# **VOTE 07**

# **DEPARTMENT OF FINANCE**

# DEPARTMENT OF FINANCE

		<b>20</b> 1	16/17	
R thousand	Main Appropriation	Adjusted Appropriation	Decrease	Increase
Amount to be appropriated	485 643	464 657	-20 986	
Of which				
Current payments	476 093	454 611	-21 482	
Transfers and subsidies	1 170	1 860		690
Payments for capital assets	8 380	8 186	-194	
Payments for Financial Assets				
Direct Charge against the				
Provincial Revenue Fund				
Executive authority	MEC for Finance, Ec	onomy and Enterprise	Development	
Accounting officer	Superintendent Gene	eral of the Department	of Finance	

#### Adjusted budget summary

#### Vote Purpose

To provide professional advice and support on provincial economic analysis, fiscal policy, revenue collection and the management of annual budget process, implementation of the provincial budgets as well as monitoring and control the North West provincial expenditures.

## Programmes

- 8. Administration
- 9. Sustainable Resource Management
- 10. Asset and Liabilities Management
- 11. Financial Governance

### Changes to programme purposes, objectives and measures

None

# Summary of receipts

#### SUMMARY OF RECEIPTS

		Source	of Funding	
Item Description	Conditional Grant	Equitable Share	Ow n Revenue	Financing
Main appropriation		360 756	124 887	
Less: Budget Reductions		-20 986		
Compensation of employees'reduction		-14 844		
ICT and Communication budgt reduction		-6 142		
Totals		339 770	124 887	
				464 657

# Mid-year performance status

There are no changes to performance indicators and 2016/17 targets as published in the 2016 EPRE. The following table illustrates performance progress in the first six months of the financial year:

Indicator	Programme	Outcome		Annual Perform	ance
As published in the 2016/17 EPRE	Programme linked to the indicator	Outcome the indicator is linked to	Projected for the 2016/17 as published in the 2016 EPRE	Achieved in the first six months of the 2016/17 (April to September)	Changed estimates for the 2016/17
Number of consolidated reports produced on the implementation of revenue enhancement strategy	Programme 2	Departmental Mandate	4	2	N/A
Number of expenditure reports of departments through monthly In-Year-Monitoring compiled	Programme 2	Departmental Mandate	12	6	N/A
Number of Monthly consolidated infrastructure spending reports through infrastructure Reporting Model	Programme 2	Departmental Mandate	12	6	N/A
Number of consolidated reports compiled on support provided to municipalities with regard to the implementation of MFMA	Programme 2	Departmental Mandate and OUTCOME 9: RESPONSIVE, ACCOUNTABLE, EFFECTIVE, AND EFFICIENT DEVELOPMENTAL LOCAL GOVERNM	4	2	N/A
Number of reports compiled on the socio-economic analysis of the province(SERO)	Programme 2	Departmental Mandate	2	1	N/A
Number of consolidated monitoring reports produced on compliance to asset management prescripts by provincial departments and public entities.	Programme 3	OUTCOME 12: AN EFFICIENT, EFFECTIVE AND DEVELOPMENT ORIENTED PUBLIC SERVICE	4	2	N/A
Number of assessment reports produced on procurement plans received from departments.	Programme 3	OUTCOME 12: AN EFFICIENT, EFFECTIVE AND DEVELOPMENT ORIENTED PUBLIC SERVICE	1	1	N/A
Number of capacity building workshops conducted for Departmental CFO's and Public Entities on Accounting updates and Reforms	Programme 4	OUTCOME 12: AN EFFICIENT, EFFECTIVE AND DEVELOPMENT ORIENTED PUBLIC SERVICE	4	5	N/A
Number of monitoring reports produced on a plan of action on AFS audit outcomes for departments and Public Entities.	Programme 4	OUTCOME 12: AN EFFICIENT, EFFECTIVE AND DEVELOPMENT ORIENTED PUBLIC SERVICE	6	2	N/A
Number of monitoring reports produced on irregular, fruitless and wasteful expenditure.	Programme 4	OUTCOME 12: AN EFFICIENT, EFFECTIVE AND DEVELOPMENT ORIENTED PUBLIC SERVICE	1	N/A	N/A
Number of monitoring reports produced for Departments and Public entities on compliance with cost-containment measures	Programme 4	OUTCOME 12: AN EFFICIENT, EFFECTIVE AND DEVELOPMENT ORIENTED PUBLIC SERVICE	4	3	N/A

