

**VOTE 07**

**DEPARTMENT OF FINANCE**

Finance	Vote 07
To be appropriated by Vote in 2016/17	R485 643 000
Responsible MEC	MEC for Finance, Economy and Enterprise Development
Administrating 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 advice 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; and
- 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; and
- 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;
- Providing real-time operational support to supply chain management matters; and
- 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 of the department reported by the Auditor-General on 3 August 2015 at the Provincial Audit Report handover ceremony is a clean audit for the 2014/15 financial year. Below is a summary of the improved audit outcomes of the municipality as at 31 December 2015 a result of interventions by the Department of finance:

- Out of 23 Municipalities in 2014/15 financial year: 6 municipalities achieved unqualified with findings, 10 achieved qualified with findings, 6 achieved adverse/ disclaimer with findings and 1 municipal city audit still outstanding (consolidations).
- Out of 13 Provincial Departments in 2014/15 financial year: 1 Department received clean audit, 10 got unqualified and 2 got qualified audit reports.
- Out of 14 Public Entities in 2014/15 financial year: 6 got unqualified, 3 got qualified and 5 received adverse/ disclaimer with findings.

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) 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 reports 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, however due to 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.

The unit continued with the Municipal Financial Management Support Programme (MFMSPP) by providing AFS and audit support assistance to municipalities, including dedicated support on implementation of GRAP 17 Infrastructure assets.

### **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. 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 2015 Clean Audit, the programme successfully managed to execute the following:

Prepared the 2014/15 PRF-AFS by 30 May 2015 and further conducted a review on the 2013/14 AFS.

- Continued the Roll-out of the 2014/15 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.

- 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.

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

**Provincial Internal Audit:** During the year 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. Extensive effort was focused on departments affected by reconfiguration.

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 and within the National Treasury Cost Containment policies.



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. The focus will be on establishing motor vehicle licensing offices in Moretele and HaartebeestpoortDam, 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 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:** 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 was 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. The centralized National Treasury Database project will be key.

**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 municipal finance 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.

**Five (5) Concretes and how the Department contributes to it:**

- Villages, Townships & Small Dorpies (VTSD)

The Department appreciates the need to procure from VTSD suppliers. On a monthly basis, items have been sourced from VTSD mainly for catering, stationery, accommodation and consumables. The Department is in the process of developing a VTSD action plan to ensure that it reaches the 70 per cent target for 2016/17.

- Agriculture, Culture & Tourism (ACT)

The Department is tasked with the responsibility of ensuring credible budgets are prepared by all departments, and within the budget process, also ensuring equitable distribution of resources to promote Agriculture, Culture and Tourism.

- Re-branding, Renewing & Repositioning (RRR)

Core to the department is to train, develop, and capacitate provincial departments, public entities and municipalities on financial management. Through improving financial management and achieving good audit outcomes, the aim of RRR will be achieved.

- Setsokotsane

The Department contributes to this programme by committing senior and other officials throughout the year, and focuses on 30 day payment issues as well as supplier registration.

- Saamtrek, Saamwerk Philosophy

The Department works hand and glove with provincial departments, public entities and municipalities to improve financial management.

**Alignment with the Socio-Economic Overview and how the Department is responding to it.**

One of the roles of the Department of Finance is to ensure effective, economical and efficient utilization of public financial resources in the province. The Department of Finance operating within the national fiscal framework, allocate the budget to provincial departments in a manner that facilitate equitable distribution of resources to improve the living conditions within the communities. Such a framework provides the treasury with the authority to ensure that provincial departments align their revenue and expenditure plans within the stipulated guidelines. These guidelines require the provincial treasury to ensure that provincial expenditure and revenue management remain within the national guidelines. The department is a key driver of economic investment, growth and job creation in the province even though there are no major projects for implementation by the department given that it only receives about 1.4 per cent of the provincial budget.

In order to be able to reflect on how Department of Finance responds to the socio-economic overview, it is necessary to indicate that the provincial treasury has dual roles to fulfill in order to be able to effectively respond to the socio-economic overview. The first part relates to Department of Finance as line department with specific roles and responsibilities as explained above. That role expects Department of Finance to provide support and ensure that provincial departments maintain the necessary fiscal discipline. The second role is the expectation that like any other line function department, the provincial treasury must, when utilizing the departmental budget, make sure that it responds to the socio-economic challenges of the province.

In this respect, the Department of Finance will procure goods and service from Villages, Townships and small Dorpies from within the province. This then affords the provincial treasury to be able to directly respond to the socio-economic needs of the province. The Department also maintains a proud record of paying its suppliers within 30 days, thus ensuring sustainability of small to medium enterprises. The Department of Finance is constantly involved in publicity campaigns called outreach workshops to educate members of the public and aspirant entrepreneurs on how to access business opportunities availed by the provincial government. In order to assist with addressing unemployment, which is currently about 26 per cent, the Department of Finance provides Internships and Learnerships in areas of economics, accounting, supply chain management, internal audit, information technology and human resources management. This has assisted many young graduates to gain the necessary job experience to make them competent in the Labour market. The department maintains a database of unemployed graduates in the province that can be used by other departments and municipalities for filling entry level positions. Through our external bursary scheme, we are ensuring that impoverished individuals, about 10 per year, are given the opportunity to attain degrees and thus become professionally qualified.

The Department is also a key driver behind improving financial management at municipalities, as it is critical for municipalities to progress towards clean administration which will ultimately lead to

improved service delivery. The Department will continue to play a critical role in growing the secondary economy through VTSD support and ensuring that SMMEs are assisted to gain market access locally and abroad and those co-operatives are registered into the provincial and municipal database to afford them the opportunity to do business with government.

#### **4. Reprioritisation**

Reprioritisation was mainly within the programmes between the economic classifications to address budget pressures. An amount of R1.9 million was shifted within Programme 01 to cater for Training and Development of the Departmental officials as there was no budget baseline for internal Bursaries, to cater for Broadband services and Conferences and workshops as they are decentralized to the programmes for HRD Unit to be able to pay the PSETA and FASSET levies. An amount of R2.7 million was shifted within Programme 02 for the above mentioned reason which is due to the changes in policies.

The shifting of funds was done within Programme 03 for an amount of R3.1 million from goods and services to relieve budget pressures under compensation of employees and training and development of the officials whereas R2.7 million was shifted within Programme 04 between economic classification to increase the budget for the training and development for the conferences and seminars for officials, venues and facilities for the preparation of AFS and as the contract for Provincial Non-financial managers Training has come to an end.

#### **Future plans of the department**

- Department of Finance has planned for the following in the next coming financial years to strengthen their mandated support to departments, public entities and municipalities;
- Dedicated support to all departments and Public Entities to achieve clean audit;
- Governance structure establishment for Internal Audit;
- Plans to utilise Database for unemployed Graduates which departments will use to source learners for internships programmes;
- Conduct capacity programme for all SCM officials in Provincial Government;
- Appointment of Financial Experts who will assist municipalities in MFMA functional areas;
- Maintain appropriate systems & controls for safeguarding of municipal assets; and
- Training of Municipal staff to ensure full compliance to municipal Standard Charts of Account.

