

VOTE 07

DEPARTMENT OF FINANCE

Finance

Vote 07

To be appropriated by Vote in 2015/16

R 486 002 000

Responsible MEC

MEC for Finance, Economy and Enterprise
Development

Administering Department

Department of Finance

Accounting Officer

Head of Finance

1. Overview

Vision

We will be the ultimate financial management authority and adviser on fiscal matters to the *Bokone Bophirima* Provincial and Local Administration in pursuit of transparency, good financial management and accountability to all our stakeholders.

Mission

To provide leadership in the management of public resources for efficient, effective and economic service delivery through a well-coordinated support to Provincial Departments, Public Entities and Municipalities.

Strategic Objectives

Strategic policy direction: Department of Finance will ensure a credible distribution of available funds between departments and public entities, taking cognizance of the demands for social services and the need to stimulate economic development and growth.

The Department has set the following strategic objectives and goals in order to achieve the above:

- To sustain favourable audit opinion for the next five years;
- To advise and support departments and public entities on budget planning and fiscal matters;
- To provide support to municipalities in order to improve audit outcomes for municipalities in the Bokone Bophirima;
- To support departments and public entities in asset management in order to decrease the number of asset qualifications audit opinions in the next five years;
- To provide capacity building programme and monitor compliance to supply chain management prescripts by departments and public entities which will lead to decreased irregular expenditures incurred by departments and public entities in the next five years; and
- Improved audit outcomes in the Provincial Departments and Public Entities.

Core Functions

The core functions of the department include the following:

- Preparation of Annual MTEF and adjustment budgets;
- Province-wide cash management;
- Provide oversight and support on provincial departments and public entities Risk management;
- Providing a management structure for implementation of Infrastructure Delivery Improvement Plans by provincial departments;
- Monitoring of infrastructure spending for provincial departments;

- Provincial financial management through:
 - Financial Management capacity building;
 - Budget monitoring and reporting;
 - Internal Audit;
 - Financial accounting;
 - Management of liabilities;
 - Financial systems support and maintenance;
 - Asset management;
 - Provision of advice on procurement policies and procedures in provincial departments;
 - Provide oversight on implementation of the MFMA in the province.

Legislative mandate

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

- Public Finance Management Act, 1999 (Act No. 29 as amended);
- Municipal Financial Management Act 56 of 2003;
- Treasury Regulations;
- Division of Revenue Act;
- Supply Chain Management Regulations (Post -Tender Board environment);
- The Constitution of South Africa, 1996;
- The Public Service Act of 1994;
- The Public Service Regulations of 2001;
- The White Paper on the Transformation of the Public Service Delivery, (Batho Pele) 1997;
- The E-Government: A Public Service IT Policy Framework;
- The Promotion of Access to Information Act 2 of 2000;
- The National Minimum Information Security Standard Policy of 1996;
- The Skills Development Act of 1999;
- The Basic Condition Of Employment Act of 1997;
- The Labour Relations Act of 1995; and
- The Health and Safety Act of 1993.

1.1. Aligning departmental budgets to achieve government's prescribed outcomes

In contribution towards the attainment of the North West priorities the Department of Finance has identified the following priorities for the next five years to ensure that the North West Provincial Government achieve their goals:

MTSF OUTCOME 9: Responsive, accountable, effective and efficient Local Government

- Priority: Sound financial and administration management;
- Monitoring, assessing and guiding municipalities to comply with all legislative requirements relating to municipal revenue, financial management and sustainability;
- Supporting measures that address the financial management and governance of municipalities; and
- Institutionalizing capacity building for local government so that officials meet the prescribed minimum competency requirements and councillors are able to fulfil their governance obligations.

MTSF OUTCOME 12: An efficient, effective and development oriented public service

- Priority: Efficient and effective management and operations systems;
- Improving financial management in the North West Province;
- Priority: Procurement systems that deliver value for money;
- Department will identify areas where transversal contracts can help to reduce the procurement demands on individual departments or entities and deliver economies of scale;
- Ensuring capacity building and professionalising supply chain management in the Province;
- Department of finance will ensure that regulations and other guidelines differentiate adequately between different forms of procurement; and
- Providing real-time operational support to supply chain management matters.

Each outcome has a limited number of measurable outputs with targets and it is linked to a set of activities that will help achieve the targets and contribute to the outcome.

2. Review of the 2014/15 financial year

This section 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.

The Department managed to train 1000 non-financial managers across provincial departments in Financial Management Training Phase 3 in order to improve financial management capacity. The Department continues to pay its creditors within 30 days and has not registered any late payment to date.

The audit outcome reported by the Auditor-General during July 2014 is a clean audit for the 2013/14 financial year. That means the Annual Financial Statements are free from material misstatements and there are no material findings in relation to reporting on performance objectives or non-compliance with legislation.

Department of Finance has a continuing support programme of clean audit which is aimed at turning the state of affairs in provincial departments and public entities to a positive one. The support to these provincial departments and public entities aims to reduce audit exceptions and ultimately seeing positive audit opinions in the mentioned stakeholders.

Despite the improvement in the audit outcomes on the Provincial departments, Public entities and municipalities, the Department of Finance still needs to address many challenges facing the province regarding poor financial management. Department of Finance will continue with the Clean audit support programme in place that will assist in improving the challenge mentioned above.

Emerging trends are National Development Plan (NDP), Medium Term Strategic Framework (MTSF), Provincial Development Plan and provincial priorities. The department has aligned its APP to these above-mentioned strategic documents.

Sustainable Resource Management

Economic Analysis: The macro-economic analysis unit produced three monthly reports from May 2014 covering demographics, development indicators and the provincial Socio-economic Review Outlook (SERO). Weekly economic news updates have also been distributed to other

provincial departments covering economic news in South Africa, Africa, Europe, Asia and North America.

Budget Management: Due to 2014 year being the election year, the Provincial Departments could not pass the annual budget as stipulated in the PFMA; therefore the department implemented Section 29 (1) and (2) which deals with withdrawal of funds from the provincial revenue fund as well as restrictions on utilization of the funds, prior to approval of the budget.

Infrastructure Co-ordination: The unit monitored and supported the departments in the delivery of infrastructure through the implementation of various initiatives such as; assisting the Provincial Departments charged with infrastructure delivery to effectively implement the Infrastructure Delivery Management System (IDMS), this model describes the processes that make up public sector delivery and procurement management as it applies to the construction industry. It outlines the core processes associated with the model for delivery and procurement management where the project delivery processes relate to the provision of infrastructure works. The Department has set up a Joint Infrastructure Committee in line with IDMS requirements headed by the MEC for Finance. In terms of IDMS the committee has to meet once in six months but because of challenges faced by the province the committee meet once a quarter.

Municipal Finance Management: The Municipal Finance Management operates in an environment of continuous Municipal Financial Management Act (MFMA) reforms that municipalities should comply with. In most cases, the implementation of such reforms requires some changes to the existing financial systems that cause delays in the municipal reporting regime.

The Unit introduced MFMA monitoring indicators to measure the financial management performance of municipalities and their compliance with the MFMA with respect to all 12 strategic areas in the tool. The 30 Monitoring Indicators tool is a questionnaire based model that assesses municipalities and municipal entities in various areas of financial management including Revenue Management, Expenditure Management, Planning and Budgeting, Liability Management, Accounting and Reporting, Internal audit and risk Management, Asset Management and Supply Chain Management. Other areas monitored are Transparency, Municipal Capacity, Financial Misconduct and Compliance with Annual Reporting requirements. The 30 MFMA monitoring indicators tool measures municipal compliance level with the provisions and requirements of the MFMA. The tool has been developed to provide complementary information on municipal financial management, based on international best practices.

Assets and Liability Management

Asset Management: The 2014 reconfiguration of departments resulted in the transfer of assets between departments. This had to be done without adversely affecting the audit outcomes of the department. The process took longer than anticipated, however we are confident that the transfer of assets was done properly. In essence to the success of the process, a provincial movable asset management policy was developed and approved in the year under review.

Notwithstanding the achievements, challenges were encountered. These included the non-existence of integrated asset management software for verification of movable assets; inherent errors on the manual work resulting in unnecessary audit findings for the Departments; infrequent disposal of redundant and obsolete assets by departments. The latter increases the cost of security for storage space and increases the risk of theft, losses of assets and revenue and further damages to the assets.

Provincial Supply Chain Management: The programme has successfully conducted 35 outreach programmes, where current and prospective vendors are educated on registration process including all applicable forms and also payment processes.

One workshop with National Intelligence Agency regarding the vetting of officials was conducted in the departments mainly targeting senior managers and Supply Chain Practitioners.

Financial Governance

Accounting Services and Norms & Standards: In preparation for 2014 Clean Audit, the programme successfully managed to execute the following:

- Prepared the 2013/14 PRF-AFS by 30 May 2014 and consolidated the Provincial Department AFS and PRF-AFS for the 2013/14 financial year and further conducted a review on the 2013/14 AFS.
- Continued the Roll-out of the 2014 Clean Audit Technical Support Project, Phase 2 being Financial Technical Support provided by consultants to Provincial Departments & Public Entities for the 2013/14 & 2014/15 financial years.
- Provided support to Provincial Departments with preparation of 2014/15 Monthly Control Account Reconciliations supporting the preparation of the Monthly Compliance Certificates.
- Provided support to Provincial Departments with preparation of 2014/15 Quarterly Interim Financial Statements prepared in terms of PFMA - Practice Note 3 and Compliance Certificates in terms of Office of the Accountant General - Instruction 1.
- Administered the Non-governmental Tribal & Trust Accounts and Tribal Authority Cashbooks were captured for the three months April to June 2014 in Quarter 1: 2014/15 financial year.
- Conducted Cash Management of the Tribal & Trust Fund Investments upon maturity on every 90-Day Cycle by requesting quotations from major banks and awarding the tender of re-investment to the bank with the highest Re-investment Interest Rate Quotation.
- Development and rollout of reconciliation templates to departments.
- Training workshops conducted for departmental CFO units in use of template to prepare 2014/15 monthly reconciliations of control accounts - the reconciliations are supporting documents accompanying the compliance certificate prepared on a monthly basis in terms of National Treasury Instruction Note 1.