0046/47

# Adjusted Estimates of Provincial Revenue and Expenditure 2016

Departmental summary of 2016 Adjustment Estimates of Provincial Experimental Summary of 2016 Adjustmental Summary of 2016 Adjustmenta	nditure accordin	g to programme	95		201	6/17				
- rogramme			1			stments approp	viation			
	Main	Special		Unforeseeable /	Virements and	Function	Declared	Other	Total adjustments	Adjusted
	Appropriation	Appropriation	Rollovers	unavoidable	Shifts	Shifts	unspent funds	adjustments	appropriation	Appropriation
R thousand										
ADMINISTRATION	140 649				-3 151			-4 346	-7 497	133 152
SUSTAINABLE RESOURCE MANAGEMENT	133 232				3 151				3 151	136 383
ASSET AND LIABILITIES MANAGEMENT	51 300						-4 126	1 626	-2 500	48 800
FINANCIAL GOVERNANCE	160 462						-10 718	-3 422	-14 140	146 322
Subtotal	485 643						-14 844	-6 142	-20 986	464 657
Direct charge against the Provincial Revenue Fund										
	L									
Total	485 643						-14 844	-6 142	-20 986	464 657
Economic Classification										
Current payments	476 093				-496		-14 844	-6 142	-21 482	454 611
Compensation of employees	302 047				-39 482		-14 844		-52 700	249 347
Goods and services	174 046				38 986			-7 768		205 264
Interest and rent on land										
Transfers and subsidies	1 170				690				690	1 860
Provinces and municipalities										
Departmental agencies and accounts										
Higher education institutions										
Foreign governments and international organisations										
Public corporations and private enterprises										
Non-profit institutions										
Households	1 170				690				690	1 860
Payments for capital assets	8 380				-194				-194	8 186
Buildings and Other fixed structures										
Buildings										
Other fixed structures										
Machinery and equipment	8 380				-194				-194	8 186
Transport assets	Ir									I
Other Machinery and equipment	8 380				-194				-194	8 186
Biological assets										I
Software and Other intangible assets										
Land and subsoil assets										
Heritage assets										
Specialised military assets										
Payments for Financial Assets	1									
Total	485 643						-14 844	-6 142	-20 986	464 657

## Departmental summary of 2016 Adjustment Estimates of Provincial Expenditure according to programmes

#### Programme summary of estimates according to subprogrammes

Programme 1 : ADMINISTRATION					2010	5/17				
						tments approp				
	Main	Special		Unforeseeable	Virements and	Function	Declared	Other	Total adjustments	
R thousand	Appropriation	Appropriation	Rollovers	/unavoidable	Shifts	Shifts	unspent funds	adjustments	appropriation	Appropriation
Office Of The Mec	9 373									9 373
Management Services	14 390				-1 340			-2 869	-4 209	10 181
Corporate Services	66 783				1 340				1 340	68 123
Financial Management (Office of the CFO)	50 103				-3 151			-1 477		45 475
Subtotal	140 649				-3 151			-4 346	-7 497	133 152
Direct charge against the										
Provincial Revenue Fund										
Statutory payment										
	140 649				-3 151			-4 346	-7 497	133 152
Total	140 649				-3 151			-4 346	-7 497	133 152
Economic Classification Current payments	135 303				-3 312			-4 346	-7 658	127 645
Compensation of employees	85 321				1 482				1 482	86 803
Goods and services	49 982				-4 794			-4 346	-9 140	40 842
Interest and rent on land										
Transfers and subsidies	1 170				396				396	1 566
Provinces and municipalities										
Departmental agencies and accounts										
Higher education institutions										
Foreign governments and international organisations										
Public corporations and private enterprises										
Non-profit institutions										
Households	1 170				396				396	1 566
Payments for capital assets	4 176				-235				-235	3 941
Buildings and Other fixed structures										
Buildings			l						1	
Other fixed structures			1							
Machinery and equipment	4 176				-235				-235	3 941
Transport assets			1							
Other Machinery and equipment	4 176				-235				-235	3 941
Biological assets	<u> </u>		1							
Software and Other intangible assets			1							
Land and subsoil assets			1							
Heritage assets			1							
Specialised military assets										
Payments for Financial Assets	L		1							
Total	140 649				-3 151			-4 346	-7 497	133 152