#### **5. Procurement**

- The major procurement plans relate to the following:
  - PFMA clean audit support to provincial departments and public entities;
  - An amount of R35 million in 2015/16 is set aside for Municipal Financial Management Reforms;

- R26 million in 2015/16 is allocated for the Appointment of Forensic Audit services; and
- Embedded within the departmental procurement strategies, is to ensure that procurement opportunities are spread to all regions of the North West Province in support of uplifting economies in the Villages, Townships and Small Dorpies. 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 2012/13 to 2018/19.

Table 7.1 : Summary of receipts

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Equitable share	257 246	348 161	325 396	358 263	353 263	353 263	360 756	378 108	400 895
Conditional grants	–	–	–	–	–	–	–	–	–
Departmental receipts	96 524	101 350	106 418	111 739	86 739	86 739	124 887	130 179	134 588
Financing (Rollovers and additional)	34 774	-52 775	1 237	16 000	16 000	16 000	–	–	–
<b>Total receipts</b>	<b>388 544</b>	<b>396 736</b>	<b>433 051</b>	<b>486 002</b>	<b>456 002</b>	<b>456 002</b>	<b>485 643</b>	<b>508 287</b>	<b>535 483</b>

The main sources of funding for the department is equitable share and own revenue. The equitable share allocation for 2016/17 is 74 per cent or R360.756 million of the total departmental allocation, while own revenue is 26 per cent of the total allocation or R125 million. The departmental equitable share grows by 2 per cent from 2015/16 revised estimates to R361 million in 2016/17, then increased by 4 per cent which amounts to R17 million 2017/18 to R378 million, and then increased by to R23 million in 2018/19 to R401 million.

### 6.2 Departmental receipts collection

Table 7.2 below provides details of the revenue collection by this department from 2012/13 to 2018/19.

Table 7.2 : Summary of departmental receipts collection

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Tax receipts	–	–	–	–	–	–	–	–	–
Casino taxes	–	–	–	–	–	–	–	–	–
Horse racing taxes	–	–	–	–	–	–	–	–	–
Liquor licences	–	–	–	–	–	–	–	–	–
Motor vehicle licences	–	–	–	–	–	–	–	–	–
Sales of goods and services other than capital assets	9 109	160	208	420	420	420	300	315	333
Transfers received	–	–	540	–	–	–	–	–	–
Fines, penalties and forfeits	–	–	–	–	–	–	–	–	–
Interest, dividends and rent on land	179 657	172 742	123 994	111 319	86 319	86 319	124 887	129 864	134 224
Sales of capital assets	40	9	3	–	–	–	–	–	–
Transactions in financial assets and liabilities	–	3 646	65	–	–	–	–	–	–
<b>Total departmental receipts</b>	<b>188 806</b>	<b>176 557</b>	<b>124 810</b>	<b>111 739</b>	<b>86 739</b>	<b>86 739</b>	<b>125 187</b>	<b>130 179</b>	<b>134 558</b>

On aggregate the significant revenue collection was registered in 2012/13. The department has factored in the 10 per cent increase on anticipated revenue collection in 2016/17, 4 per cent in 2017/18 which amounts to R130 million and 4 per cent in 2018/19 financial year with an amount of R134 million.

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 10 per cent decline in 2015/16 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 and a decline of 66 per cent is realised in 2014/15 financial year.

## **7. Payment summary**

### **7.1 Key Assumptions**

The budget for the 2016/17 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 2015 Medium Term Budget Policy Statement are 6.2 per cent in 2016/17, 5.8 per cent in 2017/18 and 5.8 in 2018/19;
- Provision for improvement in conditions of service (ICS) is 7.2 per cent in 2016/17, 6.8 per cent in 2017/18 and 6.8 per cent in 2018/19 financial year;
- A 1.5 per cent pay progression is excluded in the budget provision for personnel costs; and
- 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 2012/13 to 2018/19.

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1. Administration	70 340	86 981	103 818	163 155	146 355	146 355	140 649	145 369	154 800
2. Sustainable Resource Management	81 157	132 113	131 485	129 116	125 916	125 916	133 232	140 033	148 654
3. Asset And Liabilities Management	15 690	34 512	38 961	47 582	45 162	45 172	51 300	53 874	57 498
4. Financial Governance	94 048	137 579	146 821	146 149	138 569	138 559	160 462	169 011	174 531
<b>Total payments and estimates</b>	<b>261 235</b>	<b>391 185</b>	<b>421 085</b>	<b>486 002</b>	<b>456 002</b>	<b>456 002</b>	<b>485 643</b>	<b>508 287</b>	<b>535 483</b>

## 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 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>257 889</b>	<b>384 199</b>	<b>409 925</b>	<b>476 288</b>	<b>445 656</b>	<b>445 105</b>	<b>476 093</b>	<b>497 859</b>	<b>524 452</b>
Compensation of employees	131 214	175 343	204 876	290 522	228 232	227 691	302 047	317 993	338 600
Goods and services	126 666	208 853	205 047	185 760	217 423	217 413	174 046	179 866	185 852
Interest and rent on land	9	3	2	6	1	1	—	—	—
<b>Transfers and subsidies to:</b>	<b>501</b>	<b>594</b>	<b>3 025</b>	<b>1 083</b>	<b>1 878</b>	<b>2 429</b>	<b>1 170</b>	<b>1 229</b>	<b>1 300</b>
Provinces and municipalities	—	—	—	—	—	—	—	—	—
Departmental agencies and accounts	—	—	—	—	—	—	—	—	—
Higher education institutions	—	—	—	—	—	—	—	—	—
Foreign governments and international organisations	—	—	—	—	—	—	—	—	—
Public corporations and private enterprises	—	—	—	—	—	—	—	—	—
Non-profit institutions	—	—	—	—	—	—	—	—	—
Households	501	594	3 025	1 083	1 878	2 429	1 170	1 229	1 300
<b>Payments for capital assets</b>	<b>2 833</b>	<b>6 392</b>	<b>8 124</b>	<b>8 631</b>	<b>8 468</b>	<b>8 468</b>	<b>8 380</b>	<b>9 199</b>	<b>9 731</b>
Buildings and other fixed structures	—	—	213	—	—	—	—	—	—
Machinery and equipment	2 833	6 392	7 911	8 631	8 468	8 468	8 380	9 199	9 731
Heritage Assets	—	—	—	—	—	—	—	—	—
Specialised military assets	—	—	—	—	—	—	—	—	—
Biological assets	—	—	—	—	—	—	—	—	—
Land and sub-soil assets	—	—	—	—	—	—	—	—	—
Software and other intangible assets	—	—	—	—	—	—	—	—	—
<b>Payments for financial assets</b>	<b>12</b>	<b>—</b>	<b>11</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Total economic classification</b>	<b>261 235</b>	<b>391 185</b>	<b>421 085</b>	<b>486 002</b>	<b>456 002</b>	<b>456 002</b>	<b>485 643</b>	<b>508 287</b>	<b>535 483</b>

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 departmental spending over the past three financial years was R261 million in 2012/13, R391 million in 2013/14 and R421 million in 2014/15.

