receive invoices from the Department of Transport in 2011/12 for motor vehicle licences. The increase from the 2014/15 Main to Adjusted Appropriation relates to donations made to municipalities.

Transfers and subsidies to: Households caters for staff exits, the Thuthuka Bursary Fund (from 2013/14), and 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. The decrease from 2012/13 to 2013/14 is ascribed to the decentralisation of external bursaries to OTP. The increase from the 2014/15 Main to Adjusted Appropriation is due to an amount of R974 000 being the ex-MEC for Finance's severance package. The previously centralised bursaries for non-employees has been decentralised back to departments over the 2015/16 MTEF in line with a Cabinet decision. The Thuthuka Bursary Fund is catered for over all three years of the 2015/16 MTEF, as mentioned previously.

The allocation in the 2014/15 Adjusted Appropriation against *Transfers and subsidies to: Non-profit institutions* in Programme 1 is in respect of the FLP. The department has budgeted R3.150 million towards this programme in each year of the 2015/16 MTEF.

The fluctuating trend over the period against *Machinery and equipment* can be attributed to the cyclical nature of this category. The increase in the 2014/15 Adjusted Appropriation is to cater for the procurement of departmental vehicles.

The amount in 2013/14 against *Payments for financial assets* was in respect of the write-off of staff debts.

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 ensure targeted financial resource allocation and utilisation that contributes to improved service delivery.
- To ensure efficient budget and expenditure management and accurate financial reporting by provincial departments and public entities.
- To co-ordinate and enhance revenue collection for sustainable service delivery to the citizens.
- To provide a platform to enhance regional economic growth and development through quality research.

- To ensure efficient planning and management of infrastructure in the province.
- To ensure efficient budget and expenditure management and accurate financial reporting for the delegated municipalities in the province.
- To assist and provide technical support to delegated municipalities that are in financial distress in the province.

Tables 6.16 and 6.17 below provide a summary of payments and budgeted estimates pertaining to this programme for the period 2011/12 to 2017/18. This programme shows a fluctuating trend over the seven-year period, as explained in more detail below.

Table 6.16 : Summary of payments and estimates by sub-programme: Fiscal Resource Management

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2011/12	2012/13	2013/14	2014/15			2015/16	2016/17	2017/18
1. Programme Support	548	751	1 825	3 059	2 059	1 120	3 262	3 370	3 538
2. Economic Analysis	4 166	19 499	37 544	34 527	26 527	24 831	24 951	25 915	18 811
3. Public Finance	9 435	9 739	10 347	13 564	12 564	11 719	14 188	14 940	15 687
4. Municipal Finance	18 131	46 881	41 488	58 973	45 873	38 922	61 166	64 381	67 600
Total	32 280	76 870	91 204	110 123	87 023	76 592	103 567	108 606	105 636

Table 6.17 : Summary of payments and estimates by economic classification: Fiscal Resource Management

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2011/12	2012/13	2013/14	2014/15			2015/16	2016/17	2017/18
Current payments	31 778	76 716	90 510	109 857	86 757	76 239	103 166	108 320	105 336
Compensation of employees	21 191	30 283	37 038	44 755	44 755	45 562	59 892	60 947	55 594
Goods and services	10 587	46 433	53 472	65 102	42 002	30 677	43 274	47 373	49 742
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	-	23	66	-	-	-	-	-	-
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	66	-	-	-	-	-	-
Payments for capital assets	374	131	425	266	266	353	401	286	300
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	374	131	425	266	266	353	401	286	300
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	128	-	203	-	-	-	-	-	-
Total	32 280	76 870	91 204	110 123	87 023	76 592	103 567	108 606	105 636

The sub-programme: Programme Support reflects a fluctuating trend over the seven-year period, due to posts becoming vacant, and difficulty in finding suitably qualified candidates. The significantly high spending in 2013/14 is due to the filling of posts, such as the SGM post.

The significant increase against the sub-programme: Economic Analysis from 2012/13 to the 2014/15 Main Appropriation pertains to additional funding for the Infrastructure Crack Team to assist departments and municipalities in the delivery of infrastructure projects, as well as additional funding for IDIP TAs (2014/15 only). The decrease from the 2014/15 Main to Adjusted Appropriation relates to the Infrastructure Crack Team being involved in fewer projects than initially anticipated. These funds were surrendered to the Provincial Revenue Fund. The decrease from the 2014/15 Adjusted Appropriation to 2015/16 is due to the non-continuation of additional funding for the Infrastructure Crack Team. The substantial decrease from 2016/17 to 2017/18 pertains to the removal of IDIP TAs in 2017/18. Provincial Treasury was allocated once-off additional funding for IDIP TAs (allocated over three years in line with project requirements) when the 2014/15 MTEF budget was prepared. This meant that the funding would not be provided beyond 2016/17.

The sub-programme: Public Finance shows a generally steady increase from 2011/12 to 2013/14. The increase from 2013/14 to the 2014/15 Main Appropriation included provision for the filling of vacant posts in line with the moratorium on the filling of non-critical posts. The decrease from the 2014/15 Main to Adjusted Appropriation is due to the implementation of financial controls. These funds were surrendered to the Provincial Revenue Fund. The 2015/16 MTEF shows inflationary growth.

The substantial increase against the sub-programme: Municipal Finance from 2011/12 to 2012/13 is from the number of assignments relating to the MSP (to assist municipalities with their financial management activities) that could not be implemented in 2011/12 due to delays in the appointment of service providers. The decrease in 2013/14 was due to non-payment of invoices emanating from unsatisfactory work done by service providers. The decrease from the 2014/15 Main to Adjusted Appropriation relates to the MSP being delayed due to unresolved disputes with the service provider. These funds were surrendered to the Provincial Revenue Fund. The 2015/16 MTEF includes a provision for the filling of vacant posts, as well as inflationary increments.

The increase against *Compensation of employees* from 2011/12 to 2013/14 is mainly due to the filling of posts. The increase in 2013/14 from 2012/13 relates to the filling of posts, including the appointment of the MSP Specialist. The slight decrease from the 2014/15 Main to Adjusted Appropriation is due to surrendering of funds to the Provincial Revenue Fund as a result of delays in the filling of some posts, because of lengthy recruitment processes. The increase from the 2014/15 Adjusted Appropriation onward relates to provision made for the filling of vacant posts, including SGM: Fiscal Resource Management, and inflationary increments.

The significantly low spending in 2011/12 against *Goods and services* relates 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 substantial increase in 2012/13 to the 2014/15 Main Appropriation pertains mainly to additional funding for the Infrastructure Crack Team to assist departments and municipalities in the delivery of infrastructure projects, as well as additional funding for IDIP TAs (2014/15 only), and an increase in the number of assignments relating to the MSP (2012/13 only). The decrease from the 2014/15 Main to the Adjusted Appropriation is due to fewer infrastructure projects being undertaken by the Infrastructure Crack Team, than were originally anticipated. Also, some projects, such as the MSP, were delayed due to unresolved disputes with the service provider. These funds were surrendered to the Provincial Revenue Fund. The 2015/16 MTEF allocations include funding for IDIP TAs, as well as the MSP to assist municipalities with their financial management activities. Funding for the Infrastructure Crack Team is once-off, hence the decrease in 2015/16. The decrease from 2016/17 to 2017/18 is due to the non-continuation of IDIP TAs from 2017/18, as explained previously.

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.

Expenditure against *Payments for financial assets* in 2011/12 and 2013/14 is in respect of the write-off of staff debts that were deemed irrecoverable.

Service delivery measures – Programme 2: Fiscal Resource Management

Table 6.18 below illustrates the service delivery measures pertaining to Programme 2.

Where a baseline was not established in 2014/15, the indicator is marked as “New” with targets set from 2015/16.

It should be noted that Provincial Treasury has no sector specific measures.

Table 6.18 : Service delivery measures – Programme 2: Fiscal Resource Management

Outputs	Performance indicators	Estimated performance		Medium-term targets	
		2014/15	2015/16	2016/17	2017/18
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 	Produce 4 provincial dept. economic reports Produce 1 Socio-Economic Review and Outlook (SERO) Produce 1 Provincial Economic Review and Outlook (PERO) Produce 9 district socio-economic reports	Produce 4 provincial dept. economic reports Produce 1 SERO Produce 1 PERO Produce 9 district socio-economic reports	Produce 4 provincial dept. economic reports Produce 1 SERO Produce 1 PERO Produce 9 district socio-economic reports
		<ul style="list-style-type: none"> To provide input to the Overview of Provincial Revenue and Expenditure (OPRE) 	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 	Produce 4 economic research projects	Produce 5 economic research projects	Produce 6 economic research projects
1.2 Infrastructure					
1.2.1	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 IDMS in KZN Reports on site visits conducted Progress reports on infrastructure budgets and delivery plans using IRM data Estimates of Provincial Revenue and Expenditure (EPRE) Reports on support to develop the prov Infrastructure Master Plan (IMP) KZN Reports on infrastructure funding mechanisms and opportunities to support the provincial fiscal framework 	Compile a consolidated assessment report on the U-AMPs Produce 4 reports on implementation of IDMS in KZN Submit 4 reports on the site visits conducted Submit 4 reports on infrastructure expenditure in KZN Inputs into EPRE on time for tabling New New	Compile a consolidated assessment report on the U-AMPs Produce 4 reports on implementation of IDMS in KZN Submit 4 reports on the site visits conducted Submit 4 reports on infrastructure expenditure in KZN Input into EPRE on time for tabling Produce 4 reports on the support to develop prov IMP Produce 4 reports on the infrastructure mechanisms in the province	Compile a consolidated assessment report on the U-AMPs Produce 4 reports on implementation of IDMS in KZN Submit 4 reports on the site visits conducted Submit 4 reports on infrastructure expenditure in KZN Inputs into EPRE on time for tabling Produce 4 reports on the support to develop prov IMP Produce 4 reports on the infrastructure mechanisms in the province
2. Public Finance					
2.1 Provincial Budget Management					
2.1.1	Promote effective and optimal financial resource allocation for provincial government	<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 as per budget process timetable EPRE on time for tabling AEPRE on time for tabling	15 inputs completed 1 working day before MTEC as per budget process timetable EPRE on time for tabling AEPRE on time for tabling	15 inputs completed 1 working day before MTEC as per budget process timetable 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. (incl. public entities)	<ul style="list-style-type: none"> Section 32 report (monthly provincial IYM report) Quarterly performance reports for departments 	12 reports p/a (submitted to NT by 22 nd monthly) 3 quarterly performance reports	12 reports p/a (submitted to NT by 22 nd monthly) 3 quarterly performance reports	12 reports p/a (submitted to NT by 22 nd monthly) 3 quarterly performance reports
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 EPRE on time for tabling	4 forums per year 15 depts Revenue input into OPRE and EPRE on time for tabling	4 forums per year 15 depts Revenue input into OPRE and EPRE on time for tabling