Interest for the three months April to June 2014 in Quarter 1: 2014/15 financial year was captured, posted and allocated to all the Tribal & Trust Accounts pro-rata the capital balances. The interest is allocated upon maturity of the investment after every 90-Day Cycle. Statements of Receipts and Payments for the three months April to June 2014 in Quarter 1: 2014/15 financial year were generated, printed and filed after posting of the cashbooks captured.

Risk Management: The unit managed to launch the Public Entities forum for peer to peer learning and information sharing.

Provincial Internal Audit: During the quarter under review the Internal Audit issued various advisories and assurance reports to departments prior to and during the compilation of the annual financial statements and reports on pre-determined objectives by departments, including the drafting of a comprehensive audit file guideline that would ensure combined assurance and substantiation if correctly used.

All AFS (all 11 departments) and pre-determined objective (where submitted) were reviewed timely and feedback reports provided to departments despite enormous time and workload pressure.

The Cluster Audit Committees met with departments (11 meetings) prior to the submission of the annual financial statements and annual reports and reviewed documentation submitted and subsequently issued reports to HoD's as well as certificates of review to the Auditor General. Internal Audit also advised the Audit Committee appropriately in this regard.

3. Outlook for the 2015/16 financial year

This section provides an outlook of the department's activities for the coming year, focuses on new policy priorities, significant events and challenges.

Sustainable Resource Management

The functions of the unit are largely driven and governed by various legislative requirements e.g. PFMA and Treasury Regulations. As such, the work of the unit often remains largely unchanged from the previous year in terms of the processes that need to be followed and undertaken.

Accordingly the unit plans to continue monitoring the spending of provincial departments through the various reporting mechanisms, including the monthly IYM (In Year Monitoring), and it will strive to ensure that provincial spending remains within the budget. Executive Committee will continue to be kept informed of the province's budget performance. The unit will continue to coordinate the preparation of the Estimates of Provincial Revenue and Expenditure for 2016/17 and the Adjustment Estimates of Provincial Revenue and Expenditure for 2015/16. This will be done after consulting with, and receiving approval from the Medium Term Expenditure Committee (MTEC), Ministers' Committee on the Budget (Mincom Bud) and Cabinet. The unit plans to continue exploring possible new sources of revenue to enhance the current revenue base.

The unit will provide information to National Treasury to inform discussions on the Division of Revenue and Provincial Equitable Share (PES), where both the structure and/or the components of the formula as well as the data informing PES updates, are being debated. The unit will also play a more active oversight role and monitor the performance of public entities to ensure that, among others, entities are capable of delivering on expectations, they operate within their mandate in an effective, efficient and economical manner, and also that there is governance and regulatory compliance.

Furthermore, Treasury will continue to earmark funds on programmes embedded with provincial priorities such as:

- Enhancing the quality of basic education and skills development;
- Improving the quality of health care and infrastructure;
- Investing in infrastructure and proper maintenance of economic infrastructure and roads network;
- Accelerating the creation of jobs;
- Poverty alleviation;
- Water and sanitation; and
- Rural development.

Provincial Revenue Maximization: The Revenue Enhancement Strategy will be rolled out with the view to maximize the Provincial Revenue Envelope and this process has started in the second quarter of 2013/14. The focus will be on establishing motor vehicle licensing offices in Moretele and Haartebeestpoort Dam, furthermore, the Department of Community Safety and Transport Management has entered into agreement with SA Post offices for issuing of motor vehicle renewal licenses.

The illegal gambling problem mainly in areas around Rustenburg and Klerksdorp still poses a challenge and efforts/resources will be put in place by North West Gambling Board (NWGB) to combat it with funding that has been given to NWGB in 2013/14, and more compliance initiatives will be performed. These initiatives will have positive financial bearing on the casino license fees.

Infrastructure Co-ordination: National Treasury has initiated Infrastructure Development Improvement Programme (IDIP) Phase IV which will require TA in Treasuries and Public Works to commence in the 3rd quarter of 2014/15, and this programme will run for three years. The goal of IDIP Phase IV is to “support Government’s strategy to improve socio-economic growth and development through improved infrastructure delivery”. The programme’s purpose is to “support the national and provincial partners to sustainably implement the Infrastructure Delivery Management System (IDMS).

Over the next three years IDIP will focus on the achievements of the following outputs:

- Output 1: The IDMS is embedded in a supportive and sustainable institutional environment;
- Output 2: The IDMS business systems and processes are operational and are being used by departments to plan and manage infrastructure delivery;
- Output 3: Capacity is established within the participating departments to implement, manage and maintain the IDMS;
- Output 4: IDMS monitoring and reporting systems are implemented and are functional; and
- Output 5: IDIP is effectively managed and provides agreed technical support to the programme and partners to implement the IDMS.

Asset Management: The directorate is awaiting National Treasury’s permission to procure asset verification software pending the intended implementation of (IFMS) Integrated Financial Management system. The intention by the Province is to procure a software that integrates with WALKER for enhanced asset verification reconciliation processes.

During the 2015/16 financial year, impetus will be put on the regular disposal of redundant and obsolete provincial assets, the review of loss control committees and development of loss management guides. A training guide will be developed in order to address challenges that affect the province and the nature of transactions as opposed to using the National Treasury training manual that often focus at high level techniques or procedures. Workshops and training will be held on the recently approved Provincial Asset Management Policy.

Provincial Supply Chain Management: The Price Reference Search Engine will be launched on the 10 March 2015, ready to be populated and implemented. The department is looking at the feasibility of implementing a price index/catalogue that will assist in the assessment of the fairness of prices offered by bidders for certain commodities and services. To improve the efficiency and effectiveness of our Supply Chain Management through technology, the department is in the

process of upgrading the current quotation/tendering and supplier database system. Amongst others, this initiative will assist in the prevention of fraud and corruption by making it possible to verify and validate supplier information with the Companies and Intellectual Property Commission (CIPC) system, and the PERSAL system.

Municipal Financial Management: The department will embark together with National Treasury on implementation of new standard chart of accounts (SCOA) in municipalities in the province. This is a new initiative. Focus also will be given to strengthening the organizational structure in the unit in order to support municipalities with highly skilled staff to address the many financial management challenges faced by municipalities. Plans are also in place to recruit retired experts and unemployed graduates in order to deploy them to municipalities for providing financial management support inclusive of skills transfer.

Financial Governance: The department will prioritize Public Entities for audit improvement, whilst also assisting Provincial Departments to achieving clean audits. Through Provincial Internal Audit, support mechanisms are in place to continue to provide monitoring and oversight over sound controls over financial information, performance information and compliance with laws and regulations.

A Forum will be established to develop an accounting framework for the non-governmental Tribal & Trust accounts to provide guidelines for the traditional authorities in preparation of annual financial statements. Support will also be provided to traditional authorities in the preparation of annual financial statements for submission to the Auditor General.

4. Reprioritisation

Reprioritisation was mainly between programmes to address budget pressures. R7.5 million was shifted from Sustainable Resource Management of which R2.9 million is to fund Operating Lease for 30 days and Training and development of Provincial SCM Practitioners under Assets and Liabilities; as well as R4.6 million under Financial Governance to fund Provincial Non-financial managers Training, Venues and Facilities for preparation of Annual Financial Statements (AFS) and Compensation of employees for Provincial Risk Management that was under budgeted for.

5. Procurement

The major procurement plans relate to the following:

- PFMA clean audit support to provincial departments and public entities;
- Municipal Financial Management Reforms at an amount of R20 million in 2015/16;
- Appointment of Forensic Audit services at an amount of R26 million in 2015/16.
- Further information can be found in the departmental procurement plan.

6. Receipts and financing

6.1. Summary of receipts

Table 7.1 below shows the sources of funding for Vote 7 over the seven-year period 2011/12 to 2017/18.

Table 7.1 : Summary of receipts

R thousand	Outcome			Main appropriation	Adjusted appropriation 2014/15	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18
Equitable share	95 410	72 429	214 628	325 241	325 396	325 396	358 263	360 756	383 108
Conditional grants	-	-	-	-	-	-	-	-	-
Departmental receipts	115 252	188 806	176 557	106 418	106 418	106 418	111 739	117 662	123 544
Financing (Rollovers and additions)	-	-	-	1 237	1 237	1 237	16 000	-	-
Total receipts	210 662	261 235	391 185	432 896	433 051	433 051	486 002	478 418	506 652

The main sources of funding for the department is equitable share and own revenue. The equitable share allocation for 2015/16 is 74 per cent or R358 million of the total departmental allocation, while own revenue amounts to 23 per cent of the total allocation or R112 million. The departmental equitable share grows by 15 per cent from 2014/15 revised estimates to R358 million in 2015/16, then increased by R2.5 million 2016/17 to R361 million, and then increased by R22 million in 2017/18 to R383 million.

6.2. Departmental receipts collection

Table 7.2 below provides details of the revenue collection by this department from 2011/12 to 2017/18.

Table 7.2 : Summary of departmental receipts collection

R thousand	Outcome			Main appropriation	Adjusted appropriation 2014/15	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sales of goods and services other than capital assets	930	9 109	160	420	420	420	420	443	464
Transfers received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	114 322	179 657	172 742	105 998	105 998	105 998	111 319	117 219	123 080
Sales of capital assets	-	40	9	-	-	-	-	-	-
Transactions in financial assets and liabilities	-	-	3 646	-	-	-	-	-	-
Total departmental receipts	115 252	188 806	176 557	106 418	106 418	106 418	111 739	117 662	123 544

On aggregate the significant revenue collection was registered in 2012/13. The department has factored in the 5 per cent increase on anticipated revenue collection over the MTEF. The sources of revenue for the department are the following:

Sale of goods and services other than capital assets: the revenue is mainly raised through fees charged by the department for tender documents issued. The projected collection shows a steady increase over the MTEF.