**Compensation of employees:** On aggregate, compensation of employees registered a significant growth from 2012/13 to 2016/17 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:** There is a drop of 20 per cent from 2015/16 revised estimates to 2016/17 with a reduction of R38 million from consultants to Compensation of employees to cater for MFMA HR Capacity challenges. Inclusive in the R175 million under goods and services is R20 million for MFMA Phase 2 as well as an allocation of R21 million in 2016/17, R21 million in 2017/18 and R22 million in 2018/19 respectively.

The allocation further makes provision for the Provincial Telephone Account amount of R15 million in 2016/17, R30 million throughout the MTEF period. The Provincial Turn-Around Clean Audit is allocated R21 million in 2016/17 and R65 million throughout the MTEF period. While an amount of R1.8 million is allocated for Departmental Learnership Programme in 2016/17 and R5 million in two outer years respectively and R4 million is catered for training and development for officials and R11 million throughout the MTEF period.

**Transfers and Subsidies:** There is an amount of R2.4 million in 2015/16 as a result of the decentralization of the bursaries budget from the Office of the Premier to provincial departments. The growth is steady over the MTEF whereby R1.1 million, R1.2 million and R1.3 million is allocated for 2016/17, 2017/18 and 2018/19 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:** There is slight growth of 4 per cent in 2015/16 and a drop of 1 per cent in 2016/17 for new officials and the replacement of office equipment. This decline is then followed by a steady growth of 9 per cent in 2017/18, and 5 per cent in 2018/19.

**Programme 1 Administration:** The programme registered a significant growth of 16 per cent in 2014/15 and a significant growth of 29 per cent in 2015/16 financial year due to the bursary funding which was decentralized from the office of the Premier amounting to R1 million; Learnership Programme amounting to R1.8 million; a once off allocation of R26 million for forensic audit costs; R5.7 million for external audit fees as well as R4 million for training and development.

**Programme 2 Sustainable Resource Management:** The programme is showing a decline by 5 per cent in the current year of 2015/16 due to the reduction of consultant fees to improve HR capacity in MFMA support where we see compensation of employees grows by 47 per cent and consultants declining by 56 per cent.

**Programme 3 Assets and Liabilities:** The overall programme is showing a growth of 14 per cent from 2014/15 to 2015/16 and a net increase of 4 per cent on compensation of employees for 30 Days Creditors Payments Section; an increase of 35 per cent in goods and services and an increase of 52 per cent in payments for capital assets for the purchase of computers for the training and registration of suppliers database.

**Programme 4 Financial Governance:** In overall the programme has a decline of 5 per cent in 2015/16, despite an increase on compensation of employees by 12 per cent. A decline of 23 per cent under goods and services as result to strengthen cost-containment measures especially on communication, consultants, travel and subsistence items.

**7.4 Infrastructure payments**

**7.4.1 Departmental infrastructure payments**

None

**7.4.2 Maintenance**

None

**7.5 Departmental Public-Private Partnership (PPP) projects**

None

**7.6 Transfers**

**7.6.1 Transfers to Public Entities**

None

**7.6.2 Transfers to other Entities**

None

**7.6.3 Transfers to Local Government**

None

**8. Receipts and retentions: Provincial Legislatures**

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

### 9.1 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 2012/13 to 2018/19.

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1. Office Of The Mec	13 429	6 515	7 486	8 425	8 425	8 425	9 373	9 887	10 462
2. Management Services	8 832	5 604	7 911	12 764	7 464	7 464	14 390	15 182	16 061
3. Corporate Services	20 149	42 293	49 465	91 336	86 936	86 936	66 783	71 115	76 240
4. Financial Management (Office Of The Cfo)	27 930	32 569	38 956	50 630	43 530	43 530	50 103	49 185	52 037
<b>Total payments and estimates</b>	<b>70 340</b>	<b>86 981</b>	<b>103 818</b>	<b>163 155</b>	<b>146 355</b>	<b>146 355</b>	<b>140 649</b>	<b>145 369</b>	<b>154 800</b>

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>69 089</b>	<b>83 933</b>	<b>95 088</b>	<b>156 682</b>	<b>139 604</b>	<b>139 533</b>	<b>135 303</b>	<b>139 652</b>	<b>148 752</b>
Compensation of employees	39 695	55 457	66 902	84 901	72 023	71 952	85 321	89 544	95 208
Goods and services	29 390	28 476	28 186	71 781	67 581	67 581	49 982	50 108	53 544
Interest and rent on land	4	—	—	—	—	—	—	—	—
<b>Transfers and subsidies to:</b>	<b>173</b>	<b>555</b>	<b>2 092</b>	<b>1 083</b>	<b>1 361</b>	<b>1 432</b>	<b>1 170</b>	<b>1 229</b>	<b>1 300</b>
Provinces and municipalities	—	—	—	—	—	—	—	—	—
Departmental agencies and accounts	—	—	—	—	—	—	—	—	—
Higher education institutions	—	—	—	—	—	—	—	—	—
Foreign governments and international organisations	—	—	—	—	—	—	—	—	—
Public corporations and private enterprises	—	—	—	—	—	—	—	—	—
Non-profit institutions	—	—	—	—	—	—	—	—	—
Households	173	555	2 092	1 083	1 361	1 432	1 170	1 229	1 300
<b>Payments for capital assets</b>	<b>1 078</b>	<b>2 493</b>	<b>6 627</b>	<b>5 390</b>	<b>5 390</b>	<b>5 390</b>	<b>4 176</b>	<b>4 488</b>	<b>4 748</b>
Buildings and other fixed structures	—	—	213	—	—	—	—	—	—
Machinery and equipment	1 078	2 493	6 414	5 390	5 390	5 390	4 176	4 488	4 748
Heritage Assets	—	—	—	—	—	—	—	—	—
Specialised military assets	—	—	—	—	—	—	—	—	—
Biological assets	—	—	—	—	—	—	—	—	—
Land and sub-soil assets	—	—	—	—	—	—	—	—	—
Software and other intangible assets	—	—	—	—	—	—	—	—	—
<b>Payments for financial assets</b>	<b>—</b>	<b>—</b>	<b>11</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Total economic classification</b>	<b>70 340</b>	<b>86 981</b>	<b>103 818</b>	<b>163 155</b>	<b>146 355</b>	<b>146 355</b>	<b>140 649</b>	<b>145 369</b>	<b>154 800</b>

## Budget Growth Trends

The programme spending over seven year period ending in 2018/19 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 Costs in 2015/16 financial year, and a drop of 3 per cent in 2016/17, and increased by 3 per cent and 6 per cent in the outer years respectively.

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

**Office of the MEC:** The peaking 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 R9.3 million to R10 million in outer years.