Table 6.18 : Service delivery measures – Programme 2: Fiscal Resource Management

Outputs	Performance indicators	Estimated performance		Medium-term targets	
		2014/15	2015/16	2016/17	2017/18
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 	<p>Input submitted by due date as set by NT</p> <p>Report bi-annually for all listed public entities</p>	<p>Input submitted by due date as set by NT</p> <p>Report bi-annually for all listed public entities</p>	<p>Input submitted by due date as set by NT</p> <p>Report bi-annually for all listed public entities</p>	<p>Input submitted by due date as set by NT</p> <p>Report bi-annually for all listed public entities</p>
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 	<p>12 Section 71(6) reports</p> <p>4 Section 71(7) quarterly budget performance reports, 45 days after end of quarter</p>	<p>12 Section 71(6) reports</p> <p>4 Section 71(7) quarterly budget performance reports, 45 days after end of quarter</p>	<p>12 Section 71(6) reports</p> <p>4 Section 71(7) quarterly budget performance reports, 45 days after end of quarter</p>	<p>12 Section 71(6) reports</p> <p>4 Section 71(7) quarterly budget performance reports, 45 days after end of quarter</p>
3.2 To assist and provide technical support to delegated municipalities in financial distress	<ul style="list-style-type: none"> No. of municipalities supported by MSP 	8 municipalities to be supported through MSP	8 municipalities to be supported through MSP	8 municipalities to be supported through MSP	8 municipalities to be supported through MSP

6.3 Programme 3: Financial Management

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

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.
- To ensure a regulated gambling, gaming and betting industry.

Tables 6.19 and 6.20 provide a summary of payments and budgeted estimates pertaining to Programme 3.

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

Table 6.19 : Summary of payments and estimates by sub-programme: Financial Management

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2011/12	2012/13	2013/14	2014/15			2015/16	2016/17	2017/18
1. Financial Assets and Liability Management	15 261	14 587	15 318	27 255	16 455	13 207	30 435	32 048	33 650
2. Public Private Partnerships	3 021	3 251	5 238	7 592	6 592	5 955	7 871	8 288	8 703
3. Supply Chain Management	27 862	41 667	43 333	70 614	65 314	62 343	64 341	64 562	56 765
4. Financial Reporting	12 617	31 731	54 840	52 022	64 022	61 192	42 270	44 061	37 339
5. Norms and Standards	3 857	3 543	3 776	5 327	4 327	4 101	5 668	5 968	6 266
6. Support and Interlinked Financial Systems	102 176	117 315	118 482	127 853	129 853	117 584	131 642	138 619	145 550
7. Gaming and Betting	20 880	39 393	45 907	44 132	44 132	42 913	37 551	39 490	41 465
Total	185 674	251 487	286 894	334 795	330 695	307 295	319 778	333 036	329 738

Table 6.20 : Summary of payments and estimates by economic classification: Financial Management

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2011/12	2012/13	2013/14	2014/15			2015/16	2016/17	2017/18
Current payments	166 021	211 393	241 243	287 219	282 919	260 624	283 500	297 294	292 208
Compensation of employees	37 496	45 638	52 500	60 114	59 214	55 878	66 980	69 393	72 862
Goods and services	127 519	165 755	188 743	219 337	222 737	203 778	206 288	217 127	208 033
Interest and rent on land	1 006	-	-	7 768	968	968	10 232	10 774	11 313
Transfers and subsidies to:	18 026	36 337	42 374	39 976	40 176	40 072	33 865	35 055	36 808
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	17 337	35 775	41 881	39 276	39 276	39 276	32 532	34 255	35 968
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	689	562	493	700	900	796	1 333	800	840
Payments for capital assets	1 536	3 757	3 085	7 600	7 600	6 599	2 413	687	722
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	1 011	3 363	3 085	7 600	7 600	6 599	2 413	687	722
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	525	394	-	-	-	-	-	-	-
Payments for financial assets	91	-	192	-	-	-	-	-	-
Total	185 674	251 487	286 894	334 795	330 695	307 295	319 778	333 036	329 738

The decrease against the sub-programme: Financial Assets and Liability Management from 2011/12 to the 2014/15 Adjusted Appropriation 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, and tight cashflow management therefore reducing the amount of interest paid on the overdraft. This had an effect on the amount of interest the province had to pay, as the province remains cash positive and, as such, is earning rather than paying interest. Also, there was a decrease in banking charges due to streamlining of the banking system. The increase in 2015/16 makes provision for interest and banking charges. The 2015/16 MTEF includes a provision for inflationary increments.

The low amounts against the sub-programme: Public Private Partnerships (PPPs) from 2011/12 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 increased spending from 2012/13 to 2013/14 relates mainly to the filling of the General Manager post. The decrease from the 2014/15 Main to Adjusted Appropriation pertains to the non-filling of posts. The 2015/16 MTEF growth is inflationary related.

The significant increase against the sub-programme: Supply Chain Management from 2011/12 to 2012/13 relates to contract management, MBAT, and Operation Clean Audit. The increase from 2012/13 to the 2014/15 Main Appropriation was due to spending on the e-Procurement Tool, Operation Clean Audit, and contract management. The decrease from the 2014/15 Main to the Adjusted Appropriation is due to lower than anticipated budget requirements with regard to MBAT, as it met less frequently. Also, costs of the B-BBEE verification projects were lower than anticipated. These funds were surrendered to the Provincial Revenue Fund. The decrease from the 2014/15 Adjusted Appropriation to 2015/16 pertains to once-off

additional funds for the e-Procurement Tool given in 2014/15. The 2015/16 MTEF includes a provision for contract management, as well as SCM support interventions in departments and municipalities. The decrease from 2016/17 to 2017/18 relates to the non-continuation of additional funding for the e-Procurement Tool and contract management in 2017/18, in line with project requirements.

The substantial increase from 2011/12 to 2012/13 against the sub-programme: Financial Reporting is due to Operation Clean Audit in respect of the Municipal Development Programme (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 large increase from 2012/13 to 2013/14 relates to once-off special allocations for Operation Clean Audit. The increase from the 2014/15 Main to Adjusted Appropriation is due to once-off allocations for Operation Clean Audit, provision for GRAP training to municipalities, additional funds for Education capped leave, among others, thus explaining the decrease in 2015/16. The large decrease from 2016/17 to 2017/18 is mainly due to the removal of Operation Clean Audit and Operation Pay-on-Time in 2017/18, as these were only allocated funding for a limited period of time, in line with project requirements.

The sub-programme: Norms and Standards shows a generally steady increase from 2011/12 onward. The slight decrease in 2012/13 can be ascribed to unanticipated staff exits and cost-cutting. The increase from 2013/14 to the 2014/15 Main Appropriation relates to the filling of posts, such as support staff. The decrease from the 2014/15 Main to Adjusted Appropriation is due to delays in the filling of posts resulting from lengthy recruitment processes. The increase over the 2015/16 MTEF shows inflationary growth.

The sub-programme: Support and Interlinked Financial Systems includes costs relating to all transversal systems (such as BAS, PERSAL and HARDCAT, etc.) for the entire province. The substantial increase from 2011/12 to 2012/13 is due to the payment of the off-site Biometric Server Back-up System. The large increase from 2013/14 to the 2014/15 Main Appropriation is attributed to the anticipated upgrade of the biometric servers. The increase over the 2015/16 MTEF shows inflationary growth.

The sub-programme: Gaming and Betting shows a substantial increase from 2011/12 to 2012/13 due to the budget including additional funding for the merger of the horse racing regulator into the KZNGBB, which is being financed through additional revenue collected by the newly amalgamated entity. The increase in 2013/14 is due to additional funding for the new KZNGBB IT system. The decrease from 2014/15 to 2015/16 is attributed to the fiscal consolidation exercise undertaken by Provincial Treasury in terms of which potential areas of savings were identified, such as board fees, subsistence and travel and consultant costs, among others. Hence transfers were decreased to the entity over the 2015/16 MTEF.

The increase from 2011/12 to 2013/14 against *Compensation of employees* relates to the filling of posts in line with the moratorium, and appointments of staff such as the GM: PPP, deputy managers, assistant managers, administrative officers and clerks to assist on various projects, such as contract management, B-BBEE verification, Education capped-leave, Asset Management and administrative issues in respect of MBAT, etc. The increase from 2013/14 to the 2014/15 Main Appropriation is due the filling of support staff posts in the Norms and Standards sub-programme. The decrease from the 2014/15 Main to the Adjusted Appropriation relates to the non-filling of posts due to a lack of suitably qualified candidates. Over the MTEF, allowance is made for the full structure of the programme, and inflationary increments.

The substantial increase from 2011/12 to 2013/14 against *Goods and services* can be ascribed to Operation Clean Audit, the MDP, irregular expenditure project, asset management project, contract management, MBAT, and the take-over of McCord Hospital (Provincial Treasury is assisting the Department of Health with all transactions which have financial implications, including personnel, debt recovery, stock take, etc.). The substantial increase from the 2014/15 Main to Adjusted Appropriation relates to funds provided for financial management support to Vote 5: Education relating to Operation Clean Audit, and provision for GRAP training in support of municipalities. The substantial increase from 2015/16 to 2016/17 is mainly attributed to once-off additional funding allocated for contract management. The decrease from 2016/17 to 2017/18 is due to the non-continuation of additional funding for Operation Clean Audit, Operation Pay-on-Time and contract management, as these were only allocated additional funding for a limited time, in line with project requirements.

The transfers to the KZNGBB account for the amounts against *Transfers and subsidies to: Departmental agencies and accounts* from 2011/12 onward. From 2012/13 onward, the budget includes additional funding for the merger of the horse racing regulator into the KZNGBB, which is being financed through additional revenue collected by the amalgamated entity. The increase from 2012/13 to 2013/14 is due to once-off additional funding for the KZNGBB IT system. The decrease from 2014/15 to 2015/16 is attributed to the fiscal consolidation exercise undertaken by Provincial Treasury, as mentioned above.