#### Programme summary of estimates according to subprogrammes

Programme 2 : SUSTAINABLE RESOURCE MANAGEMENT					201	6/17				
						stments approp				
	Main Appropriation	Special Appropriation	Rollovers	Unforeseeable /unavoidable	Virements and Shifts	Function Shifts	Declared unspent funds	Other adjustments	Total adjustments appropriation	Adjusted Appropriation
R thousand	Appropriation	Appropriation	Rollovers	/unavoidable	Shirts	Shirts	unspent runds	adjustments	appropriation	Appropriation
Programme Support	5 030									5 030
Economic Analysis	6 408				-962				-962	5 446
Fiscal Policy	5 782				-1 368				-1 368	4 4 1 4
Budget Management	22 578				-3 089				-3 089	19 489
Public Finance	17 195				-948				-948	16 247
Municipal Finance	76 239				9 518				9 518	85 757
Subtotal	133 232				3 151				3 151	136 383
Direct charge against the										
Provincial Revenue Fund										
Statutory payment										
	L									
Total	133 232				3 151				3 151	136 383
Economic Classification										
Current payments	131 550				3 722				3 722	135 272
Compensation of employees	93 853				-37 765				-37 765	56 088
Goods and services	37 697				41 487				41 487	79 184
Interest and rent on land										
Transfers and subsidies										
Provinces and municipalities										
Departmental agencies and accounts										
Higher education institutions										
Foreign governments and international organisations										
Public corporations and private enterprises										
Non-profit institutions										
Households										
Payments for capital assets	1 682				-571				-571	1 111
Buildings and Other fixed structures										
Buildings										
Other fixed structures										
Machinery and equipment	1 682				-571				-571	1 111
Transport assets										
Other Machinery and equipment	1 682				-571				-571	1 111
Biological assets										
Software and Other intangible assets										
Land and subsoil assets										
Heritage assets										
Specialised military assets										
Payments for Financial Assets										
Total	133 232				3 151				3 151	136 383