Interest, dividends and rent on land: the revenue collected from this source was as a result of the substantial cash surpluses on the Pay Master General account (PMG) resulting from under spending in the previous financial years. The 40 per cent decline in 2014/15 is attributable to a decline on interest receivable as a result of improved spending levels by provincial departments. The uncertainty element inherent to this item makes it difficult to forecast future collections.

Sales of capital assets: the significant collection in 2012/13 is attributed to sales of redundant assets which were auctioned during the year. No further disposal of assets is anticipated over the medium term.

7. Payment summary

7.1 Key Assumptions

The budget for the 2015/16 MTEF is based on the departments Strategic Plan and APP which are reflective of the service delivery requirements and improvements of the department. Some of the main assumptions underpinning the MTEF budget are as follows:

- Inflation projections (CPI) as published in the 2014 Medium Term Budget Policy Statement are 6.2 per cent in 2015/16, 5.8 per cent in 2016/17 and 5.5 in 2017/18;
- Provision for improvement in conditions of service (ICS) is 6.2 per cent in 2015/16, 5.8 per cent in 2016/17 and 2017/18 respectively;
- A 1.5 per cent pay progression is excluded in the budget provision for personnel costs; and
- Re-grading of clerks in line with DPSA circular dated 12 December 2012.

Funds are allocated to support all 4 programmes in the Department of Finance to achieve their goals as stipulated in the Strategic Plan and 2015-2016 Annual Performance Plan.

7.2 Programme summary

Tables 7.3 and 7.4 below contain information by programme and economic classification for the department over the seven-year period from 2011/12 to 2017/18.

Table 7.3 : Summary of payments and estimates by programme: Finance

R thousand	Outcome			Main appropriation	Adjusted appropriation 2014/15	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18
1. Administration	57 125	70 340	86 981	112 897	110 404	110 404	163 155	148 423	158 870
2. Sustainable Resource Management	39 461	81 157	132 113	115 705	123 705	123 705	129 116	130 231	137 033
3. Asset And Liabilities Management	15 427	15 690	34 512	44 347	43 847	43 847	47 582	46 800	49 374
4. Financial Governance	98 649	94 048	137 579	159 947	155 095	155 095	146 149	152 964	161 376
Total payments and estimates	210 662	261 235	391 185	432 896	433 051	433 051	486 002	478 418	506 652

7.3 Summary of economic classification

Table 7.4 : Summary of provincial payments and estimates by economic classification: Finance

R thousand	Outcome			Main appropriation	Adjusted appropriation 2014/15	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18
Current payments	208 426	257 889	384 199	415 902	417 889	417 889	476 288	466 704	494 303
Compensation of employees	126 651	131 214	175 343	235 100	222 928	222 928	290 522	306 493	323 108
Goods and services	81 695	126 666	208 853	180 767	194 921	194 921	185 761	160 205	171 188
Interest and rent on land	80	9	3	35	40	40	6	6	7
Transfers and subsidies to:	590	501	594	1 003	2 566	2 566	1 083	1 170	1 229
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	590	501	594	1 003	2 566	2 566	1 083	1 170	1 229
Payments for capital assets	1 646	2 833	6 392	15 991	12 596	12 596	8 631	10 543	11 120
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	1 646	2 833	6 392	15 991	12 596	12 596	8 631	10 543	11 120
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	12	-	-	-	-	-	-	-
Total economic classification	210 662	261 235	391 185	432 896	433 051	433 051	486 002	478 418	506 652

The department is comprised of four programmes, namely, Administration, Sustainable Resource Management, Assets and Liabilities Management, and Financial Governance. The department does not conform to the generic sub-programme structure for the sector, due to the inclusion of Municipal Finance in programme 2.

The department spending over the past three financial years was R211 million in 2011/12, R261 million in 2012/13 and R391 million in 2013/14.

Compensation of employees: On aggregate, compensation of employees registered a significant growth from 2012/13 to 2015/16 due to filling of posts in line with the new organizational structure and thereafter a gradual increase to compensation of employees is anticipated in line with annual salary adjustments.

Goods and Services: An increase of 19 per cent from 2014/15 revised estimates to 2015/16 includes an amount of R30 million for MFMA Phase 2 as well as an allocation of R30 million for GRAP 17 implementation. In 2016/17, the former and the latter are allocated R12 million and R32 million respectively.

The allocation further makes provision for the Provincial Telephone Account at an amount of R16 million in 2015/16 and R17 million in 2016/17. The Provincial Turn-Around Clean Audit is allocated R46 million. While an amount of R1.7 million is allocated for Departmental Learnership Programme in 2015/16 and R1.7 million in 2016/17.

Transfers and Subsidies: On aggregate there is a significant growth of 25 per cent registered in 2014/15 as a result of the decentralization of the bursaries budget from the Office of the Premier to departments. The growth is steady over the MTEF whereby R1 million, R1.1 million and R1.2 million is allocated for 2015/16, 2016/17 and 2017/18 respectively.

In the main, the department makes provisions for payment of social benefits to employees who have exited the system, however budget estimates are very difficult to forecast.

Capital Assets: The 2015/16 projects a decline of 32 per cent as a result of major capital acquisition done in 2014/15. This decline is then followed by a budget growth of 22 per cent in 2016/17, and 6 per cent in 2017/18.

Programme 1 Administration: The programme registered a significant growth in 2012/13 due to the additional funding of R7.9 million for MFMA Capacity Building as well as R1.8 million for Councilors Induction Projects. The decrease in 2013/14 is due to the virement that was made to other programmes to address their budget pressures. The growth in 2014/15 is attributable to the bursary funding which was decentralized from the office of the Premier amounting to R1 million; Learnership Programme amounting to R1.5 million; an allocation of R1.8 million for legal costs; R1 million for audit fees as well as the R2.5 million for procurement of motor vehicles.

Programme 2 Sustainable Resource Management: A significant budget growth is evident in MFMA support where compensation of employees grows by 32 per cent and consultants by 46 per cent. The increase in consultants is due to MFMIIP phase 3 continuing in second year.

Programme 3 Assets and Liabilities: The growth in programme 03 is a net effect of an increase on compensation of employees for 30 Days Creditors Payments Section and a decrease in payments for capital assets for Call Centre software.

Programme 4 Financial Governance: In overall the programme has a decline of 9 per cent, despite an increase on compensation of employees by 14 per cent. The growth of 6 per cent under goods and services is resultant to the utilization of consultants for Provincial Turn-Around Clean Audit for Departments and Public Entities.

7.4 Infrastructure payments

7.4.1 Departmental infrastructure payments - Nil

7.4.2 Maintenance – Nil

7.5 Departmental Public – Private Partnership (PPP) projects - Nil

7.6 Transfers

7.6.1 Transfers to public entities - Nil

7.6.2 Transfers to other entities - Nil

8. Receipts and retentions –

Not applicable to this department.

9. Programme description

The expenditure and budgeted estimates for each programme are summarized in terms of sub-programmes and economic classification. Details are given in the Annexure tables for *Vote 7: Department of Finance*.

Programme 1: Administration

Description and objectives

The main aim of this programme is to provide Human Resource support services to the entire Department. Communication focuses on projecting the corporate image of the Department to internal and external stakeholders. The Minimum Security Information Services (MISS) focuses on issues of departmental security as defined in the Provincial Security Strategy. Special programmes focus mainly on youth, women, disability and gender related matters. Departmental financial management services support the entire department by focusing on budgeting, financial accounting, asset management, transport and logistics, salary administration and supply chain management related activities.

Administration consists of the following Sub-programmes:

- Office of the MEC;
- Management services (HOD), Communication, Minimum Information Security Standards (MISS);
- Corporate services incorporating Human Resource Services and Training; and
- Departmental Financial Management (CFO).

Tables 7.5 and 7.6 below provide a summary of payments and budget estimates pertaining to the programme over the seven-year period from 2011/12 to 2017/18.

Table 7.5 : Summary of payments and estimates by sub-programme: Administration

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18
1. Office Of The Mec	5 954	13 429	6 515	7 532	7 532	7 532	8 425	9 373	9 888
2. Management Services	15 227	8 832	5 604	10 710	9 877	10 877	12 764	14 390	15 182
3. Corporate Services	6 527	20 149	42 293	52 135	52 235	51 235	91 336	69 783	73 615
4. Financial Management (Office Of The Cfo)	29 417	27 930	32 569	42 520	40 760	40 760	50 630	54 878	60 185
Total payments and estimates	57 125	70 340	86 981	112 897	110 404	110 404	163 155	148 423	158 870

Table 7.6 : Summary of payments and estimates by economic classification: Administration

R thousand	Outcome			Main appropriation	Adjusted appropriation 2014/15	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18
Current payments	56 337	69 089	83 933	102 298	100 731	100 813	156 682	141 577	151 653
Compensation of employees	34 514	39 695	55 457	70 397	70 291	68 873	84 901	91 321	96 344
Goods and services	21 771	29 390	28 476	31 901	30 440	31 940	71 781	50 256	55 309
Interest and rent on land	52	4	–	–	–	–	–	–	–
Transfers and subsidies to:	78	173	555	1 003	1 882	1 800	1 083	1 170	1 229
Provinces and municipalities	–	–	–	–	–	–	–	–	–
Departmental agencies and accounts	–	–	–	–	–	–	–	–	–
Higher education institutions	–	–	–	–	–	–	–	–	–
Foreign governments and international organisations	–	–	–	–	–	–	–	–	–
Public corporations and private enterprises	–	–	–	–	–	–	–	–	–
Non-profit institutions	–	–	–	–	–	–	–	–	–
Households	78	173	555	1 003	1 882	1 800	1 083	1 170	1 229
Payments for capital assets	710	1 078	2 493	9 596	7 791	7 791	5 390	5 676	5 988
Buildings and other fixed structures	–	–	–	–	–	–	–	–	–
Machinery and equipment	710	1 078	2 493	9 596	7 791	7 791	5 390	5 676	5 988
Heritage Assets	–	–	–	–	–	–	–	–	–
Specialised military assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Land and sub-soil assets	–	–	–	–	–	–	–	–	–
Software and other intangible assets	–	–	–	–	–	–	–	–	–
Payments for financial assets	–	–	–	–	–	–	–	–	–
Total economic classification	57 125	70 340	86 981	112 897	110 404	110 404	163 155	148 423	158 870

Budget Growth Trends

The programme spending over seven year period ending in 2017/18 started peaking up in 2013/14 and its anticipated to grow by 23 per cent, 22 per cent including a once-off allocation of R26 million for the appointment of Forensic Auditors in 2015/16 financial year, and a drop of 10 per cent in 2016/17 and 7 per cent respectively in the outer year.