Transfers and subsidies to: Households provides for the payment of staff exit costs. The increase from the 2014/15 Main to Adjusted Appropriation is due to higher than anticipated payments of leave gratuities. The increase over the 2015/16 MTEF includes provision for staff exits, and inflationary related increments.

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 upgrade of the biometric servers, accounting for the decrease over the 2015/16 MTEF.

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 2011/12 and 2013/14 relate to the write-off of irrecoverable debts.

Service delivery measures – Programme 3: Financial Management

Table 6.21 below illustrates the main service delivery measures for Programme 3. It should be noted that Provincial Treasury has no sector specific measures.

Table 6.21 : Service delivery measures – Programme 3: Financial Management

Outputs	Performance indicators	Estimated performance		Medium-term targets	
		2014/15	2015/16	2016/17	2017/18
1. Financial Assets and Liability Management					
1.1. To promote sound cash management practices and improve liquidity in the 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 annually Risk analysis per dept. to ensure compliance to tax legislation Provide quarterly assessment reports to depts. on status of bank related suspense accounts Review monthly bank reconciliations per dept Produce quarterly report on withdrawals from municipal bank accounts 	2 sessions 60 reports 60 assessment reports	2 sessions 60 reports 60 assessment reports	2 sessions 60 reports 60 assessment reports	2 sessions 60 reports 60 assessment reports
1.2. To promote sound asset management practices in provincial depts	<ul style="list-style-type: none"> No. of asset workshops and training sessions conducted 	4 seminars/training workshops	1 asset training workshop and 4 Hardcat training workshops	1 asset training workshop and 4 Hardcat training workshops	1 asset training workshop and 4 Hardcat 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 provincial departments, public entities, municipalities and municipal entities No. of reports for Provincial Treasury, management and NT PPP unit Contract management reports on closed deal 	2 12 12	2 12 12	2 12 12	2 12 12

Table 6.21 : Service delivery measures – Programme 3: Financial Management

Outputs	Performance indicators	Estimated performance		Medium-term targets	
		2014/15	2015/16	2016/17	2017/18
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	Conduct 4 training information sessions and workshops for state institutions 4 SCM forums for depts and municipalities Conduct 60 SCM assessments in depts., municipalities, and public entities. Conduct compliance assessments and investigate complaints Reviews and update supplier registration form Review and update 4 practice notes	Conduct 4 training information sessions and workshops for state institutions 4 SCM forums for depts and municipalities Conduct 60 SCM assessments in depts., municipalities, and public entities. Conduct compliance assessments and investigate complaints Reviews and update supplier registration form Review and update policies and practice notes	Conduct 4 training information sessions and workshops for state institutions 4 SCM forums for depts and municipalities Conduct 60 SCM assessments in depts., municipalities, and public entities. Conduct compliance assessments and investigate complaints Reviews and update supplier registration form Review and update policies and practice notes	Conduct 4 training information sessions and workshops for state institutions 4 SCM forums for depts and municipalities Conduct 60 SCM assessments in depts., municipalities, and public entities. Conduct compliance assessments and investigate complaints Reviews and update supplier registration form 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 fundConsolidated AFS for public entities tabled in Legislature	Consolidated AFS for FY 13/14 tabled in Legislature by 30 November 2014 Consolidated AFS for FY 13/14 tabled in Legislature by 30 November 2014	Consolidated AFS for FY 14/15 tabled in Legislature by 30 November 2015 Consolidated AFS for FY 14/15 tabled in Legislature by 30 November 2015	Consolidated AFS for FY 15/16 tabled in Legislature by 30 November 2016 Consolidated AFS for FY 15/16 tabled in Legislature by 30 November 2016	Consolidated AFS for FY 16/17 tabled in Legislature by 30 November 2017 Consolidated AFS for FY 16/17 tabled in Legislature by 30 November 2017
4.2. To fairly present the revenue fund of the province	<ul style="list-style-type: none">Annual Financial Statements for the Revenue Fund tabled in Legislature	Revenue Fund AFS for FY 13/14 tabled in Legislature by 30 November 2014	Revenue Fund AFS for FY 14/15 tabled in Legislature by 30 November 2015	Revenue Fund AFS for FY 15/16 tabled in Legislature by 30 November 2016	Revenue Fund AFS for FY 16/17 tabled in Legislature by 30 November 2017
4.3. To provide financial management support to departments, public entities and municipalities	<ul style="list-style-type: none">Provincial Audit Outcome analysis for municipalities, departments and public entitiesAFS support and training to provincial departmentsFinancial Management Monitoring Support to public entitiesFinancial Management Monitoring Support to municipalities	Summary of Audit Outcome analysis on A-G's audit report for provincial depts and public entities by 31 August 2014 Summary of Audit Outcome Analysis on A-G's audit report for municipalities by 31 January 2015 1 AFS training workshop by 31 March 2015 Pre-Audit review in 16 departments by 31 May 2014 Pre-Audit review in 12 public entities by 31 May 2014 1 AFS training workshop for 12 public entities by 31 March 2015 1 AFS training workshop for 58 municipalities by 30 June 2014 Pre-Audit review in 16 departments by 30 August 2014 Progress reports on intensive on-site financial management support to 10 municipalities within 10 days every quarter end	Summary of Audit Outcome analysis on A-G's audit report for provincial depts and public entities by 31 August 2015 Summary of Audit Outcome Analysis on A-G's audit report for municipalities by 31 January 2016 1 AFS training workshop by 31 March 2016 Pre-Audit review in 15 departments by 31 May 2015 Pre-Audit review in 12 public entities by 31 May 2015 1 AFS training workshop for 12 public entities by 31 March 2016 1 AFS training workshop for 58 municipalities by 30 June 2015 Pre-Audit review in 15 departments by 30 August 2015 Progress reports on intensive on-site financial management support to 15 municipalities within 10 days every quarter end	Summary of Audit Outcome analysis on A-G's audit report for provincial depts and public entities by 31 August 2016 Summary of Audit Outcome Analysis on A-G's audit report for municipalities by 31 January 2017 1 AFS training workshop by 31 March 2017 Pre-Audit review in 15 departments by 31 May 2016 Pre-Audit review in 12 public entities by 31 May 2016 1 AFS training workshop for 12 public entities by 31 March 2017 1 AFS training workshop for 58 municipalities by 30 June 2016 Pre-Audit review in 15 departments by 30 August 2016 Progress reports on intensive on-site financial management support to 20 municipalities within 10 days every quarter end	Summary of Audit Outcome analysis on A-G's audit report for provincial depts and public entities by 31 August 2017 Summary of Audit Outcome Analysis on A-G's audit report for municipalities by 31 January 2018 1 AFS training workshop by 31 March 2018 Pre-Audit review in 15 departments by 31 May 2017 Pre-Audit review in 12 public entities by 31 May 2017 1 AFS training workshop for 12 public entities by 31 March 2018 1 AFS training workshop for 58 municipalities by 30 June 2017 Pre-Audit review in 15 departments by 30 August 2017 Progress reports on intensive on-site financial management support to 20 municipalities within 10 days every quarter end

Table 6.21 : Service delivery measures – Programme 3: Financial Management

5. Norms and Standards						
Outputs	Performance indicators	Estimated performance		Medium-term targets		
		2014/15	2015/16	2016/17	2017/18	
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	48 instruction notes and policies developed and/or reviewed based on needs analysis	48 instruction notes and policies developed and/or reviewed based on needs analysis	48 instruction notes and policies developed and/or reviewed based on needs analysis	48 instruction notes and policies developed and/or reviewed based on needs analysis
5.2.	Compliance monitoring and evaluation of financial norms and standards	<ul style="list-style-type: none">No. of departments assessed and monitored	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 and implement Systems	<ul style="list-style-type: none">No. of initiatives implemented	2	2	2	2
6.2.	Develop, review, implement and monitor dept. supporting information technology enabler policies and procedures	<ul style="list-style-type: none">No. of policy reviews completed	4	4	4	4
		<ul style="list-style-type: none">No. of compliance reports completed	12	12	12	12
		<ul style="list-style-type: none">No. of information sessions conducted	4	4	4	4
6.3.	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)	8 hr MTTR	8 hr MTTR	8 hr MTTR	8 hr MTTR
		<ul style="list-style-type: none">Percentage network uptime	99%	99%	99%	99%
6.3.	Provide technical support for transversal systems	<ul style="list-style-type: none">MTTR (transversal systems)	8-24 hr MTTR	8-24 hr MTTR	8-24 hr MTTR	8-24 hr MTTR
7. Gaming and Betting						
7.1.	Enhance the Gaming and Betting regulatory environment in KZN	<ul style="list-style-type: none">Amended KZN Gaming and Betting Legislation	The KwaZulu-Natal Gaming and Betting Amendment Bill 2014 to be presented to Cabinet Publication of legislation in Provincial Gazette	Implementation of the 2014 Act and amendment of Regulations	Implementation of the 2014 Act and amendment of Regulations	Review of the 2014 Act and amendment of Regulations
		<ul style="list-style-type: none">Appointment of the new KZN Gaming and Betting Board	Nomination process for new Board in terms of the Act	New KZN Gaming and Betting Board appointed	New Board operational, filling of vacant posts within six months	Filling of vacant posts within six months Appointment of new Board
		<ul style="list-style-type: none">No. of quarterly regulatory reports on service delivery, governance and compliance matters of Gaming Board activities	Analyse and report on quarterly reports received from the Board	Analyse and report on quarterly reports received from the Board	Analyse and report on quarterly reports received from the Board	Analyse and report on quarterly reports received from the Board
		<ul style="list-style-type: none">Collected revenue	R572 704 000	R600 313 000	R668 126 000	R841 079 000

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 6.22 and 6.23 provide a summary of payments and budgeted estimates pertaining to Programme 4.