**Management Services:** There is an increase from R2.5 million in 2013/14 to R5 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 R1 million for the three outer years 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 which register a decline of 23 per cent in 2016/17.

**Financial Management (CFO's office):** The budget outcome for this sub-programme has been constant from 2012/13 to 2013/14 with the exception of the marginal increase of R11.6 million in 2015/16 due to the payment of the external audit costs 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. There is a decrease of R6 million in 2016/17, an increase of R1 million and R2 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, unfortunately due to the moratorium that was placed vacant funded posts were not filled. The CoE grows from R72 million in 2015/16 and it increased to R85 million in 2016/17, R90 million in 2017/18 and R95 million in 2018/19, which translates to 6 per cent and 5 per cent respectively.

**Goods and Services:** The spending is steady between 2013/14 and 2014/15. A sharp budget growth is shown in 2015/16 due to the additional once off allocation of R26 million in 2015/16 financial year for the appointment of Forensic Auditors.

On aggregate the budget growth fluctuates over the MTEF, in 2015/16 it grows by 59 per cent which amounts to R68 million in 2016/17 it declined to R50 million remain steady in 2017/18 it grows to R54 million in 2018/19.

**Transfers and Subsidies:** There is a decline of 48 per cent in 2015/16 is due to leave gratuities for retired officials, resignations and death that are not budgeted for.

**Capital Assets:** The significant growth in 2014/15 of 61 per cent is due to the planned purchase of pool vehicles, and an amount of R2.5 million has been spent. The item declines by R1 million in 2015/16 followed by a decline of 23 per cent in 2016/17 and 7 and 5 per cent in the two outer years of the MTEF respectively.

## **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 2012/13 to 2018/19.

**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		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1. Programme Support	811	2 280	2 336	16 791	1 991	1 978	5 030	5 435	5 750
2. Economic Analysis	–	2 909	4 879	5 220	5 490	5 490	6 408	6 687	7 575
3. Fiscal Policy	3 871	2 928	2 944	5 001	4 461	4 458	5 782	6 100	6 454
4. Budget Management	21 145	13 550	14 685	17 823	16 693	16 709	22 578	23 765	25 143
5. Public Finance	8 049	14 947	11 931	19 101	14 301	14 301	17 195	18 195	19 250
6. Municipal Finance	47 281	95 499	94 710	65 180	82 980	82 980	76 239	79 851	84 482
<b>Total payments and estimates</b>	<b>81 157</b>	<b>132 113</b>	<b>131 485</b>	<b>129 116</b>	<b>125 916</b>	<b>125 916</b>	<b>133 232</b>	<b>140 033</b>	<b>148 654</b>

**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		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>80 567</b>	<b>130 994</b>	<b>131 207</b>	<b>128 052</b>	<b>124 662</b>	<b>124 662</b>	<b>131 550</b>	<b>138 240</b>	<b>146 757</b>
Compensation of employees	26 118	39 085	44 691	84 567	52 832	52 832	93 853	98 976	104 859
Goods and services	54 449	91 909	86 516	43 485	71 830	71 830	37 697	39 264	41 898
Interest and rent on land	–	–	–	–	–	–	–	–	–
<b>Transfers and subsidies to:</b>	<b>82</b>	<b>–</b>	<b>71</b>	<b>–</b>	<b>290</b>	<b>290</b>	<b>–</b>	<b>–</b>	<b>–</b>
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	–	71	–	290	290	–	–	–
<b>Payments for capital assets</b>	<b>508</b>	<b>1 119</b>	<b>207</b>	<b>1 064</b>	<b>964</b>	<b>964</b>	<b>1 682</b>	<b>1 793</b>	<b>1 897</b>
Buildings and other fixed structures	–	–	–	–	–	–	–	–	–
Machinery and equipment	508	1 119	207	1 064	964	964	1 682	1 793	1 897
Heritage Assets	–	–	–	–	–	–	–	–	–
Specialised military assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Land and sub-soil assets	–	–	–	–	–	–	–	–	–
Software and other intangible assets	–	–	–	–	–	–	–	–	–
<b>Payments for financial assets</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total economic classification</b>	<b>81 157</b>	<b>132 113</b>	<b>131 485</b>	<b>129 116</b>	<b>125 916</b>	<b>125 916</b>	<b>133 232</b>	<b>140 033</b>	<b>148 654</b>

## 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. A decline in 2015/16 is due to the reduction of consultants in the MFMA sub-programme.

The projections for all sub-programmes except municipal finance increase at a rate below 8 per cent from 2014/15. Municipal Finance decline by R30 million in 2015/16 due to the reduction of consultants costs, decline by 8 per cent which amounts to R7 million in 2016/17, increases again by R8 million in the two outer years.

**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 especially in MFMA unit to improve the capacity challenge.

**Goods and Services:** The 2013/14 budget outcome exceeds that of 2012/13 as a result of additional funds received for Municipal Financial Management Improvement Programme (MFMIIP). The 2013/14 allocation was augmented through virements and additional funding of R22.2 million to address budgetary pressures relating to the MFMIIP capacity building. In 2015/16 there is a decrease of R15 million relating to the extended scope in MFMIIP and Programme Support. There is a decline of R34 million in 2016/17 and an increase by R3 million throughout the MTEF period.

**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 in 2012/13, due to the delays in procurement of office furniture and equipment. The budget growth is steady throughout the MTEF period which is associated with filling of posts for the programme.

### 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 2012/13 to 2018/19.

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		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1. Programme Support	1 078	724	2 839	2 127	2 007	2 117	2 220	2 369	2 506
2. Asset Management	3 008	5 981	11 684	10 312	9 812	9 812	10 974	11 523	12 191
3. Support And Interlinked Financial System	11 604	27 807	24 438	35 143	33 343	33 243	38 106	39 982	42 801
<b>Total payments and estimates</b>	<b>15 690</b>	<b>34 512</b>	<b>38 961</b>	<b>47 582</b>	<b>45 162</b>	<b>45 172</b>	<b>51 300</b>	<b>53 874</b>	<b>57 498</b>

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		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>15 206</b>	<b>33 604</b>	<b>38 008</b>	<b>47 012</b>	<b>44 583</b>	<b>44 113</b>	<b>50 755</b>	<b>53 042</b>	<b>56 618</b>
Compensation of employees	11 027	20 392	26 851	37 772	27 943	27 473	36 427	38 179	40 894
Goods and services	4 179	13 211	11 156	9 240	16 640	16 640	14 328	14 863	15 724
Interest and rent on land	-	1	1	-	-	-	-	-	-
<b>Transfers and subsidies to:</b>	<b>48</b>	<b>-</b>	<b>682</b>	<b>-</b>	<b>9</b>	<b>489</b>	<b>-</b>	<b>-</b>	<b>-</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	48	-	682	-	9	489	-	-	-
<b>Payments for capital assets</b>	<b>436</b>	<b>908</b>	<b>271</b>	<b>570</b>	<b>570</b>	<b>570</b>	<b>545</b>	<b>832</b>	<b>880</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	436	908	271	570	570	570	545	832	880
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total economic classification</b>	<b>15 690</b>	<b>34 512</b>	<b>38 961</b>	<b>47 582</b>	<b>45 162</b>	<b>45 172</b>	<b>51 300</b>	<b>53 874</b>	<b>57 498</b>

## 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 significant spending in 2014/15 is due to the payment of software license fee for the MFMA Asset register. The MTEF projections reflect an average steady growth from the 2015/16 baseline of R45 million and the increase of R6 million in 2016/17 is due to the payment of Invoice tracking software license, and R111 million in the two outer years respectively.