#### Programme summary of estimates according to subprogrammes

Mark Approach         Approach         Instruction         Approach	Programme 3 : ASSET AND LIABILITIES MANAGEMENT		2016/17								
ApportantAppropriateReloveryNavordakieBaltsBaltsunspertivesubspaceApportantApportantRheade22											
Rhoand         Note         <											
Programme Soport         2.20         00         0.00         2.307         3508           Asset Managament         30.00         -00         -307         168         0.730           Saport Attentive Prancis Option         31.00         -00         -800         -740         168         0.730           Saport Attentive Prancis Option         31.00         -00         -800         -740         168         0.730           Saport Attentive Prancis Option         500         -00         -4102         168         0.730           Outcome Read         5100         -         -         -         -         -           Sabory Dynomi         C         -		Appropriation	Appropriation	Rollovers	/unavoidable	Shifts	Shifts	unspent funds	adjustments	appropriation	Appropriation
Automoment         1007		2 220				90				90	2310
Sport Startiked Plancial System       31 00       -00       -00       -000						50		-3 257	1.626		
Substat         51 300         41 26         1 626         -2 500         44 800           Direct charge against the Producial Revense Fund	-					-90			1020		
Descent sprage against the Provincial Naveues Fund     Image: Constraint of the sprage against the sprage again the s						-30			1 626		
Productabenuse Fund     Image: status function of the status func		51 300						-4 126	1 626	-2 500	46 600
Station payment         Image: station payment											
Image: state in the											
Description         So 78         .408         .4126         1626         .2560         .4177         .4285         .4977         .4126         1626         .9577         .2397	Statutory payment										
Description         So 78         .408         .4126         1626         .2560         .4177         .4285         .4977         .4126         1626         .9577         .2397											
Current spane (1998)         Soft (1998)         Comparison (1998)	Total	51 300						-4 126	1 626	-2 500	48 800
38 427         9 677         4 128         1628         -12 17         24 250           Gods and services         14 328         9 579         23 907         12 307           Transfers and subsidies         98											
Goods and services     14.28     9.579     9.579     23.907       Interest and retor land      9.579     23.907       Transfers and soutisdies     9.6     9.6     9.6       Povices and municipalities     9.6     9.6     9.6       Popermental and retrational organisations     1.0     1.0     1.0       Rolds corporational and protein enterprises     9.6     9.6     9.6       Not-port institutions     9.6     9.6     9.6       Portice distributions     9.6     9.6     9.6       Not-port institutions     9.6     9.6     9.6       Powents for capital assets     5.6     0.0     5.6       Buildings     0.0     1.0     1.0       Other fload structures     5.6     0.0     5.6       Buildings     5.6     0.0     5.6       Other fload structures     5.6     0.0     5.6       Buildings     5.6     0.0     5.6       Other fload structures     5.6     0.0     5.6       Buildings     5.6     0.0     5.6       Other fload structures     5.6     0.0     5.6       Buildings     5.6     0.0     5.6       Other fload structures     5.6     0.0     5.6 <td>Current payments</td> <td></td>	Current payments										
herest and runci palleds     Image: solution of municipalleds								-4 126	1 626		
Transfer and subsidies       B0       B0       B0         Portices and municipalities       Image: Second		14 328				9 579				9 579	23 907
Provinces and municipalities       Departmental agencies and accounts       Hyber exclusion statutung       Hyber exclusion statutung         Foreign governments and International organisations       PAble corporational statutung       Bil       Bil <t< td=""><td>Interest and rent on land</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></t<>	Interest and rent on land										
Departmental agencies and accounts       Image additions       Image additi	Transfers and subsidies					98				98	98
Hyper education institutions       Foreign governments and international organisators       Page of the status of private entryprises       Foreign governments and international organisators       Foreign governments       Foreign gover	Provinces and municipalities										
Foreign governments and international organisations Public corporations and private entryprises Non-profit institute entryprises     98     98       Poments for capital sasts     56     98     98       Poments for capital sasts     56     0     56       Buildings     0     0     56       Other fixed structures     0     0     56       Buildings     0     0     56       Other fixed structures     0     0     56       Buildings     56     0     0       Other fixed structures     0     56     0       Buildings     56     0     0       Other fixed structures     56     0     0       Buildings and oppinent     56     0     0       Other fixed structures     0     56     0     0       Buildings and other intraple assets     0     0     56       Building and objernent     56     0     0     56       Building and objernent     56     0     0     0       Building and objernent     56     0     0     0       Building and objernent     56     0     0     0       Building and objernent     0     0     0     0       Building and objernet <td< td=""><td>Departmental agencies and accounts</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></td<>	Departmental agencies and accounts										
Page     Image: Page Page     I	Higher education institutions										
No-point institutions     Bill	Foreign governments and international organisations										
Housholds         90         93	Public corporations and private enterprises										
Pymonts for capital asses     54     0     545       Buidings and Oher fixed structures     Image: Comparison of the structures       Other fixed structures     56     Image: Comparison of the structures     Image: Comparison of the structures     Image: Comparison of the structures       Other fixed structures     56     Image: Comparison of the structures     Image: Comparison of the structures       Other structures and equipment     56     Image: Comparison of the structures     Image: Comparison of the structures       Bological assets     55     Image: Comparison of the structures     Image: Comparison of the structures       Sortware and Oher fixed gloanest     56     Image: Comparison of the structures     Image: Comparison of the structures       Sortware and Oher fixed gloanest     56     Image: Comparison of the structures     Image: Comparison of the structures       Sortware and Oher fixed gloanest     56     Image: Comparison of the structures     Image: Comparison of the structures       Sortware and Oher fixed gloanest     56     Image: Comparison of the structures     Image: Comparison of the structures       Sortware and Oher fixed gloanest     56     Image: Comparison of the structures     Image: Comparison of the structures       Sortware and Oher fixed gloanest     56     Image: Comparison of	Non-profit institutions										
Buildings and Other Inced structures     Image: Construction of the structures     Image: Construction of the structures       Buildings     Other Inced structures     Image: Construction of the structures       Mechinery and equipment     545     Image: Construction of the structures       Deter Mechinery and equipment     545     Image: Construction of the structures       Dotor Mechinery and equipment     545     Image: Construction of the structures       Software and Other Interople assets     545     Image: Construction of the structures       Software and Other Interople assets     Software and Other Interople assets     Image: Construction of the structure of the str	Households					98				98	98
Buldings     Image: Constraint of the structures     Image: Constraint of the structures       Machinery and equipment     56     0     55       Transport assets     54     0     54       Other Michinery and equipment     55     0     54       Bological assets     54     0     545       Bological assets     54     0     545       Lord and subolical assets     1     54     54       Vertage assets     1     1     1       Specialised milkry assets     2     2     2       Specialised milkry assets     2     2     2	Payments for capital assets	545									545
Other fixed structures     Image: Second structures     Se	Buildings and Other fixed structures										
Mechinery and equipment     545     0     545       Transport assets     545     545     545       Oblogical assets     545     545     545       Sold paral assets     545     545     545       Land and suboil assets     545     545     545       Specialised mikary assets     545     545     545       Specialised mikary assets     545     545     545	Buildings	r									
Transport assels     56     55     55       Other Machinery and equipment     56     56     555       Software and Other Managle assets     56     56     56       Lond and subcolical assets     56     56     56       Lond and subcolical assets     56     56     56       Software and Other Managle assets     56     56     56       Specialized military assets     56     56     56	Other fixed structures										
Other Machinery and equipment     545     545       Bodgical assets     545     545       Schware and Other Intragibe assets     1     1       Land and subsoil assets     1     1       Hertage assets     1     1       Specialsed milkary assets     1     1       Pyments for Financial Assets     1     1	Machinery and equipment	545									545
Bological assets Software and Other Itangble assets Land and subcol assets Lead and subcol assets Lead and subcol assets Specialised mikery assets Specialised mikery assets Specialised mikery assets	Transport assets										1
Bological assets Software and Other Itangble assets Land and subcol assets Lead and subcol assets Lead and subcol assets Specialised mikery assets Specialised mikery assets Specialised mikery assets	Other Machinery and equipment	545									545
Software and Other Intangble assets Land and subsoli assets Heritage assets Specialised Intalay assets Payments for Financial Assets I I I I I I I I I I I I I I I I I I I		<b>-</b>									
Land and subsol assets Hertage assets Specialsed mikery assets Pyments for Financial Assets 1											
Specialsed military assets Payments for Financial Assets	-										
Specialsed military assets Payments for Financial Assets	Heritage assets										
Payments for Financial Assets											
		51 300						-4 126	1 626	-2 500	48 800