Table 6.22 : Summary of payments and estimates by sub-programme: Internal Audit

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2011/12	2012/13	2013/14	2014/15			2015/16	2016/17	2017/18
1. Assurance Services	40 738	54 050	59 033	69 885	67 885	70 008	69 989	65 275	68 539
2. Risk Management	34 431	39 104	48 330	59 864	57 864	55 901	61 569	56 408	59 228
Total	75 169	93 154	107 363	129 749	125 749	125 909	131 558	121 683	127 767

Table 6.23 : Summary of payments and estimates by economic classification: Internal Audit

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2011/12	2012/13	2013/14	2014/15			2015/16	2016/17	2017/18
Current payments	74 671	92 760	106 710	128 939	124 939	125 282	130 628	120 683	126 716
Compensation of employees	35 167	46 283	49 329	63 037	59 037	55 097	65 279	71 173	74 731
Goods and services	39 504	46 477	57 381	65 902	65 902	70 185	65 349	49 510	51 985
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	-	29	121	-	-	160	50	50	53
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	29	121	-	-	160	50	50	53
Payments for capital assets	485	352	531	810	810	467	880	950	998
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	485	352	531	810	810	467	880	950	998
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	13	13	1	-	-	-	-	-	-
Total	75 169	93 154	107 363	129 749	125 749	125 909	131 558	121 683	127 767

The sub-programme: Assurance Services reflects an increase from 2011/12 to 2012/13 in respect of specialised audit assignments undertaken in line with Operation Clean Audit. The increase from 2013/14 to the 2014/15 Main Appropriation pertains to once-off additional funding for special audits and forensic investigations. The slight decrease from the 2014/15 Main to Adjusted Appropriation is due to the non-filling of posts resulting from lengthy recruitment processes. These funds were surrendered to the Provincial Revenue Fund. The increase in 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 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 expenditure from 2011/12 to 2013/14 was attributed to an increase in forensic investigations due to commitments from the previous financial years for forensic investigations, as well as risk management facilitation workshops and

training. The decrease from the 2014/15 Main to Adjusted Appropriation relates to the non-filling of vacant funded posts emanating from lengthy recruitment processes. The savings were surrendered to the Provincial Revenue Fund. The increase in 2015/16 is due to once-off additional funding for forensic investigations in 2015/16, 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 decrease from the 2014/15 Main to Adjusted Appropriation relates to the non-filling of posts due to lengthy recruitment processes. These savings were surrendered to the Provincial Revenue Fund. The substantial increase from 2015/16 to 2016/17 is to cater for the implementation of the revised structure of the unit.

The expenditure against *Goods and services* from 2011/12 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, and forensic investigations. The high spending in 2012/13 is 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 BCP and DRP guidelines. The increase from 2012/13 to 2013/14 pertains 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 6.24 below illustrates the main service delivery measures for Programme 4.

Where a baseline was not established in 2014/15, the indicator is marked as “New” with targets set from 2015/16. It should be noted that Provincial Treasury has no sector specific measures.

Table 6.24 : Service delivery measures – Programme 4: Internal Audit

Outputs		Performance indicators	Estimated performance	Medium-term targets		
			2014/15	2015/16	2016/17	2017/18
1. Assurance Services						
1.1.	An efficient, effective and economical assurance service	• Internal audit operational plan and a rolling three-year strategic plan	23	23	23	23
		• Annual audit and risk committee report on clients' areas of risk management, governance and internal control submitted to MEC for Finance	1	1	1	1
		• Internal audit risk based and follow up audits conducted, including financial, IT, performance and governance audits	160	160	160	160
		• Audits on predetermined objectives	23	25	25	25
1.2.	Build and maintain client relationships	• Cluster audit and risk committee meetings with clients	64	96	96	96
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) report	2	2	2	2

Table 6.24 : Service delivery measures – Programme 4: Internal Audit

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2014/15	2015/16	2016/17	2017/18	
2. Risk Management (Assurance Services)						
2.1. An efficient, effective and economical assurance service	• Risk registers updated for provincial depts., municipalities and public entities	60	60	60	70	
	• Risk policies, procedures and structures established for provincial depts., municipalities and public entities, and compliance with these monitored on a quarterly basis	New	30	30	30	
	• Occupational Health and Safety programmes established and rolled out to provincial depts., municipalities and public entities	New	30	30	30	
	• Governance frameworks developed and rolled-out to provincial depts. and public entities	New	20	5	5	
	• DPSA compliant IT governance framework, including BCP, developed and rolled-out to provincial depts., municipalities, and public entities	New	40	40	40	
	• Complex internal audit services/reviews provided to municipalities and municipal entities	New	15	15	15	
	• Internal audit practices of municipalities and municipal entities conforming to the requirements of the institute of internal auditors	New	10	15	20	
	• Risk and governance-related conferences/forums held for provincial depts., municipalities, and public entities	4	5	5	5	
	• Best risk management/governance guidelines/transversal risk policies produced by the unit	New	3	3	4	
	• Risk Management Information System developed and rolled-out to provincial depts., municipalities, and public entities	New	10	20	40	
	• Review and development of fraud prevention strategies for provincial depts., municipalities, and public entities	15	40	60	70	
	• Risk/governance – related training/awareness per provincial depts., municipality, and public entity	10	30	30	30	
3. Risk Management (Forensic Services)						
3.1 To promote a culture of zero tolerance for fraud and corruption	• No. of forensic audits performed and investigations as per clients' requests and referrals from the Assurance team	25	35	35	40	
	• Updated register of forensic investigations – MEC report	4	4	4	4	
	• No. of follow-ups on completed investigations per institution	16	100	100	100	
	• Development and roll-out of fraud case management system	New	1	0	0	
	• Update the fraud case management system with forensic investigations per provincial dept.	New	15	15	15	

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 includes road shows, the feasibility studies for the government office precinct project, 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 6.25 and 6.26 illustrate the payments and budgeted estimates pertaining to Programme 5.

Table 6.25 : Summary of payments and estimates by sub-programme: Growth and Development

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2011/12	2012/13	2013/14	2014/15			2015/16	2016/17	2017/18
1. Budget Communication	6 457	6 032	7 456	7 810	7 810	6 432	8 097	8 526	8 952
2. Special Infrastructure Projects	31 264	30 285	21 085	13 500	31 883	31 883	10 062	-	-
3. Strategic Cabinet Initiatives	-	-	-	150 000	-	-	-	-	-
4. Air Shows/ Special Projects	-	2 000	12 514	15 000	7 000	7 000	16 000	6 000	-
Total	37 721	38 317	41 055	186 310	46 693	45 315	34 159	14 526	8 952

Table 6.26 : Summary of payments and estimates by economic classification: Growth and Development

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2011/12	2012/13	2013/14	2014/15			2015/16	2016/17	2017/18
Current payments	6 457	10 305	19 970	172 810	14 810	13 432	24 097	14 526	8 952
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	6 457	10 305	19 970	172 810	14 810	13 432	24 097	14 526	8 952
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	31 264	28 012	21 085	13 500	31 883	31 883	10 062	-	-
Provinces and municipalities	31 264	28 012	21 085	13 500	31 883	31 883	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	-	-	-	-	-	-	-	-	-
Total	37 721	38 317	41 055	186 310	46 693	45 315	34 159	14 526	8 952

The spending against the sub-programme: Budget Communication relates to budget road shows held by the MEC. The decrease from 2011/12 to 2012/13 is due to cost-cutting, particularly on stationery and printing. The allocation against this sub-programme increases gradually over the 2015/16 MTEF.

The expenditure against the sub-programme: Special Infrastructure Projects of R31.264 million and R30.285 million in 2011/12 and 2012/13, respectively, related to spending on the upgrading of the Pietermaritzburg, Richards Bay, and Prince Mangosuthu Buthelezi airports, and the feasibility study of the government office precinct project (2012/13 against *Goods and services*). The 2013/14 spending of R21.085 million includes the development of the airports (including the Margate airport), which was finalised at the end of the year. Also, in 2013/14 funds were allocated toward infrastructure projects in Kokstad, namely the Shayamoya eco-complex and the development of a light industrial park in Bhongweni.

The allocation of R13.500 million against the sub-programme: Special Infrastructure Projects in the 2014/15 Main Appropriation comprises R8 million for a light industrial park at Bhongweni and R5.500 million for Msunduzi electricity-related projects. The substantial increase from the 2014/15 Main to Adjusted Appropriation is attributed to a roll-over of R18.383 million for the Shayamoya eco-complex (R13.062 million) and a light industrial park at Bhongweni (R5.321 million). Funds were not spent on these projects in 2013/14 due to delays in the appointment of a service provider for a light industrial park, and the fact that the construction of the Shayamoya eco-complex could not be completed as a result of the value of the tender being above the allocated budget for this project, as explained in detail under Section 5.5 above. The 2015/16 allocation includes roll-overs of R2.062 million for the Shayamoya eco-complex and R8 million for a light industrial park at Bhongweni. There is no budget allocated over the outer two years of the MTEF, due to the fact that both infrastructure projects in Kokstad are anticipated to be completed by the end of 2015/16.

The R150 million in the 2014/15 Main Appropriation against the sub-programme: Strategic Cabinet Initiatives was in respect of the Strategic Cabinet Initiatives funding (R100 million), and rural development projects (R50 million) which was allocated and held by Treasury for allocation to other departments for various strategic provincial events (R100 million only), as and when approved by Cabinet. The full amount of R100 million was suspended to departments for various events. The R50 million for rural development projects was moved to COGTA for projects relating to the Small Town Rehabilitation programme. There is no budget allocated against this sub-programme going forward in line with a decision taken by the province to temporarily halt the Strategic Cabinet Initiatives Fund until affordability permits. This decision emanates from the province's approach to financing the fiscal consolidation cuts that were imposed on all three spheres of government by National Treasury.

The amount reflected against the sub-programme: Air Shows/Special Projects in 2012/13 and 2013/14 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. The decrease from the 2014/15 Main to Adjusted Appropriation is due to the placing on hold of the government office precinct project in line with the fiscal consolidation of the province. The funds were surrendered to the Provincial Revenue Fund. The budget against this sub-programme in 2015/16 and 2016/17 relates to the IALCH floor repairs. There is no allocation against this sub-programme in 2017/18 due to the completion of the IALCH floor repairs project in line with project requirements.

Goods and services include expenditures in respect of budget road shows, air shows, Strategic Cabinet Initiatives and special projects, as detailed above. The substantial decrease from the 2014/15 Main to the Adjusted Appropriation relates mainly to the full amount of the Strategic Cabinet Initiatives Fund and to the rural development funds being suspended to departments for various events, and for the Small Town Rehabilitation programme. The decrease from 2015/16 results mainly from the allocation in 2016/17 for the IALCH floor repairs, which is removed in 2017/18, in line with project requirements.

The expenditure reflected against *Transfers and subsidies to: Provinces and municipalities* relates to the development of regional airports, the development of the Shayamoya eco-complex, a light industrial park at Bhongweni, and Msunduzi electricity-related developments. The expenditure in 2011/12 and 2012/13 pertained to the development of the Pietermaritzburg, Prince Mangosuthu Buthelezi and Richards Bay airports. The 2014/15 Adjusted Appropriation included a roll-over relating to the development of the Shayamoya eco-complex and the light industrial park. Also included in 2014/15 is a provision for Msunduzi electricity-related developments. The 2015/16 allocation includes R2.062 million for the Shayamoya eco-complex and R8 million for a light industrial park at Bhongweni. There is no allocation against this category going forward, as construction of the previously mentioned projects is anticipated to be completed by the end of 2015/16.