**Compensation of employees:** The spending over the seven year period reflects a steady increase from 2012/13 to 2013/14, 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 2012/13 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 R14 million in 2016/17, a steady growth over the MTEF period.

**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 but it was reprioritized to pay the software license fee for MFMA Asset Register under goods and services. The budget has increased to R570 thousands in 2015/16, and dropped to R545 and then increased to R2 million over the two outer years.

### 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 2012/13 to 2018/19.

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1. Programme Support	5 312	6 229	5 124	7 986	7 986	7 986	8 431	7 895	8 353
2. Accounting Services	18 176	82 113	88 353	71 916	69 516	69 516	84 490	89 804	89 729
3. Norms And Standards	26 358	1 686	1 222	1 495	1 345	1 345	1 642	1 733	1 834
4. Risk Management	–	1 908	2 736	4 113	3 383	3 383	3 476	3 667	3 880
5. Provincial Internal Audit	44 202	45 643	49 386	60 639	56 339	56 329	62 423	65 912	70 735
<b>Total payments and estimates</b>	<b>94 048</b>	<b>137 579</b>	<b>146 821</b>	<b>146 149</b>	<b>138 569</b>	<b>138 559</b>	<b>160 462</b>	<b>169 011</b>	<b>174 531</b>

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>93 027</b>	<b>135 668</b>	<b>145 622</b>	<b>144 542</b>	<b>136 807</b>	<b>136 797</b>	<b>158 485</b>	<b>166 925</b>	<b>172 325</b>
Compensation of employees	54 374	60 409	66 432	83 282	75 434	75 434	86 446	91 294	97 639
Goods and services	38 648	75 257	79 189	61 254	61 372	61 362	72 039	75 631	74 686
Interest and rent on land	5	2	1	6	1	1	–	–	–
<b>Transfers and subsidies to:</b>	<b>198</b>	<b>39</b>	<b>180</b>	<b>–</b>	<b>218</b>	<b>218</b>	<b>–</b>	<b>–</b>	<b>–</b>
Provinces and municipalities	–	–	–	–	–	–	–	–	–
Departmental agencies and accounts	–	–	–	–	–	–	–	–	–
Higher education institutions	–	–	–	–	–	–	–	–	–
Foreign governments and international organisations	–	–	–	–	–	–	–	–	–
Public corporations and private enterprises	–	–	–	–	–	–	–	–	–
Non-profit institutions	–	–	–	–	–	–	–	–	–
Households	198	39	180	–	218	218	–	–	–
<b>Payments for capital assets</b>	<b>811</b>	<b>1 872</b>	<b>1 019</b>	<b>1 607</b>	<b>1 544</b>	<b>1 544</b>	<b>1 977</b>	<b>2 086</b>	<b>2 206</b>
Buildings and other fixed structures	–	–	–	–	–	–	–	–	–
Machinery and equipment	811	1 872	1 019	1 607	1 544	1 544	1 977	2 086	2 206
Heritage Assets	–	–	–	–	–	–	–	–	–
Specialised military assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Land and sub-soil assets	–	–	–	–	–	–	–	–	–
Software and other intangible assets	–	–	–	–	–	–	–	–	–
<b>Payments for financial assets</b>	<b>12</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total economic classification</b>	<b>94 048</b>	<b>137 579</b>	<b>146 821</b>	<b>146 149</b>	<b>138 569</b>	<b>138 559</b>	<b>160 462</b>	<b>169 011</b>	<b>174 531</b>

## Budget Growth Trend

The programme registered a substantial growth in the 2012/13 budget outcome due to an increase in compensation of employees and associated goods and services items due to appointment of staff. MTEF indicates a constant growth in 2015/16 from R139 million in 2016/17 to R160 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 and the anticipated filling of vacant funded posts especially for provincial internal audit.

**Accounting Services:** The budget growth registered in this sub-programme in 2013/14 to 2014/15 is due to the payment for the Financial Management Training Phase 3, audit fees, provincial telephone costs and there was a rollover of R10 million for the training programme and provision for telephone costs. The registered budget growth of R6 million for the 2014/15 is due to the provisions for Provincial Turn around to clean audit. The budget goes down by R17 million in 2015/16, R27 million in 2016/17, and R58 million over the two outer years.

**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 a decrease in 2014/15 budget. Due to the moratorium that was placed in 2014/15 vacant posts could not be filled. In the MTEF the Sub-programme has budgeted R1.6 million, R1.7 million, and R1.8 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 R6 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 R18 million in 2015/16, and then goes up by R11 million in 2016/17 and R3 million throughout the MTEF period due to a reduction in consultant's fees and grows steadily over the MTEF years. There is a decline in Provincial Telephone Account of 25 per cent which amounts to R5 million from 2014/15 to 2015/16 and it remains steady over the MTEF period.

**Capital Assets:** The substantial budget outcome registered in 2013/14 and 2014/15 relates to the purchase of desktops and laptops including the systems for the programme and there placement of office equipment and furniture for the Training rooms.

### 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

## 9.2 Other programme information

### 9.2.1 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 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 2017	As at 31 March 2017
1. Administration	158	193	199	192	263	222	222
2. Sustainable Resource Management	83	87	96	102	175	175	175
3. Asset And Liabilities Management	46	71	82	80	106	78	78
4. Financial Governance	196	192	177	166	202	202	202
<b>Total provincial personnel numbers</b>	<b>483</b>	<b>543</b>	<b>554</b>	<b>540</b>	<b>746</b>	<b>677</b>	<b>677</b>
Total provincial personnel cost (R thousand)	131 214	175 343	204 876	227 691	302 047	317 993	338 600
Unit cost (R thousand)	272	323	370	422	405	470	500

1. Full-time equivalent

The Department has been on a major recruitment drive since 2012/13 and continued this trend in 2013/14 and it was anticipated that this exercise will be completed in 2014/15 unfortunately there was a moratorium place departmentally and provincially; however it is anticipated to complete the exercise in 2016/17 due to the provincial moratorium that is not yet lifted. For programme 3: Assets and Liabilities there will be a decrease in personnel in 2016/17 and throughout the MTEF period due to the contract workers that will be terminated by the end of May 2016/17 financial year. The increases in the MTEF period on expenditure relate mainly to annual increases in improvement in condition of services (ICS) and pay progressions.