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Programme 4 : FINANCIAL GOVERNANCE					201					
						stments approp			_	
	Main Appropriation	Special Appropriation	Rollovers	Unforeseeable /unavoidable	Virements and Shifts	Function Shifts	Declared unspent funds	Other adjustments	Total adjustments appropriation	Adjusted
R thousand	Appropriation	Appropriation	Rollovers	/unavoidable	Shirts	Shirts	unspent tunas	adjustments	appropriation	Appropriation
Programme Support	8 431				1 645				1 645	10 076
Accounting Services	84 490				-1 755		-5 421	-3 422	-10 598	73 892
Norms and Standards	1 642						-125		-125	1 517
Risk Management	3 476				110				110	3 586
Provincial Internal Audit	62 423						-5 172		-5 172	57 251
Subtotal	160 462						-10 718	-3 422	-14 140	146 322
Direct charge against the										
Provincial Revenue Fund										
Statutory payment										
Total	160 462						-10 718	-3 422	-14 140	146 322
Economic Classification										
Current payments	158 485				-808		-10 718	-3 422	-14 948	143 53
Compensation of employees	86 446				6 478		-10 718		-4 240	82 206
Goods and services	72 039				-7 286			-3 422	-10 708	61 331
Interest and rent on land										
Transfers and subsidies	-				196				196	196
Provinces and municipalities										
Departmental agencies and accounts										
Higher education institutions										
Foreign governments and international organisations										
Public corporations and private enterprises										
Non-profit institutions										
Households					196				196	196
Payments for capital assets	1 977				612				612	2 589
Buildings and Other fixed structures										
Buildings										
Other fixed structures										
Machinery and equipment	1 977				612				612	2 589
Transport assets										
Other Machinery and equipment	1 977				612				612	2 589
Biological assets										
Software and Other intangible assets										
Land and subsoil assets										
Heritage assets										
Specialised military assets										
Payments for Financial Assets	•									
Total	160 462						-10 718	-3 422	-14 140	146 32