Service delivery measures – Programme 5: Growth and Development

Table 6.27 reflects the main service delivery measures pertaining to Programme 5.

Table 6.27 : Service delivery measures – Programme 5: Growth and Development

Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2014/15	2015/16	2016/17	2017/18
5.1. To provide for specific departmental approved events and initiatives not catered for in any other programme that will provide development in the province	<ul style="list-style-type: none"> No. of events co-ordinated successfully (budget road shows) 	5	5	5	5

7. Other programme information

7.1 Personnel numbers and costs

Table 6.28 below reflects personnel information per programme for the Provincial Treasury, for the period March 2012 to March 2018.

Table 6.29 provides details of personnel in terms of the human resources and finance components.

The employees reflected against contract workers are interns and contract employees for special projects for forensic investigations, IDIP TAs, MSP, etc. The department budgets for its full staff complement over the MTEF.

Table 6.28 : Personnel numbers and costs by programme

Personnel numbers	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	As at 31 March 2018
1. Administration	127	172	189	179	182	182	182
2. Fiscal Resource Management	72	73	83	82	88	88	88
3. Financial Management	107	137	141	155	168	168	168
4. Internal Audit	115	143	156	116	142	142	142
5. Growth and Development	-	-	-	-	-	-	-
Total	421	525	569	532	580	580	580
Total personnel cost (R thousand)	129 790	165 967	188 527	213 550	260 566	274 729	280 064
Unit cost (R thousand)	308	316	331	401	449	474	483

Table 6.29 : Summary of departmental personnel numbers and costs by component

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2011/12	2012/13	2013/14	2014/15			2015/16	2016/17	2017/18
Total for the department									
Personnel numbers (head count)	421	525	569	577	532	532	580	580	580
Personnel cost (R thousands)	129 790	165 967	188 527	230 825	220 525	213 550	260 566	274 729	280 064
Human resources component									
Personnel numbers (head count)	23	25	30	31	30	30	30	30	30
Personnel cost (R thousands)	7 113	9 517	10 454	11 076	11 076	11 076	11 843	12 684	13 445
Head count as % of total for department	5.46	4.76	5.27	5.37	5.64	5.64	5.17	5.17	5.17
Personnel cost as % of total for department	5.48	5.73	5.55	4.80	5.02	5.19	4.55	4.62	4.80
Finance component									
Personnel numbers (head count)	23	28	36	46	41	41	46	46	46
Personnel cost (R thousands)	7 937	9 525	11 768	15 966	15 966	15 966	17 113	18 335	19 435
Head count as % of total for department	5.46	5.33	6.33	7.97	7.71	7.71	7.93	7.93	7.93
Personnel cost as % of total for department	6.12	5.74	6.24	6.92	7.24	7.48	6.57	6.67	6.94
Full time workers									
Personnel numbers (head count)	397	407	410	412	367	367	412	412	412
Personnel cost (R thousands)	127 614	152 304	173 208	211 720	201 420	194 445	239 209	251 817	255 777
Head count as % of total for department	94.30	77.52	72.06	71.40	68.98	68.98	71.03	71.03	71.03
Personnel cost as % of total for department	98.32	91.77	91.87	91.72	91.34	91.05	91.80	91.66	91.33
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)	24	118	159	165	165	165	168	168	168
Personnel cost (R thousands)	2 176	13 663	15 319	19 105	19 105	19 105	21 357	22 912	24 287
Head count as % of total for department	5.70	22.48	27.94	28.60	31.02	31.02	28.97	28.97	28.97
Personnel cost as % of total for department	1.68	8.23	8.13	8.28	8.66	8.95	8.20	8.34	8.67

The total personnel for the department is 580 employees in 2015/16. The increase in personnel numbers from 2013/14 to 2014/15 relates to the anticipated filling of vacant posts. The substantial increase in the number of contract workers from 2011/12 to 2012/13 (24 to 118) is attributed to interns and learners being placed on the fixed establishment of the department in line with a decision taken by DPSA.

7.2 Training

Tables 6.30 and 6.31 show the department's actual spending and estimates on training per programme. Over the MTEF, 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.

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 6.31 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 : Payments on training by programme

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2011/12	2012/13	2013/14	2014/15			2015/16	2016/17	2017/18
1. Administration	791	713	720	952	952	952	924	910	959
Subsistence and travel	-	-	-	-	-	-	-	-	-
Payments on tuition	791	713	720	952	952	952	924	910	959
Other	-	-	-	-	-	-	-	-	-
2. Fiscal Resource Management	223	130	240	283	283	283	283	308	323
Subsistence and travel	-	-	-	-	-	-	-	-	-
Payments on tuition	223	130	240	283	283	283	283	308	323
Other	-	-	-	-	-	-	-	-	-
3. Financial Management	369	277	322	460	460	460	487	513	539
Subsistence and travel	-	-	-	-	-	-	-	-	-
Payments on tuition	369	277	322	460	460	460	487	513	539
Other	-	-	-	-	-	-	-	-	-
4. Internal Audit	702	452	740	850	850	944	870	890	935
Subsistence and travel	-	-	-	-	-	-	-	-	-
Payments on tuition	702	452	740	850	850	944	870	890	935
Other	-	-	-	-	-	-	-	-	-
5. Growth and Development	-	-	-	-	-	-	-	-	-
Subsistence and travel	-	-	-	-	-	-	-	-	-
Payments on tuition	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	2 085	1 572	2 022	2 545	2 545	2 639	2 564	2 621	2 756

Table 6.31 : Information on training: Provincial Treasury

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2011/12	2012/13	2013/14	2014/15			2015/16	2016/17	2017/18
Number of staff	421	525	569	577	532	532	580	580	580
Number of personnel trained	360	466	390	542	517	507	373	373	373
of which									
Male	187	191	187	220	220	220	91	91	91
Female	173	275	203	322	297	287	282	282	282
Number of training opportunities	49	947	517	502	502	502	503	555	575
of which									
Tertiary	-	1	-	2	2	2	3	5	5
Workshops	13	276	246	150	150	150	150	150	150
Seminars	5	171	90	100	100	100	100	100	105
Other	31	499	181	250	250	250	250	300	315
Number of bursaries offered	13	11	11	11	11	11	11	11	11
Number of interns appointed	49	41	50	50	50	50	50	50	53
Number of learnerships appointed	20	16	25	15	15	15	15	15	16
Number of days spent on training	202	177	102	100	100	100	115	150	158

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		
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18
Tax receipts	405 857	447 730	488 254	572 705	572 705	531 608	648 227	732 728	776 692
Casino taxes	337 435	383 056	421 355	490 803	490 803	457 046	556 890	630 869	668 721
Horse racing taxes	68 422	64 674	66 899	81 902	81 902	74 562	91 337	101 859	107 971
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sale of goods and services other than capital assets	152	159	169	182	182	297	203	204	209
Sale of goods and services produced by dept. (excl. capital assets)	149	158	167	180	180	294	200	204	209
Sales by market establishments	48	49	54	56	56	92	81	82	83
Administrative fees	50	51	51	60	60	7	53	54	56
Other sales	51	58	62	64	64	195	66	68	70
<i>Of which</i>									
<i>Other</i>	51	58	58	64	64	60	68	72	76
Sale of scrap, waste, arms and other used current goods (excl. capital assets)	3	1	2	2	2	3	3	-	-
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	288 008	269 818	249 807	266 048	266 048	291 100	283 341	301 757	316 846
Interest	288 004	269 815	249 807	266 044	266 044	291 100	283 337	301 754	316 842
Dividends	4	3	-	4	4	-	4	3	4
Rent on land	-	-	-	-	-	-	-	-	-
Sale of capital assets	760	32	409	160	160	191	170	181	192
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Other capital assets	760	32	409	160	160	191	170	181	192
Transactions in financial assets and liabilities	333	437	352	375	375	382	380	382	385
Total	695 110	718 176	738 992	839 470	839 470	823 578	932 322	1 035 253	1 094 324