The sub-programmes which show a fluctuating trend over the seven year period are:

Office of the MEC: The peak in 2012/13 was as a result of legal fees for disciplinary cases of senior managers in the Department; followed by a decline of R7 million in 2013/14 and an increase of R1 million in 2014/15. The MTEF period grows steady from R8 million to R9.8 million in outer year.

Management Services: There is a sharp increase from R5 million in 2013/14 to R10 million in 2014/15, and this is due to the filling of key positions and a provision of associated operational costs for the sub-programme. The vacancies included the post for Head of Department. Over the MTEF, the sub-programme grows to R12 million, R14 million and R15 million respectively.

Corporate Services: The increase of R25 million in 2013/14 was for compensation of employees, the decentralization of the bursaries from the office of the Premier and the Departmental Learnership Programme. The consistent increase over the MTEF is driven by continued recruitment plus an additional once off allocation of R26 million in 2015/16 financial year for the appointment of Forensic Auditors.

Financial Management (CFO's office): The budget outcome for this sub-programme has been constant from 2011/12 to 2013/14 with the exception of the marginal increase in 2011/12 due to the payment of the external audit costs, legal costs for ongoing suspension cases and fleet services.

The substantial increase in 2014/15 is informed by the planned procurement of pool vehicles for the department, payment for external audit fees as well as filling of vacant posts. The increase over the MTEF amounts to R7 million, R5 million and R6 million respectively.

Compensation of Employees: In 2013/14 the sub-programme: Management services operated with a skeletal structure, thus most posts were anticipated to be filled in 2014/15 hence the significant increase. The CoE grows to R85 million in 2015/16, R91 million in 2016/17, and R96 million in 2017/18, which translates to 23 per cent, 8 per cent, and 5 per cent respectively.

Goods and Services: The growth in 2014/15 in the allocation for Goods and services is due to the additional funding for Legal costs which were allocated R1.8 million, and Audit fees R1 million. On aggregate the budget growth fluctuates over the MTEF, in 2015/16 it grows by 31 per cent to R71 million, in 2016/17 it declines to R50 million, and in 2017/18 it grows to R55 million.

Transfers and Subsidies: There growth of 9 per cent in 2015/16 is due to an upward adjustment on Bursary costs.

Capital Assets: The significant growth in 2014/15 is due to the planned purchase of pool vehicles, and an amount of R2.5 million has been committed. A Call Centre system is also budgeted for R2.3 million. The item declines by R4 million in 2015/16 followed by an average growth of 5 per cent in the two outer years of the MTEF.

Programme 2: Sustainable Resource Management

Description and objectives

The main aim of this programme is to provide guidance in budget planning, expenditure management, monitoring of infrastructure spending, implementation of the PFMA and all National Treasury requirements to the entire Province.

Fiscal Policy focuses on provincial revenue collection and maximization of existing revenue resources. It is also responsible for the provincial cash management and assist with the running of the departmental fraud, corruption and wasteful practices awareness campaign.

Economic Analysis sub-unit ensures the evaluation of the provincial economic and social imperatives within the provincial macro-economic context.

The Sustainable Resource Programme consists of the following sub-programmes:

- Programme support - Deputy Director General (SRM);
- Budget management incorporating the Budget Office, Resource Management and Public Finance which focuses on monitoring of infrastructure;
- Economic analysis; and
- Fiscal policy.

Tables 7.7 and 7.8 below provide a summary of payments and budget estimates pertaining to the programme over the seven-year period from 2011/12 to 2017/18.

Table 7.7 : Summary of payments and estimates by sub-programme: Sustainable Resource Management

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18
1. Programme Support	967	811	2 280	8 015	2 485	2 485	16 791	6 310	6 658
2. Economic Analysis	–	–	2 909	4 576	5 466	5 466	5 220	6 128	6 465
3. Fiscal Policy	4 784	3 871	2 928	4 465	4 539	4 539	5 001	5 782	6 100
4. Budget Management	11 123	21 145	13 550	15 495	16 194	16 194	17 823	21 578	22 765
5. Public Finance	6 877	8 049	14 947	20 697	12 929	12 929	19 101	18 195	19 195
6. Municipal Finance	15 710	47 281	95 499	62 457	82 092	82 092	65 180	72 239	75 851
Total payments and estimates	39 461	81 157	132 113	115 705	123 705	123 705	129 116	130 231	137 033

Table 7.8 : Summary of payments and estimates by economic classification: Sustainable Resource Management

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18
Current payments	39 184	80 567	130 994	114 610	123 092	123 092	128 052	128 130	134 819
Compensation of employees	22 027	26 118	39 085	55 692	49 463	51 463	84 567	93 233	98 118
Goods and services	17 157	54 449	91 909	58 918	73 629	71 629	43 485	34 897	36 701
Interest and rent on land	–	–	–	–	–	–	–	–	–
Transfers and subsidies to:	–	82	–	–	40	40	–	–	–
Provinces and municipalities	–	–	–	–	–	–	–	–	–
Departmental agencies and accounts	–	–	–	–	–	–	–	–	–
Higher education institutions	–	–	–	–	–	–	–	–	–
Foreign governments and international organisations	–	–	–	–	–	–	–	–	–
Public corporations and private enterprises	–	–	–	–	–	–	–	–	–
Non-profit institutions	–	–	–	–	–	–	–	–	–
Households	–	82	–	–	40	40	–	–	–
Payments for capital assets	277	508	1 119	1 095	573	573	1 064	2 101	2 214
Buildings and other fixed structures	–	–	–	–	–	–	–	–	–
Machinery and equipment	277	508	1 119	1 095	573	573	1 064	2 101	2 214
Heritage Assets	–	–	–	–	–	–	–	–	–
Specialised military assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Land and sub-soil assets	–	–	–	–	–	–	–	–	–
Software and other intangible assets	–	–	–	–	–	–	–	–	–
Payments for financial assets	–	–	–	–	–	–	–	–	–
Total economic classification	39 461	81 157	132 113	115 705	123 705	123 705	129 116	130 231	137 033

Budget Growth Trend

Noticeably, 2013/14 outcome reflects the highest growth as a result of MFMA support's phase 2 which seeks to assist municipalities with asset registers. The decline in 2014/15 is a reflection of the completion of phase 2 and finalization of GRAP 17 implementation. The growth in 2015/16 is driven by an increase in the scope for municipal support which now encompasses new and standardized SCOA training; skills audit and training for CFOs' units as well as revenue management initiatives.

The projections for all sub-programmes except municipal finance increase at a rate below 8 per cent from 2014/15. Municipal Finance decline by R16 million in 2015/16, increases by R6 million in 2016/17, and increases again by R4 million in 2017/18.

Compensation of employees: The under spending of R1.5 million in 2012/13 is attributable to non-filling of vacant funded posts. The adjusted budget for 2013/14 has also resulted in a decrease on the allocation due to the delays in filling vacant funded posts, thus the funds were utilized to augment the budget pressures for provincial telephone costs and MFMA capacity building projects. The minimal budget growth over the MTEF makes provision for cost of living adjustments as well as filling of vacant funded posts.

Goods and Services: The 2012/13 budget outcome exceeds that of 2011/12 as a result of R10 million additional funds received plus a rollover of R9.7 million for Municipal Financial Management Improvement Programme (MFMIP). The 2013/14 allocation was augmented through virements and additional funding of R22.2 million to address budgetary pressures relating to the MFMIP capacity building. In 2015/16 there is an increase of R42 million rating to the extended scope in MFMIP and Programme Support.

Transfers and Subsidies: The budget outcome for 2012/13 was R82 thousand, however, spending was very low as a result of minimal termination of appointments. The R511 thousand allocated in 2013/14 was redirected during the adjustment budget as it was not utilized. Forecasting for this item remains a challenge owing to its uncertainty.

Capital Assets: The budget outcome for this item has been constantly under spent from 2011/12 to 2013/14, due to the delays in procurement of office furniture and equipment. The increase of R1 million in 2016/17 is associated with filling of posts for the programme.

9.2 Service Delivery Measures

Performance measures	Estimated Annual Targets		
	2015/16	2016/17	2017/18
Number of reports compiled on the economic impact of the 2015/16 provincial budget (PERO)	2	2	2
Number of expenditure reports of departments through monthly In Year Monitoring compiled	12	12	12
Number of municipalities supported with compilation of GRAP compliant asset registers	3	3	3
Budget assessment reports based on MTEC hearing sessions conducted for each department including Legislature	13	13	13
Number of consolidated assessment reports on infrastructure plan produced	2	2	2

Programme 3: Asset and Liabilities Management

Description and objectives

The programme aims to provide strategic policy direction and guidelines on all supply chain management activities in the Province. It also focuses on the aspects of physical asset management in terms of the PFMA.

The programme is entrusted with the development and monitoring of the SCM instructions and guidelines to ensure effective supply chain management in the Province as well as facilitation of the formation and linkages with PPP projects. A key priority of this programme is to ensure roll out of the electronic tendering and quotation system to all Provincial Departments in order to improve the overall quality of SCM processes. In essence to the latter, the programme should create an enabling environment for HDI, black, SMME businesses in the province to have equitable access to government's procurement system.

Asset and Liabilities Management programme consists of the following sub-programmes:

- Programme Support: Senior Manager - Provincial Supply Chain;
- Asset management; and
- Supporting and interlinked financial systems.

Tables 7.9 and 7.10 below provide a summary of payments and budget estimates pertaining to the programme over the seven-year period from 2011/12 to 2017/18.