# **Special appropriation**

None

# Earmarked Funds

None

#### **Roll-overs**

None

# Unforeseeable and unavoidable expenditure

# **Summary of Virements and Shifts**

Programmes					
Virements					
From			Το		
	Motivation	R thousand	10	Motivation	R thousand
Programme by Economic Classification	wortvarion	Renousana	Programme by Economic Classification	motivation	Renousan
Programme : Administration		(2 039	Programme :Administration		20
Current Payments: Compensation of employees	Payment of Leave Gratuities of officials in respect	(396)		Leave gratuities in respect of retirements and death of	3
	of retirements and deaths due to unforeseen and		Transfer Payments: Other Transfer -	officials due to unforeseen and unavoidable	
	unavoidable circumstances		Households	circumstances	
Current Payments: Goods and services	The delay in filling of vacants funded posts			Departmental Cleaners being centralised under Corporate	16
	resulted in underspending such as Advertising and		Current Payments: Compensation of	Services and the other savings are due to the delay in	
	travelling and subsistences, etc.	(1 408	employees	filling of vacant posts	
Capital Payments: Machinery and equipment	The delay in filling of vacants funded posts				
	resulted in underspending in furniture and office				
	equipment for the new officals	(235			
Shift within the programme as a	percentage of the programme budget	-1%	D	•	
Virements of the programme as a percentage of the pro	gramme budget				
Programme : Sustainable Resource Management		(38 336	Programme : Sustainable Resource Mar	nagement	38 3
Current Payments: Compensation of employees	The delay in filling of vacants funded posts, such	(37 765	Current Payments: Goods and services	To relieve budget pressures in MFMA for additional	
	as DDG, Director posts, etc.			initiatives that has been required in order to improve audit	38 3
				support at Municipalities	
Capital Payments: Machinery and equipment	The delay in filling of vacants funded posts	(571			
	resulted in underspending in furniture and office				
	equipment for the new officals				
Shift within the programme as a	percentage of the programme budget	-29%	D	•	29
Virements of the programme as a percentage of the pro	gramme budget				
Programme : Assets and Liabilities Management			Programme : Assets and Liabilities Mar		96
Current Payments: Compensation of employees	Payment of Leave Gratuities of officials in respect	(98)	Transfer Payments: Other Transfer -	Payment of Leave Gratuities of officials in respect of	
	of retirements and resignations due to unforeseen		Households	retirements and resignations due to unforeseen and	9
	and unavoidable circumstances			unavoidable circumstances	
	The delay in filling of vacants funded posts	(9 579)	Current Payments: Goods and services		
	resulted in underspending such as Director post,			for NWPG and to relieve budget pressures for VTSD	95
	etc.			project implementation.	
	percentage of the programme budget	-19%	D		1
Virements of the programme as a percentage of the pro	gramme budget				
Programme : Financial Governance			Programme : Financial Governance		8
Current Payments: Compensation of employees		(196)	Transfer Payments: Other Transfer -	Payment of Leave Gratuities of officials in respect of	19
	of retirements due to unforeseen and unavoidable		Households	retirements due to unforeseen and unavoidable	
	circumstances			circumstances	
Current Payments: Goods and services	The delay of filling of vacants funded posts	(612)	Capital Payments: Machinery and	To relieve budget pressures in Internal Audit to purchase	6
	resulted in underspending such as Advertising and		equipment	furniture and equipment for cluster audit and upgrade of	
	travelling and subsistences, etc.			IT infrastructure.	
	percentage of the programme budget	-1%			1
Total		(50 860)	l		50 86
Virements					
Programme : Administration			Programme :Sustainable Resource Man		3 15
Current Payments: Goods and services	The delay of filling of vacants funded posts	(3 151		To relieve budget pressures in MFMA for additional	3 15
	resulted in underspending such as Advertising and			initiatives that has been required in order to improve audit	
	travelling and subsistences, etc.		Current Payments: Goods and services	support at Municipalities	
	percentage of the programme budget				
Virements of the programme as a percentage of the pro	gramme budget	-2%			

### Declared unspent funds

An amount of R14.844 million is declared as unspent fund from the reduction of compensation of employees, as a result of the implementation of flexible moratorium.