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

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2011/12	2012/13	2013/14	Appropriation	Appropriation	Estimate	2015/16	2016/17	2017/18
Current payments	357 411	478 406	549 746	809 999	618 284	580 388	654 524	660 248	658 764
Compensation of employees	129 790	165 967	188 527	230 825	220 525	213 550	260 566	274 729	280 064
Salaries and wages	114 675	148 139	168 917	203 208	192 908	185 933	230 852	243 511	247 287
Social contributions	15 115	17 828	19 610	27 617	27 617	27 617	29 714	31 218	32 777
Goods and services	226 615	312 439	361 219	571 406	396 791	365 870	383 726	374 745	367 387
Administrative fees	10 015	10 323	11 904	12 386	9 186	8 309	12 570	13 116	13 773
Advertising	2 792	4 169	3 995	4 172	3 522	3 406	4 041	3 615	3 951
Assets less than the capitalisation threshold	991	499	631	762	762	568	562	869	914
Audit cost: External	6 700	4 526	3 318	7 365	7 365	4 848	6 889	6 991	7 342
Bursaries: Employees	227	297	194	360	360	310	250	250	263
Catering: Departmental activities	1 867	2 199	2 960	2 435	2 435	1 983	2 498	2 792	2 931
Communication (G&S)	1 713	2 364	2 161	3 155	3 155	2 331	3 126	3 362	3 530
Computer services	97 452	110 935	112 842	125 630	128 630	111 872	123 669	135 490	138 589
Cons & prof serv: Business and advisory services	50 198	122 794	163 278	349 450	174 085	167 545	158 088	143 541	134 439
Cons & prof serv: Infras and planning	-	-	-	-	-	-	-	-	-
Cons & prof serv: Laboratory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	2 270	1 660	1 218	865	1 565	2 595	931	934	981
Contractors	2 771	4 577	12 364	8 262	8 262	7 987	18 087	8 484	2 607
Agency and support / outsourced services	1 181	517	579	1 161	1 161	636	803	860	903
Entertainment	2	6	-	13	13	-	14	23	24
Fleet services (incl. govt motor transport)	949	1 017	1 194	1 061	1 861	1 796	1 111	1 161	1 219
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	152	224	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	27	61	-	-	-	-	-	-	-
Inventory: Materials and supplies	310	26	-	-	-	-	-	-	-
Inventory: Medical supplies	-	2	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	105	194	588	825	825	388	898	684	718
Consumable: Stationery, printing and office supplies	1 907	1 896	2 003	2 648	2 648	2 468	2 152	2 594	2 722
Operating leases	11 812	14 832	13 524	15 288	16 288	15 627	15 287	16 057	16 870
Property payments	7 335	7 854	7 073	5 387	7 587	8 258	6 332	5 996	6 296
Transport provided: Departmental activity	992	531	930	900	900	664	872	1 102	1 157
Travel and subsistence	8 368	14 408	12 869	19 717	17 217	17 200	17 477	17 722	18 605
Training and development	2 085	1 572	2 022	2 545	2 545	2 639	2 564	2 621	2 756
Operating payments	12 437	2 402	2 621	3 469	2 869	1 974	2 290	2 895	3 041
Venues and facilities	1 957	2 554	2 951	3 550	3 550	2 466	3 215	3 586	3 756
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	1 006	-	-	7 768	968	968	10 232	10 774	11 313
Interest	1 006	-	-	7 768	968	968	10 232	10 774	11 313
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	49 743	73 405	67 171	57 498	78 270	76 860	51 636	42 977	44 969
Provinces and municipalities	31 264	28 026	21 983	13 522	32 120	32 077	10 318	244	256
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	31 264	28 026	21 983	13 522	32 120	32 077	10 318	244	256
Municipalities	31 264	28 012	21 260	13 500	31 883	31 883	10 062	-	-
Municipal agencies and funds	-	14	723	22	237	194	256	244	256
Departmental agencies and accounts	17 337	35 775	41 881	39 276	39 276	39 276	32 532	34 255	35 968
Social security funds	-	-	-	-	-	-	-	-	-
Provide list of entities receiving transfers	17 337	35 775	41 881	39 276	39 276	39 276	32 532	34 255	35 968
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	-	-	-	-	1 000	1 000	3 150	3 150	3 150
Households	1 142	9 604	3 307	4 700	5 874	4 507	5 636	5 328	5 595
Social benefits	689	1 001	775	700	1 874	2 557	1 383	850	893
Other transfers to households	453	8 603	2 532	4 000	4 000	1 950	4 253	4 478	4 702
Payments for capital assets	3 819	5 909	6 114	10 818	11 918	9 886	5 991	4 543	4 773
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	3 294	5 515	6 114	10 818	11 918	9 886	5 991	4 543	4 773
Transport equipment	820	1 053	1 695	1 250	2 350	1 651	1 372	1 675	1 759
Other machinery and equipment	2 474	4 462	4 419	9 568	9 568	8 235	4 619	2 868	3 014
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	525	394	-	-	-	-	-	-	-
Payments for financial assets	232	13	417	-	-	-	-	-	-
Total	411 205	557 733	623 448	878 315	708 472	667 134	712 151	707 768	708 506

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

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2011/12	2012/13	2013/14	2014/15			2015/16	2016/17	2017/18
Current payments	78 484	87 232	91 313	111 174	108 859	104 811	113 133	119 425	125 552
Compensation of employees	35 936	43 763	49 660	62 919	57 519	57 013	68 415	73 216	76 877
Salaries and wages	31 476	38 804	44 179	54 387	48 987	48 481	59 582	64 034	67 236
Social contributions	4 460	4 959	5 481	8 532	8 532	8 532	8 833	9 182	9 641
Goods and services	42 548	43 469	41 653	48 255	51 340	47 798	44 718	46 209	48 675
Administrative fees	656	246	1 802	311	311	1 689	408	425	446
Advertising	2 187	3 400	3 025	3 263	2 613	1 967	3 082	2 514	2 796
Assets less than the capitalisation threshold	422	109	110	313	313	165	140	373	392
Audit cost: External	6 700	4 526	3 318	7 365	7 365	4 848	6 889	6 991	7 342
Bursaries: Employees	227	297	194	360	360	332	250	250	263
Catering: Departmental activities	576	281	908	305	305	502	330	639	671
Communication (G&S)	883	1 279	1 095	1 588	1 588	1 079	1 553	1 646	1 729
Computer services	-	5	-	6	6	11	7	8	8
Cons & prof serv: Business and advisory services	464	216	130	894	3 029	2 655	188	218	229
Cons & prof serv: Infras and planning	-	-	-	-	-	-	-	-	-
Cons & prof serv: Laboratory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	321	443	1 198	595	1 295	1 592	751	742	779
Contractors	1 263	1 664	1 505	721	721	729	545	858	901
Agency and support / outsourced services	132	39	3	111	111	78	97	103	108
Entertainment	-	5	-	10	10	-	10	18	19
Fleet services (incl. govt motor transport)	949	1 017	1 194	1 061	1 861	1 796	1 111	1 161	1 219
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	47	114	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	27	61	-	-	-	-	-	-	-
Inventory: Materials and supplies	300	26	-	-	-	-	-	-	-
Inventory: Medical supplies	-	2	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	104	193	465	554	554	290	666	396	416
Consumable: Stationery, printing and office supplies	1 118	814	668	1 198	1 198	1 104	1 123	1 505	1 578
Operating leases	11 272	14 201	13 295	14 498	15 498	15 509	14 580	15 360	16 138
Property payments	7 185	7 813	6 993	5 345	7 545	8 258	6 332	5 953	6 251
Transport provided: Departmental activity	94	-	16	-	-	31	22	102	107
Travel and subsistence	2 442	5 086	3 558	7 045	4 545	3 852	5 442	4 677	4 908
Training and development	791	713	896	952	952	653	732	703	739
Operating payments	3 971	689	1 016	1 514	914	451	412	1 050	1 103
Venues and facilities	417	230	264	246	246	207	48	517	533
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	453	9 004	3 525	4 022	6 211	4 745	7 659	7 872	8 108
Provinces and municipalities	-	14	898	22	237	194	256	244	256
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	14	898	22	237	194	256	244	256
Municipalities	-	-	175	-	-	-	-	-	-
Municipal agencies and funds	-	14	723	22	237	194	256	244	256
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	-	-	-	-	1 000	1 000	3 150	3 150	3 150
Households	453	8 990	2 627	4 000	4 974	3 551	4 253	4 478	4 702
Social benefits	-	387	98	-	974	1 601	-	-	-
Other transfers to households	453	8 603	2 529	4 000	4 000	1 950	4 253	4 478	4 702
Payments for capital assets	1 424	1 669	2 073	2 142	3 242	2 467	2 297	2 620	2 753
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	1 424	1 669	2 073	2 142	3 242	2 467	2 297	2 620	2 753
Transport equipment	820	1 053	1 695	1 250	2 350	1 651	1 372	1 675	1 759
Other machinery and equipment	604	616	378	892	892	816	925	945	994
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	21	-	-	-	-	-	-
Total	80 361	97 905	96 932	117 338	118 312	112 023	123 089	129 917	136 413

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

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2011/12	2012/13	2013/14	Appropriation	Appropriation	Estimate	2015/16	2016/17	2017/18
Current payments	31 778	76 716	90 510	109 857	86 757	76 239	103 166	108 320	105 336
Compensation of employees	21 191	30 283	37 038	44 755	44 755	45 562	59 892	60 947	55 594
Salaries and wages	19 071	27 231	33 347	40 084	40 084	40 891	54 354	55 108	49 464
Social contributions	2 120	3 052	3 691	4 671	4 671	4 671	5 538	5 839	6 130
Goods and services	10 587	46 433	53 472	65 102	42 002	30 677	43 274	47 373	49 742
Administrative fees	66	81	60	112	112	62	118	124	130
Advertising	16	35	365	-	-	68	-	-	-
Assets less than the capitalisation threshold	115	47	144	71	71	225	77	83	88
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	81	160	75	170	170	26	195	180	190
Communication (G&S)	146	201	252	309	309	286	293	315	330
Computer services	-	16	13	120	120	-	120	120	126
Cons & prof serv: Business and advisory services	6 919	42 155	49 142	57 812	34 712	25 673	37 412	41 320	43 384
Cons & prof serv: Infras and planning	-	-	-	-	-	-	-	-	-
Cons & prof serv: Laboratory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	-	-	-	-	-	84	-	-	-
Contractors	18	25	44	14	14	21	14	14	14
Agency and support / outsourced services	-	-	-	400	400	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (incl. govt motor transport)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	17	22	-	-	-	-	-	-	-
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	9	48	48	13	28	46	48
Consumable: Stationery, printing and office supplies	219	242	273	310	310	337	252	300	316
Operating leases	133	188	52	195	195	30	262	201	211
Property payments	-	-	15	-	-	-	-	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	840	1 633	1 400	2 472	2 472	2 017	2 230	2 407	2 528
Training and development	223	130	196	283	283	277	273	315	331
Operating payments	1 791	950	973	1 450	1 450	1 042	1 168	1 210	1 271
Venues and facilities	-	547	459	1 336	1 336	516	832	738	775
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	23	66	-	-	-	-	-	-
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	66	-	-	-	-	-	-
Social benefits	-	23	63	-	-	-	-	-	-
Other transfers to households	-	-	3	-	-	-	-	-	-
Payments for capital assets	374	131	425	266	266	353	401	286	300
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	374	131	425	266	266	353	401	286	300
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	374	131	425	266	266	353	401	286	300
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	128	-	203	-	-	-	-	-	-
Total	32 280	76 870	91 204	110 123	87 023	76 592	103 567	108 606	105 636