Table 7.9 : Summary of payments and estimates by sub-programme: Asset And Liabilities Management

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18
1. Programme Support	1 333	1 078	724	1 912	2 892	2 899	2 127	2 720	2 869
2. Asset Management	1 159	3 008	5 981	15 726	10 914	9 414	10 312	9 974	10 523
3. Support And Interlinked Financial System	12 935	11 604	27 807	26 709	30 041	31 534	35 143	34 106	35 982
Total payments and estimates	15 427	15 690	34 512	44 347	43 847	43 847	47 582	46 800	49 374

Table 7.10 : Summary of payments and estimates by economic classification: Asset And Liabilities Management

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18
Current payments	15 083	15 206	33 604	41 251	40 307	40 307	47 012	46 011	48 541
Compensation of employees	7 561	11 027	20 392	31 575	29 732	29 232	37 772	34 633	36 538
Goods and services	7 522	4 179	13 211	9 676	10 570	11 070	9 240	11 378	12 003
Interest and rent on land	-	-	1	-	5	5	-	-	-
Transfers and subsidies to:	182	48	-	-	624	624	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	182	48	-	-	624	624	-	-	-
Payments for capital assets	162	436	908	3 096	2 916	2 916	570	789	832
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	162	436	908	3 096	2 916	2 916	570	789	832
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total economic classification	15 427	15 690	34 512	44 347	43 847	43 847	47 582	46 800	49 374

Budget Growth Trend

In the main, the program's budget trend is informed by the phased in implementation of the revised organizational structure that was introduced in 2011/12. Another contributing factor to the budget growth is the payment of legal costs for appeals on tenders as well as a provisions for provincial telephone cost of R2 million.

The revised estimates for 2013/14 reflect a substantial increase which is driven by operational costs related to 30 days payment unit. The MTEF projections reflect an average steady growth from the 2014/15 baseline of R44 million to R47 million, R47 million and R49 million for 2015/16, 2016/17 and 2017/18 respectively.

Despite the overall growth, there is a sharp decline of R5 million under compensation of employees for sub – programme Asset Management. The subsequent steady increase under the latter is due to termination of contracts for employees working on the 30 days initiative.

Compensation of employees: The spending over the seven year period reflects a steady increase from 2011/12 to 2012/13, with a substantial increase of R9 million and R11 million in 2013/14 and 2014/15 respectively. This trend is mainly driven by implementation of the revised structure which brought the 30 days payment unit into existence.

Goods and Services: The significant increase in 2011/12 results from the payments for legal costs for appeals on tenders which amounted to R465 thousand and R639 thousand respectively as well as the provisions for provincial telephone cost of R2 million. The revised estimates for 2013/14 show an increase emanating from the fund shifts amounting to R3.7 million to augment the allocation for provincial telephone costs and R739 thousand for procurement of software licenses. In 2014/15 the budget decreased by R2 million to R11 million, decreased to R9 million in 2015/16, increased to R11 million in 2016/17, and increased further to R12 million in 2017/18.

Capital Assets: The substantial budget outcome registered in 2013/14 relates to the purchase of desktops and laptops including the systems for the programme. The revised estimates for 2013/14 relates to the purchase of Call Centre equipment of R2.3 million for 30 days creditors payment unit which was carried forward to 2014/15. The budget is reduced to R570 thousands in 2015/16 from R3 million in 2014/15, and remains steady over the remainder of the MTEF period.

Service Delivery Measures

Performance measures	Estimated Annual Targets		
	2015/16	2016/17	2017/18
Number of consolidated reports prepared on provincial departmental cash flow projections	1	1	1
Number of quarterly reports on monitoring and compliance performed on Asset Management	4	4	4
Number of workshops conducted on SCM compliance (departments, entities and suppliers)	12	12	12
Number of consolidated quarterly 30 day payments deviation reports produced	4	4	4

Programme 4: Financial Governance

Description and objectives

To facilitate the implementation of financial management in Provincial Departments and Public Entities to ensure improved audit outcomes and manage the transition from modified cash to GRAP accounting in line with PFMA.

The Internal Audit focuses on provision of transversal internal audit services to provincial departments except the Department of Education. Norms and Standards focuses on development of financial policies, building financial management capacity, support departments on transversal Risk Management, Asset management, administration of Walker and Telephone Management Systems, and management of face-value documentation for the entire Province.

The financial governance programme consists of the following sub-programmes:

- Programme Support – Accountant General;
- Provincial Internal Audit;
- Accounting services incorporating Provincial Accounting and 30 Days Accounts Unit; and
- Norms and Standards.

Tables 7.11 and 7.12 below provide a summary of payments and budget estimates pertaining to the programme over the seven-year period from 2011/12 to 2017/18.

Table 7.11 : Summary of payments and estimates by sub-programme: Financial Governance

R thousand	Outcome			Main appropriation	Adjusted appropriation 2014/15	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18
1. Programme Support	4 923	5 312	6 229	5 346	5 346	5 346	7 986	8 431	8 895
2. Accounting Services	36 649	18 176	82 113	88 941	93 335	93 335	71 916	75 990	80 169
3. Norms And Standards	20 159	26 358	1 686	3 225	1 715	1 715	1 495	1 642	1 733
4. Risk Management	–	–	1 908	2 665	3 129	3 129	4 113	3 476	3 667
5. Provincial Internal Audit	36 918	44 202	45 643	59 770	51 570	51 570	60 639	63 423	66 912
Total payments and estimates	98 649	94 048	137 579	159 947	155 095	155 095	146 149	152 964	161 376

Table 7.12 : Summary of payments and estimates by economic classification: Financial Governance

R thousand	Outcome			Main appropriation	Adjusted appropriation 2014/15	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18
Current payments	97 822	93 027	135 668	157 743	153 759	153 677	144 542	150 986	159 289
Compensation of employees	62 549	54 374	60 409	77 436	73 442	73 360	83 282	87 306	92 108
Goods and services	35 245	38 648	75 257	80 272	80 282	80 282	61 255	63 674	67 175
Interest and rent on land	28	5	2	35	35	35	6	6	7
Transfers and subsidies to:	330	198	39	–	20	102	–	–	–
Provinces and municipalities	–	–	–	–	–	–	–	–	–
Departmental agencies and accounts	–	–	–	–	–	–	–	–	–
Higher education institutions	–	–	–	–	–	–	–	–	–
Foreign governments and international organisations	–	–	–	–	–	–	–	–	–
Public corporations and private enterprises	–	–	–	–	–	–	–	–	–
Non-profit institutions	–	–	–	–	–	–	–	–	–
Households	330	198	39	–	20	102	–	–	–
Payments for capital assets	497	811	1 872	2 204	1 316	1 316	1 607	1 977	2 086
Buildings and other fixed structures	–	–	–	–	–	–	–	–	–
Machinery and equipment	497	811	1 872	2 204	1 316	1 316	1 607	1 977	2 086
Heritage Assets	–	–	–	–	–	–	–	–	–
Specialised military assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Land and sub-soil assets	–	–	–	–	–	–	–	–	–
Software and other intangible assets	–	–	–	–	–	–	–	–	–
Payments for financial assets	–	12	–	–	–	–	–	–	–
Total economic classification	98 649	94 048	137 579	159 947	155 095	155 095	146 149	152 964	161 376

Budget Growth Trend

The programme registered a substantial growth in the 2011/12 budget outcome due to an increase in compensation of employees and associated goods and services items due to appointment of staff. MTEF indicates a drop in 2015/16 from R159 million in 2014/15 to R146 million in the baseline due to a reduction in the earmarked funds for PFMA support to departments, and then have a steady increase over the remaining MTEF period due to the provisions made, being R4.7 million for the training and development of provincial entities and chief financial officers, and the anticipated filling of vacant funded posts especially for provincial internal audit.

Provincial internal Audit: The increase in the budget relates mainly to filling of vacancies in Internal Audit in line with their plans for increased audit coverage.

Norms and Standards: This sub-programme is not yet fully established and it's the intention of the Department to capacitate it through filling of vacant positions, in order to service the provincial departments, and hence an increase in 2014/15 budget. In the MTEF the Sub-programme budgeted R1.495 million, R1.642 million, and R1.733 million for the three years respectively.

Provincial Risk Management: Currently the sub-programme is filled by the Director, Secretary, DD and an AD and it is envisaged that it is anticipated to operate at its optimal capacity from 2015/16 to assist departments in areas of risk management as well as to coordinate risk committees of the departments.

Compensation of employees: The budget grows substantially in 2014/15 by 27 per cent to R77.4 million due to anticipated filling of vacant funded posts; there is a steady growth over MTEF period for the normal improvement of conditions of service.

Goods and Services: The budget outcome for the programme registered a substantial growth in 2012/13, due to the payment for the Financial Management Training Phase 3, audit fees and telephone costs. The substantial growth in 2013/14 is due to the rollover of R10 million for the training programme and provision for telephone costs. The registered budget growth of R5 million for the 2014/15 is due to the provisions for Provincial Turn around to clean audit. The budget goes down by R19 million in 2015/16 due to a reduction in consultant's fees and grows steadily over remaining two outer years of MTEF.

Capital Assets: The substantial budget outcome registered in 2013/14 relates to the purchase of desktops and laptops including the systems for the programme. In 2014/15 provision is made for the office equipment and furniture for the 30 Days Creditors Payment unit, which was not acquired in 2013/14.

Service Delivery Measures

Performance measures	Estimated Annual Targets		
	2015/16	2016/17	2017/18
Number of workshops on preparation Guide & AFS Template-Departments & active Public Entities Conducted	2	2	2
Number of capacity building interventions for Departmental CFO's by conducting workshops on Accounting updates and reforms	2	2	2
Number of monitoring reports on irregular, fruitless and wasteful expenditure compiled	1	1	1
Number of monitoring reports on the progress on Clean Audit action plans for Departments and Public Entities compiled	6	6	6

9.3 Other programme information

9.3.1 Personnel numbers and costs

Tables 7.13 and 7.14 illustrate the personnel numbers and estimates pertaining to the department.