### 9.2.2 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 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1. Administration	790	873	1 330	776	1 101	1 101	3 193	3 216	3 403
Subsistence and travel	201	195	251	375	242	242	958	965	1 021
Payments on tuition	589	678	1 079	401	859	859	2 235	2 251	2 382
Other	—	—	—	—	—	—	—	—	—
2. Sustainable Resource Management	135	257	603	1 021	286	286	1 752	1 917	2 028
Subsistence and travel	25	57	150	380	63	63	522	575	608
Payments on tuition	110	200	453	641	223	223	1 230	1 342	1 420
Other	—	—	—	—	—	—	—	—	—
3. Asset And Liabilities Management	201	104	515	701	415	415	716	633	664
Subsistence and travel	97	30	121	300	91	91	211	190	201
Payments on tuition	104	74	394	401	324	324	505	443	463
Other	—	—	—	—	—	—	—	—	—
4. Financial Governance	568	597	1 416	1 253	770	770	1 800	1 973	2 087
Subsistence and travel	143	180	288	450	170	170	540	592	626
Payments on tuition	425	417	1 128	803	600	600	1 260	1 381	1 461
Other	—	—	—	—	—	—	—	—	—
<b>Total payments on training</b>	<b>2 433</b>	<b>2 643</b>	<b>3 864</b>	<b>3 751</b>	<b>2 572</b>	<b>2 572</b>	<b>7 461</b>	<b>7 739</b>	<b>8 182</b>

Table 7.16 : Information on training: Finance

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Number of staff	69	31 609	81	46 978	46 978	46 978	84	54 153	73
Number of personnel trained	420	393	375	587	180	180	587	587	621
of which									
Male	203	163	135	285	47	47	285	285	302
Female	217	230	240	302	133	133	302	302	320
Number of training opportunities	420	296	413	365	373	373	337	337	357
of which									
Tertiary	5	–	19	10	18	18	37	37	39
Workshops	–	–	–	–	–	–	–	–	–
Seminars	15	27	–	–	–	–	–	–	–
Other	400	269	394	355	355	355	300	300	317
Number of bursaries offered	–	–	19	18	18	18	37	37	39
Number of interns appointed	53	64	43	50	53	53	56	60	60
Number of learnerships appointed	18	8	6	15	–	–	20	20	20
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 1<sup>st</sup> 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.

### 9.2.3 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 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Tax receipts</b>	-	-	-	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-	-	-	-
<b>Sales of goods and services other than capital assets</b>	9 109	160	208	420	420	420	300	315	333
Sale of goods and services produced by department (excluding capital assets)	9 109	160	208	420	420	420	300	315	333
Sales by market establishments	-	-	-	-	-	-	-	-	-
Administrative fees	188	141	143	370	370	370	200	210	222
Other sales	8 921	19	65	50	50	50	100	105	111
Of which									
Health patient fees	188	19	65	50	50	50	100	105	111
Other (Specify)	8 921	-	-	-	-	-	-	-	-
Other (Specify)	-	-	-	-	-	-	-	-	-
Other (Specify)	-	-	-	-	-	-	-	-	-
Sales of scrap, waste, arms and other used current goods (excluding capital assets)	-	-	-	-	-	-	-	-	-
<b>Transfers received from:</b>	-	-	540	-	-	-	-	-	-
Other governmental units	-	-	540	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments	-	-	-	-	-	-	-	-	-
International organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Households and non-profit institutions	-	-	-	-	-	-	-	-	-
<b>Fines, penalties and forfeits</b>	-	-	-	-	-	-	-	-	-
<b>Interest, dividends and rent on land</b>	179 657	172 742	123 994	111 319	86 319	86 319	124 587	129 864	134 255
Interest	179 487	172 742	123 749	111 319	86 319	86 319	124 587	129 864	134 255
Dividends	170	-	245	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
<b>Sales of capital assets</b>	40	9	3	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Other capital assets	40	9	3	-	-	-	-	-	-
<b>Transactions in financial assets and liabilities</b>	-	3 646	65	-	-	-	-	-	-
<b>Total departmental receipts</b>	188 806	176 557	124 810	111 739	86 739	86 739	124 887	130 179	134 588