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

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2011/12	2012/13	2013/14	Appropriation	Appropriation	Estimate	2015/16	2016/17	2017/18
Current payments	166 021	211 393	241 243	287 219	282 919	260 624	283 500	297 294	292 208
Compensation of employees	37 496	45 638	52 500	60 114	59 214	55 878	66 980	69 393	72 862
Salaries and wages	32 869	40 681	47 104	51 981	51 081	47 745	58 210	60 322	63 338
Social contributions	4 627	4 957	5 396	8 133	8 133	8 133	8 770	9 071	9 524
Goods and services	127 519	165 755	188 743	219 337	222 737	203 778	206 288	217 127	208 033
Administrative fees	9 110	9 756	9 912	11 683	8 483	6 290	11 734	12 227	12 839
Advertising	216	40	-	60	60	154	106	104	108
Assets less than the capitalisation threshold	395	133	310	168	168	116	155	193	203
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	25	26	135	54	54	75	75	65	67
Communication (G&S)	392	492	427	638	638	524	620	701	736
Computer services	96 655	110 754	111 876	125 204	128 204	111 411	123 232	135 042	138 119
Cons & prof serv: Business and advisory services	12 159	38 304	60 189	74 177	77 777	76 900	63 593	61 482	48 282
Cons & prof serv: Infras and planning	-	-	-	-	-	-	-	-	-
Cons & prof serv: Laboratory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	1 949	1 217	20	270	270	919	180	192	202
Contractors	187	51	33	122	122	78	118	132	138
Agency and support / outsourced services	-	-	-	-	-	-	-	-	-
Entertainment	-	1	-	3	3	-	4	5	5
Fleet services (incl. govt motor transport)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	57	49	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	5	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	1	-	82	155	155	61	159	190	199
Consumable: Stationery, printing and office supplies	373	681	670	868	868	606	582	586	615
Operating leases	218	216	109	276	276	88	272	319	335
Property payments	13	41	65	42	42	-	-	43	45
Transport provided: Departmental activity	-	-	-	-	-	4	-	-	-
Travel and subsistence	2 112	3 412	4 178	4 990	4 990	5 898	4 658	5 124	5 379
Training and development	369	277	425	460	460	520	509	513	541
Operating payments	3 247	301	298	119	119	51	134	138	145
Venues and facilities	36	4	14	48	48	83	157	71	75
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	1 006	-	-	7 768	968	968	10 232	10 774	11 313
Interest	1 006	-	-	7 768	968	968	10 232	10 774	11 313
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	18 026	36 337	42 374	39 976	40 176	40 072	33 865	35 055	36 808
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	17 337	35 775	41 881	39 276	39 276	39 276	32 532	34 255	35 968
Social security funds	-	-	-	-	-	-	-	-	-
Provide list of entities receiving transfers	17 337	35 775	41 881	39 276	39 276	39 276	32 532	34 255	35 968
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	689	562	493	700	900	796	1 333	800	840
Social benefits	689	562	493	700	900	796	1 333	800	840
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	1 536	3 757	3 085	7 600	7 600	6 599	2 413	687	722
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	1 011	3 363	3 085	7 600	7 600	6 599	2 413	687	722
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	1 011	3 363	3 085	7 600	7 600	6 599	2 413	687	722
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	525	394	-	-	-	-	-	-	-
Payments for financial assets	91	-	192	-	-	-	-	-	-
Total	185 674	251 487	286 894	334 795	330 695	307 295	319 778	333 036	329 738

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

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2011/12	2012/13	2013/14	Appropriation	Appropriation	Estimate	2015/16	2016/17	2017/18
Current payments	74 671	92 760	106 710	128 939	124 939	125 282	130 628	120 683	126 716
Compensation of employees	35 167	46 283	49 329	63 037	59 037	55 097	65 279	71 173	74 731
Salaries and wages	31 259	41 423	44 287	56 756	52 756	48 816	58 706	64 047	67 249
Social contributions	3 908	4 860	5 042	6 281	6 281	6 281	6 573	7 126	7 482
Goods and services	39 504	46 477	57 381	65 902	65 902	70 185	65 349	49 510	51 985
Administrative fees	183	229	130	280	280	268	310	340	358
Advertising	7	3	104	-	-	144	-	-	-
Assets less than the capitalisation threshold	59	210	67	210	210	62	190	220	231
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	(22)	-	-	-
Catering: Departmental activities	26	30	26	56	56	21	38	38	40
Communication (G&S)	292	392	387	620	620	442	660	700	735
Computer services	797	160	953	300	300	450	310	320	336
Cons & prof serv: Business and advisory services	30 647	39 846	50 680	57 511	57 511	61 317	56 855	40 479	42 500
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	15	4	-	-	6	-	-	-
Agency and support / outsourced services	-	-	-	-	-	-	-	-	-
Entertainment	2	-	-	-	-	-	-	-	-
Fleet services (incl. govt motor transport)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	17	39	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	2	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	-	-	25	68	68	24	45	52	55
Consumable: Stationery, printing and office supplies	183	159	392	272	272	421	195	203	213
Operating leases	189	227	68	319	319	-	173	177	186
Property payments	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	2 974	4 277	3 733	5 210	5 210	5 433	5 147	5 514	5 790
Training and development	702	452	505	850	850	1 189	1 050	1 090	1 145
Operating payments	3 419	429	303	186	186	430	376	377	396
Venues and facilities	-	9	4	20	20	-	-	-	-
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	29	121	-	-	160	50	50	53
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	-	29	121	-	-	160	50	50	53
Social benefits	-	29	121	-	-	160	50	50	53
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	485	352	531	810	810	467	880	950	998
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	485	352	531	810	810	467	880	950	998
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	485	352	531	810	810	467	880	950	998
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	13	13	1	-	-	-	-	-	-
Total	75 169	93 154	107 363	129 749	125 749	125 909	131 558	121 683	127 767

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

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2011/12	2012/13	2013/14	Appropriation	Appropriation	Estimate	2015/16	2016/17	2017/18
Current payments	6 457	10 305	19 970	172 810	14 810	13 432	24 097	14 526	8 952
Compensation of employees	-	-	-	-	-	-	-	-	-
Salaries and wages	-	-	-	-	-	-	-	-	-
Social contributions	-	-	-	-	-	-	-	-	-
Goods and services	6 457	10 305	19 970	172 810	14 810	13 432	24 097	14 526	8 952
Administrative fees	-	11	-	-	-	-	-	-	-
Advertising	366	691	501	849	849	1 073	853	997	1 047
Assets less than the capitalisation threshold	-	-	-	-	-	-	-	-	-
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	1 159	1 702	1 816	1 850	1 850	1 359	1 860	1 870	1 963
Communication (G&S)	-	-	-	-	-	-	-	-	-
Computer services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Business and advisory services	9	2 273	3 137	159 056	1 056	1 000	40	42	44
Cons & prof serv: Infras and planning	-	-	-	-	-	-	-	-	-
Cons & prof serv: Laboratory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	-	-	-	-	-	-	-	-	-
Contractors	1 298	2 822	10 778	7 405	7 405	7 153	17 410	7 480	1 554
Agency and support / outsourced services	1 049	478	576	650	650	558	706	757	795
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	14	-	-	-	-	-	-	-	-
Operating leases	-	-	-	-	-	-	-	-	-
Property payments	137	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	898	531	914	900	900	629	850	1 000	1 050
Travel and subsistence	-	-	-	-	-	-	-	-	-
Training and development	-	-	-	-	-	-	-	-	-
Operating payments	9	33	31	200	200	-	200	120	126
Venues and facilities	1 504	1 764	2 210	1 900	1 900	1 660	2 178	2 260	2 373
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	31 264	28 012	21 085	13 500	31 883	31 883	10 062	-	-
Provinces and municipalities	31 264	28 012	21 085	13 500	31 883	31 883	10 062	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	31 264	28 012	21 085	13 500	31 883	31 883	10 062	-	-
Municipalities	31 264	28 012	21 085	13 500	31 883	31 883	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	-	-	-	-	-	-	-	-	-
Total	37 721	38 317	41 055	186 310	46 693	45 315	34 159	14 526	8 952

Table 6.H : Provincial Treasury - Payments of infrastructure by category

Project name	Municipality / Region	Type of infrastructure		Project duration		Source of funding	Budget programme name	Targeted number of jobs for 2015/16	Total project cost	Expenditure to date from previous years	Total available		MTEF Forward estimates	
		School - primary/ secondary/ specialised; admin block; water; electricity; sanitation/toilet; fencing etc.	Units	Date: Start	Date: Finish						2015/16	2016/17	2017/18	2017/18
R thousands														
Existing infrastructure assets														
of which:														
Maintenance and repair: Current														
Upgrades and additions: Capital														
Refurbishment and rehabilitation: Capital														
New infrastructure assets: Capital														
Infrastructure transfers														
of which:														
Infrastructure transfers: Current														
Infrastructure transfers: Capital											10 062			
Development of the Light Industrial Park in Bhongweni	Kolstad	Industrial Park	1	13 April 2012	31 March 2016	Equitable share	Programme 5				8 000			
Construction of the Shayamoya Eco-Complex Cultural Village	Kolstad	Community Park	1	13 April 2012	31 March 2016	Equitable share	Programme 5				2 062			
Infrastructure: Payments for financial assets														
Infrastructure: Leases														
Total														
Capital infrastructure											10 062			
Current infrastructure											10 062			

Table 6.I : Summary of transfers to local govt. (donations, airports, Shayamoya, light industrial park and Msunduzi electric-rel. dev.)