Table 7.13 : 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	138	158	193	202	213	213	213
2. Sustainable Resource Management	70	83	87	96	100	100	100
3. Asset And Liabilities Management	37	46	71	86	85	85	85
4. Financial Governance	274	196	192	186	189	189	189
Total provincial personnel numbers	519	483	543	570	587	587	587
Total provincial personnel cost (R thousand)	126 651	131 214	175 343	222 928	290 522	306 493	323 108
Unit cost (R thousand)	244	272	323	391	495	522	550

1. Full-time equivalent

Table 7.14 : Summary of departmental personnel numbers and costs by component

	Outcome			Main appropriation	Adjusted appropriation 2014/15	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18
Total for province									
Personnel numbers (head count)	519	483	543	570	570	570	587	587	587
Personnel cost (R thousands)	126 651	131 214	175 343	235 100	222 928	222 928	290 522	306 493	323 108
Human resources component									
Personnel numbers (head count)	30	33	24	33	33	33	33	33	33
Personnel cost (R thousands)	6 466	4 719	6 992	11 677	11 677	11 677	12 401	13 121	13 882
Head count as % of total for department									
Personnel cost as % of total for department									
Finance component									
Personnel numbers (head count)	32	47	46	51	51	51	59	59	59
Personnel cost (R thousands)	6 897	6 884	14 903	20 503	20 503	20 503	21 774	23 037	24 373
Head count as % of total for department	6.2%	9.7%	8.5%	8.9%	8.9%	8.9%	10.1%	10.1%	10.1%
Personnel cost as % of total for department	5.4%	5.2%	8.5%	8.7%	9.2%	9.2%	7.5%	7.5%	7.5%
Full time workers									
Personnel numbers (head count)	642	550	543	486	486	486	587	587	587
Personnel cost (R thousands)	149 795	154 068	189 187	112 899	112 899	112 899	267 365	283 942	300 410
Head count as % of total for department	123.7%	113.9%	100.0%	85.3%	85.3%	85.3%	100.0%	100.0%	100.0%
Personnel cost as % of total for department	118.3%	117.4%	107.9%	48.0%	50.6%	50.6%	92.0%	92.6%	93.0%
Part-time workers									
Personnel numbers (head count)	-	-	-	-	-	-	-	-	-
Personnel cost (R thousands)	-	-	-	-	-	-	-	-	-
Head count as % of total for department	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Personnel cost as % of total for department	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Contract workers									
Personnel numbers (head count)	-	-	89	95	95	95	97	97	97
Personnel cost (R thousands)	-	-	13 870	12 720	12 720	12 720	23 157	24 501	25 922
Head count as % of total for department	0.0%	0.0%	16.4%	16.7%	16.7%	16.7%	16.5%	16.5%	16.5%
Personnel cost as % of total for department	0.0%	0.0%	7.9%	5.4%	5.7%	5.7%	8.0%	8.0%	8.0%

The Department has been on a major recruitment drive since 2012/13 and continued this trend in 2013/14 and anticipated that this exercise will be completed in 2014/15; hence the department will be operating at full strength from 2014/15. For programme 3: Assets and Liabilities there will be a

decrease in personnel in 2016/17 due to termination of contract workers by the end of 2015/16. The increases in the MTEF period on expenditure relate mainly to annual increases in improvement in condition of services (ICS) and pay progressions.

9.3.2 Training

Tables 7.15 and 7.16 illustrate the training costs and estimates pertaining to the department.

Table 7.15 : Payments on training by programme

R thousand	Outcome			Main appropriation	Adjusted appropriation 2014/15	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18
1. Administration	393	790	873	785	709	709	776	840	886
Subsistence and travel	100	201	195	375	200	200	375	375	396
Payments on tuition	293	589	678	410	509	509	401	465	491
Other	-	-	-	-	-	-	-	-	-
2. Sustainable Resource Management	846	135	257	1 030	344	344	1 021	1 090	1 150
Subsistence and travel	115	25	57	380	94	94	380	400	422
Payments on tuition	731	110	200	650	250	250	641	690	728
Other	-	-	-	-	-	-	-	-	-
3. Asset And Liabilities Management	201	201	104	580	304	304	701	750	791
Subsistence and travel	55	97	30	280	121	121	300	350	369
Payments on tuition	146	104	74	300	183	183	401	400	422
Other	-	-	-	-	-	-	-	-	-
4. Financial Governance	558	568	597	1 250	668	668	1 253	1 270	1 340
Subsistence and travel	100	143	180	400	288	288	450	480	506
Payments on tuition	458	425	417	850	380	380	803	790	833
Other	-	-	-	-	-	-	-	-	-
Total payments on training	2 808	2 433	2 643	3 645	2 025	2 025	3 751	3 950	4 167

Table 7.16 : Information on training: Finance

R thousand	Outcome			Main appropriation	Adjusted appropriation 2014/15	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18
Number of staff	519	483	543	570	570	570	587	587	587
Number of personnel trained	324	420	393	495	224	224	587	587	587
of which									
Male	136	203	163	239	99	99	285	285	285
Female	188	217	230	256	125	125	302	302	302
Number of training opportunities	324	420	296	-	-	-	365	365	383
of which									
Tertiary	5	5	-	-	-	-	10	10	10
Workshops	-	-	-	-	-	-	-	-	-
Seminars	15	15	27	-	-	-	-	-	-
Other	304	400	269	-	-	-	355	355	373
Number of bursaries offered	-	-	-	18	18	18	18	20	21
Number of interns appointed	61	53	64	50	46	46	50	50	53
Number of learnerships appointed	22	18	8	20	9	9	15	15	15
Number of days spent on training	-	-	-	-	-	-	-	-	-

Training needs of the Department are in line with Workplace Skills Programme, which has been developed from targeted learning programmes for level 1 to 14 that has been submitted to Department of Labour for approval to be implemented from 1st April 2014. There is an upward trend in the number of employees sent for training in line with the filling of vacancies. There is no movement in the number of interns and learnerships anticipated in the MTEF period, due to increased permanent staff members which has a bearing on logistical and budget constraints in the Department i.e. office accommodation, furniture and tools of trade.

9.3.3 Reconciliation of structural changes

There are no structural changes in the department.

Annexure to the Estimates of Provincial Revenue and Expenditure

Table B.1: Specification of receipts: Finance

R thousand	Outcome			Main appropriation	Adjusted appropriation 2014/15	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sales of goods and services other than capital assets	930	9 109	160	420	420	420	420	443	465
Sale of goods and services produced by department (excluding capital assets)	930	9 109	160	420	420	420	420	443	465
Sales by market establishments	-	-	-	-	-	-	-	-	-
Administrative fees	129	188	141	370	370	370	370	390	410
Other sales	801	8 921	19	50	50	50	50	53	55
Of which									
Health patient fees	23	188	19	50	50	50	50	53	55
Other (Specify)	778	8 921	-	-	-	-	-	-	-
Other (Specify)	-	-	-	-	-	-	-	-	-
Other (Specify)	-	-	-	-	-	-	-	-	-
Sales of scrap, waste, arms and other used current goods (excluding capital assets)	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	114 322	179 657	172 742	105 998	105 998	105 998	111 319	117 219	123 080
Interest	114 322	179 487	172 742	105 998	105 998	105 998	111 319	117 219	123 080
Dividends	-	170	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Sales of capital assets	-	40	9	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Other capital assets	-	40	9	-	-	-	-	-	-
Transactions in financial assets and liabilities	-	-	3 646	-	-	-	-	-	-
Total departmental receipts	115 252	188 806	176 557	106 418	106 418	106 418	111 739	117 662	123 545