## Other adjustments

R6.142 million is reprioritised for the implementation of Provincial ICT and Communication transformation programme.

## Funds shifted between votes following transfer of a function

# Funds shifted within a vote following a fund shift

None

Appropriation of expenditure earmarked in the 2015 Budget speech for future allocation

None

Adjustments due to significant and unforeseeable economic and financial events

None

Use of funds in emergency situations in terms of Section 25 of the PFMA

None

# Self-financing expenditure

None

Gifts, donations and sponsorships

None

# Direct charges against the Provincial Revenue Fund

None

#### Additional allocations

None

# Amounts surrendered

Programme			205/16				2016/	17	-
			Actual Expenditure				Preliminary ex	openditure	
	-	Apr 15-Sep 15	Apr 15-Sep 15	Apr 15-Mar 16	Apr 15-Mar 16			Apr 16	i-Sep 16
R thousand	Adjusted appropriation	Apr 15 Sep 15	% of Adjusted appropriation	Apr 15 Mar 16	% of Adjusted appropriation	Adjusted appropriation	Adjusted appropriation/ total (%)	Apr 16 Sep 16	% of Adjusted appropriation
ADMINISTRATION	138 855	64 721	46.6%	136 358	98.2%	133 152	28.7%	59 613	44.8%
SUSTAINABLE RESOURCE MANAGEMENT	121 916	62 126	51.0%	126 137	103.5%	136 383	29.4%	75 020	55.0%
ASSET AND LIABILITIES MANAGEMENT	42 662	19 040	44.6%	42 958	100.7%	48 800	10.5%	21 201	43.4%
FINANCIAL GOVERNANCE	123 569	59 239	47.9%	120 145	97.2%	146 322	31.5%	64 144	43.8%
Subtotal	427 002	205 126	48.0%	425 598	99.7%	464 657	100.0%	219 978	47.3%
Direct charge against the									
Provincial Revenue Fund									
Subtotal									
Total	427 002	205 126	48.0%	425 598	99.7%	464 657	100.0%	219 978	47.3%
Economic classification									
Current payments	417 111	202 474	48.5%	414 234	99.3%	454 611	97.8%	215 654	47.4%
Compensation of employees	238 437	106 544	44.7%	216 255	90.7%	249 347	53.7%	116 070	46.5%
Goods and services	178 673	95 930	53.7%	197 978	110.8%	205 264	44.2%	99 583	48.5%
Interest and rent on land	1			1	100.0%			1	
Transfers and subsidies	1 423	1 290	90.7%	3 439	241.7%	1 860	0.4%	1 397	75.1%
Provinces and municipalities									
Departmental agencies and accounts									
Higher education institutions									
Foreign governments and international organisations									
Public corporations and private enterprises									
Nonprofit institutions									
Households	1 423	1 290	90.7%	3 439	241.7%	1 860	0.4%	1 397	75.1%
Payments for capital assets	8 468	1 359	16.0%	7 922	93.6%	8 186	1.8%	2 927	35.8%
Buildings and Other fixed structures	1								
Machinery and equipment	8 468	1 359	16.0%	7 922	93.6%	8 186	1.8%	2 927	35.8%
Biological assets									
Software and Other intangible assets	1								
Land and subsoil assets	1								
Heritage assets	1								
Specialised military assets									
Payments for Financial Assets		3		3					
Total	427 002	205 126	48.0%	425 598	99.7%	464 657	100.0%	219 978	47.3%

#### Expenditure outcome for 2015/16 and actual expenditure for 2016/17

#### Main Expenditure trends for the first half of 2016/17

The expenditure for the department of Finance in 2016/17 as at the second quarter stands at 47.3 per cent as compared to 48 per cent in the previous year, which is also 0.7 per cent less than the average of 50 per cent. There is an under spending of 2.5 per cent on compensation of employees due to the delay in filling of vacant posts.