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2011/12	2012/13	2013/14	2014/15			2015/16	2016/17	2017/18
A KZN2000 eThekweni	-	-	-	-	-	-	-	-	-
Total: Ugu Municipalities	-	-	2 009	-	-	-	-	-	-
B KZN211 Vulamehlo	-	-	-	-	-	-	-	-	-
B KZN212 Umdoni	-	-	-	-	-	-	-	-	-
B KZN213 Umzumbe	-	-	-	-	-	-	-	-	-
B KZN214 uMuziwabantu	-	-	-	-	-	-	-	-	-
B KZN215 Ezingoleni	-	-	-	-	-	-	-	-	-
B KZN216 Hibiscus Coast	-	-	2 009	-	-	-	-	-	-
C DC21 Ugu District Municipality	-	-	-	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	17 790	574	17 071	5 500	5 715	5 672	-	-	-
B KZN221 uMshwathi	-	-	-	-	-	-	-	-	-
B KZN222 uMngeni	-	-	-	-	-	-	-	-	-
B KZN223 Mpofana	-	-	-	-	-	-	-	-	-
B KZN224 Impendle	-	-	-	-	-	-	-	-	-
B KZN225 Msunduzi	17 790	574	17 071	5 500	5 715	5 672	-	-	-
B KZN226 Mkhambathini	-	-	-	-	-	-	-	-	-
B KZN227 Richmond	-	-	-	-	-	-	-	-	-
C DC22 uMgungundlovu District Municipality	-	-	-	-	-	-	-	-	-
Total: Uthukela Municipalities	-	-	-	-	-	-	-	-	-
B KZN232 Emnambithi/Ladysmith	-	-	-	-	-	-	-	-	-
B KZN233 Indaka	-	-	-	-	-	-	-	-	-
B KZN234 Umtshezi	-	-	-	-	-	-	-	-	-
B KZN235 Okhahlamba	-	-	-	-	-	-	-	-	-
B KZN236 Imbabazane	-	-	-	-	-	-	-	-	-
C DC23 Uthukela District Municipality	-	-	-	-	-	-	-	-	-
Total: Umzinyathi Municipalities	-	-	-	-	-	-	-	-	-
B KZN241 Endumeni	-	-	-	-	-	-	-	-	-
B KZN242 Ngutu	-	-	-	-	-	-	-	-	-
B KZN244 Msinga	-	-	-	-	-	-	-	-	-
B KZN245 Umvoti	-	-	-	-	-	-	-	-	-
C DC24 Umzinyathi District Municipality	-	-	-	-	-	-	-	-	-
Total: Amajuba Municipalities	-	-	-	-	-	-	-	-	-
B KZN252 Newcastle	-	-	-	-	-	-	-	-	-
B KZN253 eMadlangeni	-	-	-	-	-	-	-	-	-
B KZN254 Dannhauser	-	-	-	-	-	-	-	-	-
C DC25 Amajuba District Municipality	-	-	-	-	-	-	-	-	-
Total: Zululand Municipalities	10 015	19 661	596	-	-	-	-	-	-
B KZN261 eDumbe	-	-	-	-	-	-	-	-	-
B KZN262 uPhongolo	-	-	-	-	-	-	-	-	-
B KZN263 Abaqulusi	-	-	-	-	-	-	-	-	-
B KZN265 Nongoma	-	-	-	-	-	-	-	-	-
B KZN266 Ulundi	-	-	-	-	-	-	-	-	-
C DC26 Zululand District Municipality	10 015	19 661	596	-	-	-	-	-	-
Total: Umkhanyakude Municipalities	-	-	-	-	-	-	-	-	-
B KZN271 Umhlabyalingana	-	-	-	-	-	-	-	-	-
B KZN272 Jozini	-	-	-	-	-	-	-	-	-
B KZN273 The Big 5 False Bay	-	-	-	-	-	-	-	-	-
B KZN274 Hlabisa	-	-	-	-	-	-	-	-	-
B KZN275 Mtubatuba	-	-	-	-	-	-	-	-	-
C DC27 Umkhanyakude District Municipality	-	-	-	-	-	-	-	-	-
Total: uThungulu Municipalities	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	-	-	-	-	-	-	-	-	-
Total: Ilembe Municipalities	-	-	-	-	-	-	-	-	-
B KZN291 Mandeni	-	-	-	-	-	-	-	-	-
B KZN292 KwaDukuza	-	-	-	-	-	-	-	-	-
B KZN293 Ndwedwe	-	-	-	-	-	-	-	-	-
B KZN294 Maphumulo	-	-	-	-	-	-	-	-	-
C DC29 Ilembe District Municipality	-	-	-	-	-	-	-	-	-
Total: Harry Gwala Municipalities	-	-	2 294	8 000	26 383	26 383	10 062	-	-
B KZN431 Ingwe	-	-	-	-	-	-	-	-	-
B KZN432 Kwa Sani	-	-	-	-	-	-	-	-	-
B KZN433 Greater Kokstad	-	-	2 294	8 000	26 383	26 383	10 062	-	-
B KZN434 Ubuhlebezwe	-	-	-	-	-	-	-	-	-
B KZN435 Umzimkulu	-	-	-	-	-	-	-	-	-
C DC43 Harry Gwala District Municipality	-	-	-	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-	233	220	231
Total	31 264	28 012	21 970	13 500	32 098	32 055	10 295	220	231

Table 6.J : Financial summary for KZN Gaming and Betting Board (KZNGBB)

	Audited Outcome			Revised Estimate	Medium-term Estimates		
R thousand	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Revenue							
Tax revenue	-	-	-	-	-	-	-
Non-tax revenue	13 251	14 410	17 422	22 677	29 246	30 361	30 918
Sale of goods and services other than capital assets	11 397	12 610	15 324	20 165	27 246	28 266	28 715
Interest, dividends and rent on land	1 854	1 727	2 098	2 451	1 980	2 079	2 183
Other non-tax revenue	-	73	-	61	20	16	20
Transfers received	17 337	35 775	41 881	39 276	32 532	34 255	35 968
Sale of capital assets	379	-	409	-	-	-	-
Total revenue	30 967	50 185	59 712	61 953	61 778	64 616	66 886
Expenses							
Current expense	35 143	43 244	49 269	63 583	60 630	63 516	65 929
Compensation of employees	21 579	26 824	32 158	39 813	45 530	49 172	51 876
Use of goods and services	12 480	15 531	15 947	22 620	13 900	13 079	12 778
Depreciation	1 084	889	1 164	1 150	1 200	1 265	1 275
Transfers and subsidies	-	-	-	-	-	-	-
Total expenses	35 143	43 244	49 269	63 583	60 630	63 516	65 929
Surplus / (Deficit)*	(4 176)	6 941	10 443	(1 630)	1 148	1 100	957
Cash flow summary							
Adjust surplus / (deficit) for accrual transactions	757	434	(168)	250	216	245	195
Adjustments for:							
Depreciation	1 084	889	1 164	1 150	1 200	1 265	1 275
Net (profit) / loss on disposal of fixed assets	(380)	(73)	(409)	-	-	-	-
Other	53	(382)	(923)	(900)	(984)	(1 020)	(1 080)
Operating surplus / (deficit) before changes in working capital	(3 419)	7 375	10 275	(1 380)	1 364	1 345	1 152
Changes in working capital	4 509	549	5 420	3 106	1 244	1 294	1 351
(Decrease) / increase in accounts payable	3 121	869	5 790	1 297	1 178	1 240	1 306
Decrease / (increase) in accounts receivable	1 696	(320)	(415)	1 721	(29)	(48)	(65)
(Decrease) / increase in provisions	(308)	-	45	88	95	102	110
Cash flow from operating activities	1 090	7 924	15 695	1 726	2 608	2 639	2 503
Transfers from government	17 337	35 775	41 881	39 276	32 532	34 255	35 968
Capital	-	-	-	-	-	-	-
Current	17 337	35 775	41 881	39 276	32 532	34 255	35 968
Cash flow from investing activities	(979)	(218)	102	(2 898)	(2 418)	(80)	(20)
Acquisition of assets	(979)	(685)	(1 307)	(3 798)	(3 402)	(1 100)	(1 100)
Computer equipment	(235)	(517)	(1 127)	(3 698)	(3 002)	(750)	(750)
Furniture and office equipment	(30)	(69)	(115)	(100)	(150)	(100)	(100)
Transport assets	(361)	-	-	-	-	-	-
Computer software	(353)	(99)	(65)	-	(250)	(250)	(250)
Other flows from investing activities	-	467	1 409	900	984	1 020	1 080
Cash flow from financing activities	(9 782)	-	-	-	-	-	-
Net increase / (decrease) in cash and cash equivalents	(9 671)	7 706	15 797	(1 172)	190	2 559	2 483
Balance sheet data							
Carrying value of assets	2 396	2 265	2 296	4 944	7 146	6 981	6 661
Computer equipment	839	940	1 380	4 345	6 564	6 412	6 058
Furniture and office equipment	550	511	430	409	438	417	396
Transport assets	451	350	249	148	47	-	-
Computer software	556	464	237	42	97	152	207
Investments	-	-	-	-	-	-	-
Cash and cash equivalents	34 072	41 778	57 575	56 403	56 595	59 154	61 780
Receivables and prepayments	723	2 257	2 673	952	979	1 027	1 094
Trade receivables	100	31	176	158	140	126	115
Other receivables	504	338	307	269	235	206	180
Prepaid expenses	119	382	-	-	-	-	-
Accrued income	-	1 506	2 190	525	604	695	799
Inventory	-	-	-	-	-	-	-
Total assets	37 191	46 300	62 544	62 299	64 720	67 162	69 535
Capital and reserves	20 906	29 091	39 534	37 904	39 052	40 152	41 109
Accumulated reserves	25 082	20 906	29 091	39 534	37 904	39 052	40 152
Surplus / (Deficit)	(4 176)	6 941	10 443	(1 630)	1 148	1 100	957
Other	-	1 244	-	-	-	-	-
Borrowings	-	-	-	-	-	-	-
Post retirement benefits	-	-	-	-	-	-	-
Trade and other payables	1 868	3 881	3 296	3 666	3 871	4 089	4 322
Trade payables	972	1 074	9	215	247	284	327
Other	896	2 807	3 287	3 451	3 624	3 805	3 995
Deferred income	13 310	12 310	18 536	19 463	20 436	21 458	22 531
Provisions	1 107	1 018	1 178	1 266	1 361	1 463	1 573
Funds managed (e.g. Poverty alleviation fund)	-	-	-	-	-	-	-
Contingent liabilities	-	-	-	-	-	-	-
Total equity and liabilities	37 191	46 300	62 544	62 299	64 720	67 162	69 535

*Note: The surplus relates to the accounting treatment of the purchase of capital expense items.

Table 6.K : Personnel summary for KZNGBB

	Audited Outcome			Revised Estimate	Medium-term Estimates		
	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
A. Permanent and full-time-contract employees							
Personnel cost (R thousand)	21 579	26 824	32 158	39 813	45 530	49 172	51 876
Personnel numbers (head count)	58	71	71	88	88	88	88
Unit cost	372	378	453	452	517	559	590
B. Part-time and temporary contract employees							
Personnel cost (R thousand)	-	-	-	-	-	-	-
Personnel numbers (head count)	-	-	-	-	-	-	-
Unit cost	-	-	-	-	-	-	-
C. Interns							
Personnel cost (R thousand)	-	-	-	-	-	-	-
Personnel numbers (head count)	-	-	-	-	-	-	-
Unit cost	-	-	-	-	-	-	-
Total for entity							
Personnel cost (R thousand)	21 579	26 824	32 158	39 813	45 530	49 172	51 876
Personnel numbers (head count)	58	71	71	88	88	88	88
Unit cost	372	378	453	452	517	559	590
D. Learnerships							
Personnel cost (R thousand)	-	-	-	-	-	-	-
Personnel numbers (head count)	-	-	-	-	-	-	-
Unit cost	-	-	-	-	-	-	-
Details of personnel numbers according to salary level							
Salary level							
Board Members	8	9	9	9	9	9	9
Executive Management	1	1	1	1	1	1	1
Senior Management	3	4	4	7	7	7	7
Middle Management	7	10	10	14	14	14	14
Professionals	37	46	44	50	50	50	50
Semi-skilled	9	9	11	15	15	15	15
Very low skilled	1	1	1	1	1	1	1
Total	66	80	80	97	97	97	97