Table B.2: Payments and estimates by economic classification: Finance

R thousand	Outcome			Main appropriation	Adjusted appropriation 2014/15	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18
Current payments	208 426	257 889	384 199	415 902	417 889	417 889	476 288	466 704	494 303
Compensation of employees	126 651	131 214	175 343	235 100	222 928	222 928	290 522	306 493	323 108
Salaries and wages	110 016	113 991	154 103	210 813	197 265	197 265	251 988	263 578	277 880
Social contributions	16 635	17 223	21 240	24 287	25 663	25 663	38 534	42 915	45 228
Goods and services	81 695	126 666	208 853	180 767	194 921	194 921	185 761	160 205	171 188
Administrative fees	1 206	1 061	1 004	1 769	1 669	1 669	1 485	1 322	1 394
Advertising	2 365	2 961	3 511	2 206	1 910	1 910	2 842	3 063	3 232
Assets less than the capitalisation threshold	292	528	1 923	2 276	1 335	1 439	1 683	2 479	2 614
Audit cost: External	7 574	7 371	8 859	4 725	6 590	6 590	10 086	12 603	15 585
Bursaries: Employees	—	—	—	—	—	—	—	—	—
Catering: Departmental activities	873	846	1 285	3 134	2 249	2 339	3 622	4 638	4 892
Communication (G&S)	8 337	19 266	18 628	19 339	23 564	23 564	19 962	22 465	23 699
Computer services	2 029	416	4 542	1 020	2 884	2 934	2 608	2 217	2 339
Consultants and professional services: Business and advisory services	12 136	48 162	122 084	94 259	97 061	97 306	60 623	45 253	47 642
Consultants and professional services: Infrastructure and planning	1	14	—	—	—	—	—	—	—
Consultants and professional services: Laboratory services	—	—	—	—	—	—	—	—	—
Consultants and professional services: Scientific and technological services	—	—	—	—	—	—	—	—	—
Consultants and professional services: Legal costs	6 981	8 934	1 490	1 148	1 501	1 501	27 923	2 182	2 302
Contractors	1 088	457	334	3 477	879	513	1 760	2 426	2 558
Agency and support / outsourced services	—	17	39	5	340	340	—	—	—
Entertainment	11	1	—	58	28	28	60	63	67
Fleet services (including government motor transport)	3 676	3 375	3 480	2 488	2 988	2 988	4 708	4 958	5 230
Housing	—	—	—	—	—	—	—	—	—
Inventory: Clothing material and accessories	—	—	—	—	—	—	—	—	—
Inventory: Farming supplies	—	—	—	—	—	—	—	—	—
Inventory: Food and food supplies	190	254	—	90	—	—	-1	0	0
Inventory: Fuel, oil and gas	—	—	—	—	—	—	—	—	—
Inventory: Learner and teacher support material	—	—	—	—	—	—	—	—	—
Inventory: Materials and supplies	45	48	—	—	—	—	—	0	0
Inventory: Medical supplies	—	—	—	—	—	—	—	—	—
Inventory: Medicine	146	100	—	—	—	—	—	—	—
Medsas inventory interface	—	—	—	—	—	—	—	—	—
Inventory: Other supplies	—	185	—	52	—	—	—	52	55
Consumable supplies	307	11	1 399	1 399	1 655	1 705	1 773	2 584	2 726
Consumable: Stationery, printing and office supplies	3 629	3 536	5 934	9 125	7 842	7 792	9 153	11 187	11 799
Operating leases	6 331	6 066	6 166	6 346	6 912	6 877	7 123	9 309	9 821
Property payments	646	554	615	472	933	1 433	2 403	719	759
Transport provided: Departmental activity	—	6	58	111	111	111	117	123	130
Travel and subsistence	6 086	8 574	8 298	14 644	11 716	11 260	15 131	17 437	18 389
Training and development	13 716	9 572	15 670	8 283	17 809	17 809	6 968	8 917	9 408
Operating payments	3 476	3 057	1 863	2 847	2 161	2 181	3 537	3 979	4 198
Venues and facilities	554	1 267	1 671	1 467	2 742	2 590	2 166	2 197	2 317
Rental and hiring	—	27	—	27	42	42	29	31	32
Interest and rent on land	80	9	3	35	40	40	6	6	7
Interest	80	9	3	35	40	40	6	6	7
Rent on land	—	—	—	—	—	—	—	—	—
Transfers and subsidies	590	501	594	1 003	2 566	2 566	1 083	1 170	1 229
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	590	501	594	1 003	2 566	2 566	1 083	1 170	1 229
Social benefits	330	198	39	—	20	102	—	—	—
Other transfers to households	260	303	555	1 003	2 546	2 464	1 083	1 170	1 229
Payments for capital assets	1 646	2 833	6 392	15 991	12 596	12 596	8 631	10 543	11 120
Buildings and other fixed structures	—	—	—	—	—	—	—	—	—
Buildings	—	—	—	—	—	—	—	—	—
Other fixed structures	—	—	—	—	—	—	—	—	—
Machinery and equipment	1 646	2 833	6 392	15 991	12 596	12 596	8 631	10 543	11 120
Transport equipment	—	—	—	2 500	3 013	—	—	—	—
Other machinery and equipment	1 646	2 833	6 392	13 491	9 583	12 596	8 631	10 543	11 120
Heritage Assets	—	—	—	—	—	—	—	—	—
Specialised military assets	—	—	—	—	—	—	—	—	—
Biological assets	—	—	—	—	—	—	—	—	—
Land and sub-soil assets	—	—	—	—	—	—	—	—	—
Software and other intangible assets	—	—	—	—	—	—	—	—	—
Payments for financial assets	—	12	—	—	—	—	—	—	—
Total economic classification	210 662	261 235	391 185	432 896	433 051	433 051	486 002	478 418	506 652

Table B.2: Payments and estimates by economic classification: Administration

R thousand	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	56 337	69 089	83 933	102 298	100 731	100 813	156 682	141 577	151 653
Compensation of employees	34 514	39 695	55 457	70 397	70 291	68 873	84 901	91 321	96 344
Salaries and wages	30 027	34 369	48 338	62 758	61 456	60 038	74 176	79 578	83 955
Social contributions	4 487	5 326	7 119	7 639	8 835	8 835	10 725	11 743	12 389
Goods and services	21 771	29 390	28 476	31 901	30 440	31 940	71 781	50 256	55 309
Administrative fees	-	-	-	-	-	-	-	-	-
Advertising	1 309	2 091	3 381	1 968	1 772	1 772	2 591	2 728	2 878
Assets less than the capitalisation threshold	42	105	854	685	369	26	749	789	833
Audit cost: External	5 921	4 455	4 310	2 311	3 411	3 411	5 430	5 718	8 321
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	356	514	648	1 785	1 141	806	2 107	2 619	2 763
Communication (G&S)	494	613	813	1 524	1 108	1 083	1 573	1 856	1 958
Computer services	4	-	148	-	384	284	1 000	1 000	1 055
Consultants and professional services: Business and advisory services	4	794	670	909	389	2 783	2 002	2 108	2 224
Consultants and professional services: Infrastructure and planning	-	-	-	-	-	-	-	-	-
Consultants and professional services: Laboratory services	-	-	-	-	-	-	-	-	-
Consultants and professional services: Scientific and technological services	-	-	-	-	-	-	-	-	-
Consultants and professional services: Legal costs	1 644	8 250	1 490	1 001	1 501	1 501	27 923	2 181	2 301
Contractors	778	270	270	1 525	983	473	1 577	2 160	2 278
Agency and support / outsourced services	-	11	39	-	340	340	-	-	-
Entertainment	11	1	-	58	28	28	60	63	67
Fleet services (including government motor transport)	3 347	3 375	3 480	2 488	2 988	2 988	4 708	4 958	5 230
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	55	99	-	90	-	-	-1	-0	-0
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	26	23	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	146	100	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	173	-	-	-	-	-	-	-
Consumable supplies	228	-	1 039	1 120	1 085	1 100	1 268	1 885	1 988
Consumable: Stationery, printing and office supplies	1 194	1 211	2 165	3 799	3 060	3 095	3 930	4 837	5 103
Operating leases	493	557	581	881	781	781	927	1 576	1 663
Property payments	5	11	3	-	10	510	1 600	200	211
Transport provided: Departmental activity	-	6	58	111	111	111	117	123	130
Travel and subsistence	2 102	2 904	2 720	5 168	4 283	4 054	6 969	7 469	7 880
Training and development	2 930	2 433	3 556	3 509	3 715	3 715	3 751	3 950	4 167
Operating payments	459	923	1 510	2 286	1 997	2 017	2 783	3 031	3 198
Venues and facilities	223	444	741	656	942	1 020	688	974	1 028
Rental and hiring	-	27	-	27	42	42	29	31	32
Interest and rent on land	52	4	-	-	-	-	-	-	-
Interest	52	4	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	78	173	555	1 003	1 882	1 800	1 083	1 170	1 229
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	78	173	555	1 003	1 882	1 800	1 083	1 170	1 229
Social benefits	-	-	-	-	-	-	-	-	-
Other transfers to households	78	173	555	1 003	1 882	1 800	1 083	1 170	1 229
Payments for capital assets	710	1 078	2 493	9 596	7 791	7 791	5 390	5 676	5 988
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	710	1 078	2 493	9 596	7 791	7 791	5 390	5 676	5 988
Transport equipment	-	-	-	2 500	3 013	-	-	-	-
Other machinery and equipment	710	1 078	2 493	7 096	4 778	7 791	5 390	5 676	5 988
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total economic classification	57 125	70 340	86 981	112 897	110 404	110 404	163 155	148 423	158 870

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Table B.2: Payments and estimates by economic classification: Sustainable Resource Management

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18
Current payments	39 184	80 567	130 994	114 610	123 092	123 092	128 052	128 130	134 819
Compensation of employees	22 027	26 118	39 085	55 692	49 463	51 463	84 567	93 233	98 118
Salaries and wages	19 228	22 885	34 558	51 006	44 177	46 177	72 194	79 075	83 229
Social contributions	2 799	3 233	4 527	4 686	5 286	5 286	12 373	14 158	14 889
Goods and services	17 157	54 449	91 909	58 918	73 629	71 629	43 485	34 897	36 701
Administrative fees	–	–	–	–	–	–	–	–	–
Advertising	631	–	–	–	–	–	–	–	–
Assets less than the capitalisation threshold	58	115	189	559	134	496	292	780	821
Audit cost: External	84	–	471	526	526	526	555	2 580	2 722
Bursaries: Employees	–	–	–	–	–	–	–	–	–
Catering: Departmental activities	113	150	248	201	215	140	476	495	522
Communication (G&S)	182	7 808	4 871	652	445	470	637	768	809
Computer services	–	–	–	–	310	310	106	112	118
Consultants and professional services: Business and advisory services	5 933	41 636	80 936	50 290	66 102	64 102	34 807	20 219	21 231
Consultants and professional services: Infrastructure and planning	–	–	–	–	–	–	–	–	–
Consultants and professional services: Laboratory services	–	–	–	–	–	–	–	–	–
Consultants and professional services: Scientific and technological services	–	–	–	–	–	–	–	–	–
Consultants and professional services: Legal costs	4 872	–	–	–	–	–	–	–	–
Contractors	75	22	46	–	6	1	–	70	74
Agency and support / outsourced services	–	–	–	–	–	–	–	–	–
Entertainment	–	–	–	–	–	–	–	–	–
Fleet services (including government motor transport)	329	–	–	–	–	–	–	–	–
Housing	–	–	–	–	–	–	–	–	–
Inventory: Clothing material and accessories	–	–	–	–	–	–	–	–	–
Inventory: Farming supplies	–	–	–	–	–	–	–	–	–
Inventory: Food and food supplies	31	51	–	–	–	–	–	–	–
Inventory: Fuel, oil and gas	–	–	–	–	–	–	–	–	–
Inventory: Learner and teacher support material	–	–	–	–	–	–	–	–	–
Inventory: Materials and supplies	2	5	–	–	–	–	–	–	–
Inventory: Medical supplies	–	–	–	–	–	–	–	–	–
Inventory: Medicine	–	–	–	–	–	–	–	–	–
Meddas inventory interface	–	–	–	–	–	–	–	–	–
Inventory: Other supplies	–	4	–	–	–	–	–	–	–
Consumable supplies	3	–	111	142	211	196	215	513	541
Consumable: Stationery, printing and office supplies	859	1 267	1 798	2 211	1 945	1 860	2 191	3 030	3 193
Operating leases	95	97	209	165	181	181	206	533	562
Property payments	1	–	–	–	–	–	–	–	–
Transport provided: Departmental activity	–	–	–	–	–	–	–	–	–
Travel and subsistence	1 440	2 040	2 467	3 464	3 092	3 065	3 223	4 336	4 567
Training and development	1 466	64	48	–	–	–	–	–	–
Operating payments	827	799	142	248	12	12	492	768	811
Venues and facilities	156	391	373	460	450	270	285	693	730
Rental and hiring	–	–	–	–	–	–	–	–	–
Interest and rent on land	–	–	–	–	–	–	–	–	–
Interest	–	–	–	–	–	–	–	–	–
Rent on land	–	–	–	–	–	–	–	–	–
Transfers and subsidies	–	82	–	–	40	40	–	–	–
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	–	82	–	–	40	40	–	–	–
Social benefits	–	–	–	–	–	–	–	–	–
Other transfers to households	–	82	–	–	40	40	–	–	–
Payments for capital assets	277	508	1 119	1 095	573	573	1 064	2 101	2 214
Buildings and other fixed structures	–	–	–	–	–	–	–	–	–
Buildings	–	–	–	–	–	–	–	–	–
Other fixed structures	–	–	–	–	–	–	–	–	–
Machinery and equipment	277	508	1 119	1 095	573	573	1 064	2 101	2 214
Transport equipment	–	–	–	–	–	–	–	–	–
Other machinery and equipment	277	508	1 119	1 095	573	573	1 064	2 101	2 214
Heritage Assets	–	–	–	–	–	–	–	–	–
Specialised military assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Land and sub-soil assets	–	–	–	–	–	–	–	–	–
Software and other intangible assets	–	–	–	–	–	–	–	–	–
Payments for financial assets	–	–	–	–	–	–	–	–	–
Total economic classification	39 461	81 157	132 113	115 705	123 705	123 705	129 116	130 231	137 033