## 2016/17 Estimates of Provincial Revenue and Expenditure

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

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15	2015/16	2015/16	2015/16	2016/17	2017/18	2018/19
<b>Current payments</b>	<b>257 889</b>	<b>384 199</b>	<b>409 925</b>	<b>476 288</b>	<b>445 656</b>	<b>445 105</b>	<b>476 093</b>	<b>497 859</b>	<b>524 452</b>
Compensation of employees	131 214	175 343	204 876	290 522	228 232	227 691	302 047	317 993	338 600
Salaries and wages	113 991	154 103	180 709	251 988	200 971	199 364	258 710	272 005	290 287
Social contributions	17 223	21 240	24 167	38 534	27 261	28 327	43 337	45 988	48 313
Goods and services	126 666	208 853	205 047	185 760	217 423	217 413	174 046	179 866	185 852
Administrative fees	1 061	1 004	1 315	1 485	1 470	1 470	1 322	1 394	1 475
Advertising	2 961	3 511	1 976	2 842	2 396	3 785	3 124	4 299	5 486
Assets less than the capitalisation threshold	528	1 923	1 338	1 683	1 056	1 301	1 296	1 305	1 313
Audit cost: External	7 371	8 859	7 346	10 086	38 163	38 163	11 426	10 480	11 359
Bursaries: Employees	—	—	—	—	400	400	1 100	1 100	1 164
Catering: Departmental activities	846	1 285	1 901	3 622	3 182	3 170	2 814	2 809	2 806
Communication (G&S)	19 266	18 628	21 450	19 962	17 531	17 478	17 536	17 580	17 626
Computer services	416	4 542	5 382	2 608	10 031	13 235	13 545	13 477	15 282
Consultants and professional services: Business and advisory services	48 162	122 084	108 162	60 623	89 239	85 989	55 736	60 749	58 470
Consultants and professional services: Infrastructure and planning	14	—	—	—	—	—	—	—	—
Consultants and professional services: Laboratory services	—	—	—	—	—	—	—	—	—
Consultants and professional services: Scientific and technological services	—	—	—	—	—	—	—	—	—
Consultants and professional services: Legal costs	8 934	1 490	6 358	27 923	1 423	623	2 680	2 801	2 933
Contractors	457	334	302	1 759	437	437	2 087	2 318	2 716
Agency and support / outsourced services	17	39	178	—	150	150	—	—	—
Entertainment	1	—	22	60	35	35	163	168	172
Fleet services (including government motor transport)	3 375	3 480	2 559	4 708	2 589	2 619	3 458	4 030	4 447
Housing	—	—	—	—	—	—	—	—	—
Inventory: Clothing material and accessories	—	—	—	—	—	—	—	—	—
Inventory: Farming supplies	—	—	—	—	—	—	—	—	—
Inventory: Food and food supplies	254	—	—	-1	—	—	—	—	—
Inventory: Fuel, oil and gas	—	—	—	—	—	—	—	—	—
Inventory: Learner and teacher support material	—	—	—	—	—	—	—	—	—
Inventory: Materials and supplies	48	—	—	—	—	—	—	—	—
Inventory: Medical supplies	—	—	—	—	—	—	—	—	—
Inventory: Medicine	100	—	—	—	—	—	—	—	—
Medsas inventory interface	—	—	—	—	—	—	—	—	—
Inventory: Other supplies	185	—	—	—	—	—	52	54	57
Consumable supplies	11	1 399	1 392	1 773	1 440	1 428	3 400	3 437	3 378
Consumable: Stationery, printing and office supplies	3 536	5 934	6 731	9 153	9 122	9 129	8 728	8 787	8 882
Operating leases	6 066	6 166	6 613	7 123	8 730	8 730	10 644	10 805	11 586
Property payments	554	615	1 411	2 403	3 523	3 533	2 445	860	804
Transport provided: Departmental activity	6	58	108	117	157	157	123	130	138
Travel and subsistence	8 574	8 298	8 223	15 131	14 195	13 575	13 375	13 417	13 525
Training and development	9 572	15 670	19 198	6 968	7 176	7 176	13 284	13 840	16 004
Operating payments	3 057	1 863	747	3 537	2 110	2 070	3 490	3 883	4 059
Venues and facilities	1 267	1 671	2 319	2 166	2 415	2 307	2 187	2 111	2 136
Rental and hiring	27	—	16	29	453	453	31	32	34
Interest and rent on land	9	3	2	6	1	1	—	—	—
Interest	9	3	2	6	1	1	—	—	—
Rent on land	—	—	—	—	—	—	—	—	—
<b>Transfers and subsidies</b>	<b>501</b>	<b>594</b>	<b>3 025</b>	<b>1 083</b>	<b>1 878</b>	<b>2 429</b>	<b>1 170</b>	<b>1 229</b>	<b>1 300</b>
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	501	594	3 025	1 083	1 878	2 429	1 170	1 229	1 300
Social benefits	198	39	1 179	1 083	1 424	866	1 170	1 229	1 300
Other transfers to households	303	555	1 846	—	454	1 563	—	—	—
<b>Payments for capital assets</b>	<b>2 833</b>	<b>6 392</b>	<b>8 124</b>	<b>8 631</b>	<b>8 468</b>	<b>8 468</b>	<b>8 380</b>	<b>9 199</b>	<b>9 731</b>
Buildings and other fixed structures	—	—	213	—	—	—	—	—	—
Buildings	—	—	213	—	—	—	—	—	—
Other fixed structures	—	—	—	—	—	—	—	—	—
Machinery and equipment	2 833	6 392	7 911	8 631	8 468	8 468	8 380	9 199	9 731
Transport equipment	—	—	2 566	—	—	—	—	—	—
Other machinery and equipment	2 833	6 392	5 345	8 631	8 468	8 468	8 380	9 199	9 731
Heritage Assets	—	—	—	—	—	—	—	—	—
Specialised military assets	—	—	—	—	—	—	—	—	—
Biological assets	—	—	—	—	—	—	—	—	—
Land and sub-soil assets	—	—	—	—	—	—	—	—	—
Software and other intangible assets	—	—	—	—	—	—	—	—	—
<b>Payments for financial assets</b>	<b>12</b>	<b>—</b>	<b>11</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Total economic classification</b>	<b>261 235</b>	<b>391 185</b>	<b>421 085</b>	<b>486 002</b>	<b>456 002</b>	<b>456 002</b>	<b>485 643</b>	<b>508 287</b>	<b>535 483</b>

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

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15	2015/16	2015/16	2015/16	2016/17	2017/18	2018/19
<b>Current payments</b>	<b>69 089</b>	<b>83 933</b>	<b>95 088</b>	<b>156 682</b>	<b>139 604</b>	<b>139 533</b>	<b>135 303</b>	<b>139 652</b>	<b>148 752</b>
Compensation of employees	39 695	55 457	66 902	84 901	72 023	71 952	85 321	89 544	95 208
Salaries and wages	34 369	48 338	58 439	74 176	62 752	62 685	73 578	77 154	82 099
Social contributions	5 326	7 119	8 463	10 725	9 271	9 267	11 743	12 390	13 109
Goods and services	29 390	28 476	28 186	71 781	67 581	67 581	49 982	50 108	53 544
Administrative fees	-	-	-	-	-	-	-	-	-
Advertising	2 091	3 381	1 808	2 591	1 695	2 984	2 789	3 945	5 111
Assets less than the capitalisation threshold	105	854	379	749	458	529	523	528	532
Audit cost: External	4 455	4 310	4 290	5 430	34 430	34 430	5 718	5 321	5 770
Bursaries: Employees	-	-	-	-	400	400	1 100	1 100	1 164
Catering: Departmental activities	514	648	911	2 107	1 402	1 352	1 358	1 342	1 340
Communication (G&S)	613	813	967	1 573	1 186	1 197	1 203	1 193	1 195
Computer services	-	148	384	1 000	2 140	2 140	2 682	2 755	3 380
Consultants and professional services: Business and advisory services	794	670	100	2 002	85	85	2 508	2 534	2 218
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	8 250	1 490	3 733	27 923	1 423	623	2 680	2 801	2 933
Contractors	270	270	288	1 577	321	321	1 761	1 878	2 275
Agency and support / outsourced services	11	39	164	-	150	150	-	-	-
Entertainment	1	-	22	60	35	35	163	168	172
Fleet services (including government motor transport)	3 375	3 480	2 559	4 708	2 589	2 619	3 458	4 030	4 447
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	99	-	-	-1	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	23	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	100	-	-	-	-	-	-	-	-
Medias inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	173	-	-	-	-	-	-	-	-
Consumable supplies	-	1 039	907	1 268	952	939	2 326	2 344	2 202
Consumable: Stationery, printing and office supplies	1 211	2 165	2 366	3 930	4 283	4 000	4 030	4 051	4 060
Operating leases	557	581	695	927	734	734	1 877	1 462	1 429
Property payments	11	3	567	1 600	2 648	2 658	1 925	311	223
Transport provided: Departmental activity	6	58	108	117	157	157	123	130	138
Travel and subsistence	2 904	2 720	2 889	6 969	5 467	5 242	5 271	5 287	5 303
Training and development	2 433	3 556	3 560	3 751	3 898	3 898	5 050	5 317	5 868
Operating payments	923	1 510	610	2 783	1 810	1 770	2 531	2 698	2 854
Venues and facilities	444	741	863	688	868	868	875	881	896
Rental and hiring	27	-	16	29	450	450	31	32	34
Interest and rent on land	4	-	-	-	-	-	-	-	-
Interest	4	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>173</b>	<b>555</b>	<b>2 092</b>	<b>1 083</b>	<b>1 361</b>	<b>1 432</b>	<b>1 170</b>	<b>1 229</b>	<b>1 300</b>
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	173	555	2 092	1 083	1 361	1 432	1 170	1 229	1 300
Social benefits	-	-	999	1 083	1 197	349	1 170	1 229	1 300
Other transfers to households	173	555	1 093	-	164	1 083	-	-	-
<b>Payments for capital assets</b>	<b>1 078</b>	<b>2 493</b>	<b>6 627</b>	<b>5 390</b>	<b>5 390</b>	<b>5 390</b>	<b>4 176</b>	<b>4 488</b>	<b>4 748</b>
Buildings and other fixed structures	-	-	213	-	-	-	-	-	-
Buildings	-	-	213	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	1 078	2 493	6 414	5 390	5 390	5 390	4 176	4 488	4 748
Transport equipment	-	-	2 566	-	-	-	-	-	-
Other machinery and equipment	1 078	2 493	3 848	5 390	5 390	5 390	4 176	4 488	4 748
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>11</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total economic classification</b>	<b>70 340</b>	<b>86 981</b>	<b>103 818</b>	<b>163 155</b>	<b>146 355</b>	<b>146 355</b>	<b>140 649</b>	<b>145 369</b>	<b>154 800</b>