#### Programme 1: Administration

Expenditure as at the end of the second quarter was at 44.8 per cent as compared to the 46.6 per cent registered in 2015/16, this reflect a decline in spending of 1.8 per cent The delay in filling of vacant posts has led to the under spending under compensation of employees and funds have been re-directed to other budget pressures. There are outstanding payments for performance assessments for SMS relating to 2015/16 financial year and appointments of 10 Cleaners in October 2016 will improve the spending in the next quarter. The Goods and Services budget for the programme has made provisions for departmental recruitment costs and resettlement costs, advertising, and professional fees for qualification verifications, legal fees and Forensic investigations (main cost driver), organisational structure, strategic management, planning and monitoring. Operational costs like vehicle fleet management, maintenance of building and payment of Microsoft Licenses will increase the expenditure during the rest of the year.

#### Programme 2: Sustainable Resource Management

Expenditure as at the end of the second quarter was at 55 per cent as compared to 51 per cent in 2015/16 financial year. The underspending on compensation of employees is due to the delays in filling of vacant posts and funds have been re-directed to other budget pressures such as MFMA on the new initiatives to improve audit outcomes at Municipalities, however there is still outstanding payment for assessment rewards of SMS members for the 2015/16 financial year. The main cost drivers of expenditure are MFMA financial management interventions, the printing of budget books

#### **Programme 3: Assets and Liabilities Management**

Expenditure as at the end of the second quarter was at 41 per cent as compared to 40 per cent as in the 2015/16 financial year. The underspending on compensation of employees is due to the delays in filling vacant posts and funds have been re-directed to other budget pressures such as Invoice Tracking System and VTSD Project. However, there is still outstanding payment for assessment rewards of SMS members for the 2015/16 financial year. There will also be payments relating to the upgrade of on-line Suppliers registration systems and License fees for Intenda Suite Solutions (ISS) for Proquore/ Proquote system. The other funds will be allocated for travelling costs for Provincial Supply Chain Management for outreach programmes, workshops and training. The programme does not anticipate any underspending by the end of the financial year.

#### **Programme 4: Financial Governance**

Expenditure as at the end of the second quarter was at 43.4 per cent as compared to 44.6 per cent registered in the 2015/16 financial year. The underspending on compensation of employees is due to the delays in filling of vacant posts and funds have been re-directed to address core provincial priorities, however there is still outstanding payment for assessment rewards of SMS members for the 2015/16 financial year. The main cost drivers of expenditure in the programme is for PFMA Support Programme for Clean Audit for the Departments and Public Entities and Provincial Telephone Account. The programme has made a provision for the audit fees relating to Provincial Revenue Fund.

# **Departmental receipts**

Departmental Receipts										
			Audited (	outcome				Actual Receipts		
		Apr	15-Sep 15	Apr 1	5-Mar 16				Apr 16	3-Sep 16
Rthousand	Adjusted appropriation	Apr 15 Sep 15	% of Adjusted appropriation	Apr 15 Mar 16	% of Adjusted appropriation	Budget estimate	Adjusted estimate	Adjusted appropriation/ total (%)	Apr 16 Sep 16	% of Adjusted appropriation
Departmental receipts	86 739	51 408	59.3%	120 881	139.4%	124 887	124 887	100.0%	90 167	72.2%
Tax receipts										
Sales of goods and services Other than capital assets	420	81	19.3%	207	49.3%	300	300	0.2%	77	25.7%
Transfers received									634	
Fines, penalities and forfeits										
Interests, dividends and rend on land	86 319	51 315		120 562	139.7%	124 587	124 587	99.8%	89 423	71.8%
Sales and capital assets and liabilities				1						
Financial transactions in assets and liabilities		12		111					33	
Extraordinary receipts	L									
Subtotal	86 739	51 408	59.3%	120 881	139.4%	124 887	124 887	100.0%	90 167	72.2%

#### Revenue trends for the first half of 2016/17

The Department is not involved in direct revenue generating sources. Majority of the revenue arises from interest earned on provincial investments which are managed by the Provincial Revenue Fund. The sale of goods and services are represented by commission earned on the 3<sup>rd</sup> party deductions and sales of tender documents. The over collection of revenue is mainly on interest received, however the departmental revenue has not been revised because the department does not anticipate high interest collection for the second half of the financial year.

# Changes to transfers and subsidies, and conditional grants

None

#### Summary of changes to Conditional Grants:

None

#### Summary of changes to infrastructure Allocation: B5