Table B.2: Payments and estimates by economic classification: Asset And Liabilities Management

R thousand	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	15 083	15 206	33 604	41 251	40 307	40 307	47 012	46 011	48 541
Compensation of employees	7 561	11 027	20 392	31 575	29 732	29 232	37 772	34 633	36 538
Salaries and wages	6 668	9 615	18 476	27 239	26 913	26 413	33 509	29 545	31 170
Social contributions	893	1 412	1 916	4 336	2 819	2 819	4 263	5 088	5 368
Goods and services	7 522	4 179	13 211	9 676	10 570	11 070	9 240	11 378	12 003
Administrative fees	-	-	-	-	-	-	15	-	-
Advertising	403	492	130	238	138	138	251	335	354
Assets less than the capitalisation threshold	30	137	609	514	324	309	213	444	469
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	168	83	315	722	377	777	317	798	842
Communication (G&S)	2 047	115	3 844	563	389	389	349	621	655
Computer services	911	-	1 596	500	1 000	1 100	634	527	555
Consultants and professional services: Business and advisory services	639	651	864	1 737	1 482	1 482	1 584	1 975	2 084
Consultants and professional services: Infrastructure and planning	-	-	-	-	-	-	-	-	-
Consultants and professional services: Laboratory services	-	-	-	-	-	-	-	-	-
Consultants and professional services: Scientific and technological services	-	-	-	-	-	-	-	-	-
Consultants and professional services: Legal costs	465	-	-	147	-	-	-	0	0
Contractors	24	20	4	1	9	9	-	0	0
Agency and support / outsourced services	-	-	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including government motor transport)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	4	19	-	-	-	-	-	1	1
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	6	-	-	-	-	-	0	0
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	8	-	-	-	-	-	-	-
Consumable supplies	10	-	32	25	47	97	54	62	65
Consumable: Stationery, printing and office supplies	350	201	815	707	927	927	671	883	932
Operating leases	898	747	2 192	2 250	2 695	2 710	2 733	3 779	3 987
Property payments	206	139	279	-	448	448	396	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	490	574	1 201	1 498	1 431	1 431	1 075	1 696	1 790
Training and development	731	874	1 291	726	1 026	1 026	767	185	196
Operating payments	136	90	25	22	11	11	22	41	43
Venues and facilities	10	23	14	26	266	216	159	29	31
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	1	-	5	5	-	-	-
Interest	-	-	1	-	5	5	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	182	48	-	-	624	624	-	-	-
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	182	48	-	-	624	624	-	-	-
Social benefits	-	-	-	-	-	-	-	-	-
Other transfers to households	182	48	-	-	624	624	-	-	-
Payments for capital assets	162	436	908	3 096	2 916	2 916	570	789	832
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	162	436	908	3 096	2 916	2 916	570	789	832
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	162	436	908	3 096	2 916	2 916	570	789	832
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total economic classification	15 427	15 690	34 512	44 347	43 847	43 847	47 582	46 800	49 374

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Table B.2: Payments and estimates by economic classification: Financial Governance

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18
Current payments	97 822	93 027	135 668	157 743	153 759	153 677	144 542	150 986	159 289
Compensation of employees	62 549	54 374	60 409	77 436	73 442	73 360	83 282	87 306	92 108
Salaries and wages	54 093	47 122	52 731	69 810	64 719	64 637	72 109	75 380	79 526
Social contributions	8 456	7 252	7 678	7 626	8 723	8 723	11 173	11 926	12 582
Goods and services	35 245	38 648	75 257	80 272	80 282	80 282	61 255	63 674	67 175
Administrative fees	1 206	1 061	1 004	1 769	1 669	1 669	1 470	1 322	1 394
Advertising	22	378	–	–	–	–	–	–	–
Assets less than the capitalisation threshold	162	171	271	518	508	608	429	466	491
Audit cost: External	1 569	2 916	4 078	1 888	2 653	2 653	4 101	4 305	4 542
Bursaries: Employees	–	–	–	–	–	–	–	–	–
Catering: Departmental activities	236	99	74	426	516	616	722	726	766
Communication (G&S)	5 614	10 730	9 100	16 600	21 622	21 622	17 403	19 219	20 276
Computer services	1 114	416	2 798	520	1 190	1 240	868	579	611
Consultants and professional services: Business and advisory services	5 560	5 081	39 614	41 323	29 088	28 939	22 230	20 951	22 103
Consultants and professional services: Infrastructure and planning	1	14	–	–	–	–	–	–	–
Consultants and professional services: Laboratory services	–	–	–	–	–	–	–	–	–
Consultants and professional services: Scientific and technological services	–	–	–	–	–	–	–	–	–
Consultants and professional services: Legal costs	–	684	–	–	–	–	–	–	–
Contractors	211	145	14	1 951	-119	30	183	196	206
Agency and support / outsourced services	–	6	–	5	–	–	–	–	–
Entertainment	–	–	–	–	–	–	–	–	–
Fleet services (including government motor transport)	–	–	–	–	–	–	–	–	–
Housing	–	–	–	–	–	–	–	–	–
Inventory: Clothing material and accessories	–	–	–	–	–	–	–	–	–
Inventory: Farming supplies	–	–	–	–	–	–	–	–	–
Inventory: Food and food supplies	100	85	–	–	–	–	–	–	–
Inventory: Fuel, oil and gas	–	–	–	–	–	–	–	–	–
Inventory: Learner and teacher support material	–	–	–	–	–	–	–	–	–
Inventory: Materials and supplies	17	14	–	–	–	–	–	–	–
Inventory: Medical supplies	–	–	–	–	–	–	–	–	–
Inventory: Medicine	–	–	–	–	–	–	–	–	–
Medsas inventory interface	–	–	–	–	–	–	–	–	–
Inventory: Other supplies	–	–	–	52	–	–	–	52	55
Consumable supplies	66	11	217	112	312	312	236	125	132
Consumable: Stationery, printing and office supplies	1 226	857	1 156	2 408	1 910	1 910	2 361	2 437	2 571
Operating leases	4 845	4 665	3 184	3 050	3 255	3 205	3 257	3 421	3 609
Property payments	434	404	333	472	475	475	407	519	548
Transport provided: Departmental activity	–	–	–	–	–	–	–	–	–
Travel and subsistence	2 054	3 056	1 910	4 514	2 910	2 710	3 864	3 936	4 152
Training and development	8 589	6 201	10 775	4 048	13 068	13 068	2 450	4 782	5 045
Operating payments	2 054	1 245	186	291	141	141	240	138	146
Venues and facilities	165	409	543	325	1 084	1 084	1 034	500	528
Rental and hiring	–	–	–	–	–	–	–	–	–
Interest and rent on land	28	5	2	35	35	35	6	6	7
Interest	28	5	2	35	35	35	6	6	7
Rent on land	–	–	–	–	–	–	–	–	–
Transfers and subsidies	330	198	39	–	20	102	–	–	–
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	330	198	39	–	20	102	–	–	–
Social benefits	330	198	39	–	20	102	–	–	–
Other transfers to households	–	–	–	–	–	–	–	–	–
Payments for capital assets	497	811	1 872	2 204	1 316	1 316	1 607	1 977	2 086
Buildings and other fixed structures	–	–	–	–	–	–	–	–	–
Buildings	–	–	–	–	–	–	–	–	–
Other fixed structures	–	–	–	–	–	–	–	–	–
Machinery and equipment	497	811	1 872	2 204	1 316	1 316	1 607	1 977	2 086
Transport equipment	–	–	–	–	–	–	–	–	–
Other machinery and equipment	497	811	1 872	2 204	1 316	1 316	1 607	1 977	2 086
Heritage Assets	–	–	–	–	–	–	–	–	–
Specialised military assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Land and sub-soil assets	–	–	–	–	–	–	–	–	–
Software and other intangible assets	–	–	–	–	–	–	–	–	–
Payments for financial assets	–	12	–	–	–	–	–	–	–
Total economic classification	98 649	94 048	137 579	159 947	155 095	155 095	146 149	152 964	161 376