## 2016/17 Estimates of Provincial Revenue and Expenditure

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

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15	2015/16	2015/16	2015/16	2016/17	2017/18	2018/19
<b>Current payments</b>	<b>80 567</b>	<b>130 994</b>	<b>131 207</b>	<b>128 052</b>	<b>124 662</b>	<b>124 662</b>	<b>131 550</b>	<b>138 240</b>	<b>146 757</b>
Compensation of employees	26 118	39 085	44 691	84 567	52 832	52 832	93 853	98 976	104 859
Salaries and wages	22 885	34 558	39 667	72 194	46 660	46 690	79 372	83 428	88 753
Social contributions	3 233	4 527	5 024	12 373	6 172	6 142	14 481	15 548	16 106
Goods and services	54 449	91 909	86 516	43 485	71 830	71 830	37 697	39 264	41 898
Administrative fees	-	-	-	-	-	-	-	-	-
Advertising	-	-	-	-	-	-	-	-	-
Assets less than the capitalisation threshold	115	189	131	292	156	200	201	201	202
Audit cost: External	-	471	421	555	-	-	1 403	1 618	1 843
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	150	248	187	476	416	412	416	419	419
Communication (G&S)	7 808	4 871	337	637	495	441	444	447	452
Computer services	-	-	106	106	410	3 414	4 520	4 462	5 252
Consultants and professional services: Business and advisory services	41 636	80 936	80 299	34 807	64 419	61 419	21 038	22 130	23 493
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	-	-	-	-	-	-	-	-	-
Contractors	22	46	-	-	14	14	130	234	223
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	51	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	5	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	4	-	-	-	-	-	-	-	-
Consumable supplies	-	111	145	215	185	181	885	885	958
Consumable: Stationery, printing and office supplies	1 267	1 798	1 882	2 191	2 075	1 956	1 973	1 992	2 015
Operating leases	97	209	161	206	256	256	585	653	745
Property payments	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	2 040	2 467	2 533	3 223	3 016	3 149	3 183	3 194	3 235
Training and development	64	48	-	-	100	100	1 877	1 767	1 787
Operating payments	799	142	-	492	28	28	781	998	1 008
Venues and facilities	391	373	314	285	260	260	261	264	266
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>82</b>	<b>-</b>	<b>71</b>	<b>-</b>	<b>290</b>	<b>290</b>	<b>-</b>	<b>-</b>	<b>-</b>
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	-	71	-	290	290	-	-	-
Social benefits	-	-	-	-	-	290	-	-	-
Other transfers to households	82	-	71	-	290	-	-	-	-
<b>Payments for capital assets</b>	<b>508</b>	<b>1 119</b>	<b>207</b>	<b>1 064</b>	<b>964</b>	<b>964</b>	<b>1 682</b>	<b>1 793</b>	<b>1 897</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	508	1 119	207	1 064	964	964	1 682	1 793	1 897
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	508	1 119	207	1 064	964	964	1 682	1 793	1 897
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total economic classification</b>	<b>81 157</b>	<b>132 113</b>	<b>131 485</b>	<b>129 116</b>	<b>125 916</b>	<b>125 916</b>	<b>133 232</b>	<b>140 033</b>	<b>148 654</b>

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		
	2012/13	2013/14	2014/15	2015/16	2015/16	2015/16	2016/17	2017/18	2018/19
<b>Current payments</b>	<b>15 206</b>	<b>33 604</b>	<b>38 008</b>	<b>47 012</b>	<b>44 583</b>	<b>44 113</b>	<b>50 755</b>	<b>53 042</b>	<b>56 618</b>
Compensation of employees	11 027	20 392	26 851	37 772	27 943	27 473	36 427	38 179	40 894
Salaries and wages	9 615	18 476	24 403	33 509	25 238	24 768	31 339	32 811	35 214
Social contributions	1 412	1 916	2 448	4 263	2 705	2 705	5 088	5 368	5 680
Goods and services	4 179	13 211	11 156	9 240	16 640	16 640	14 328	14 863	15 724
Administrative fees	-	-	-	15	-	-	-	-	-
Advertising	492	130	168	251	701	801	335	354	375
Assets less than the capitalisation threshold	137	609	221	213	70	70	70	70	70
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	83	315	321	317	592	581	298	303	302
Communication (G&S)	115	3 844	172	349	360	360	361	364	367
Computer services	-	1 596	3 968	634	6 173	5 973	5 137	5 095	5 418
Consultants and professional services: Business and advisory services	651	864	59	1 584	834	834	1 475	1 767	1 735
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	-	-	-	-	-	-	-	-	-
Contractors	20	4	6	-	20	20	-	-	-
Agency and support / outsourced services	-	-	14	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including government motor transport)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	19	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	6	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medias inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	8	-	-	-	-	-	-	-	-
Consumable supplies	-	32	68	54	28	33	65	75	79
Consumable: Stationery, printing and office supplies	201	815	734	671	807	946	483	488	495
Operating leases	747	2 192	2 754	2 733	3 063	3 063	3 802	4 120	4 577
Property payments	139	279	439	396	418	418	-	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	574	1 201	1 082	1 075	1 479	1 501	1 206	1 206	1 226
Training and development	874	1 291	1 028	767	1 767	1 767	936	948	1 005
Operating payments	90	25	12	22	22	22	41	43	45
Venues and facilities	23	14	110	159	303	248	119	30	30
Rental and hiring	-	-	-	-	3	3	-	-	-
Interest and rent on land	-	1	1	-	-	-	-	-	-
Interest	-	1	1	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>48</b>	<b>-</b>	<b>682</b>	<b>-</b>	<b>9</b>	<b>489</b>	<b>-</b>	<b>-</b>	<b>-</b>
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	48	-	682	-	9	489	-	-	-
Social benefits	-	-	-	-	9	9	-	-	-
Other transfers to households	48	-	682	-	-	480	-	-	-
<b>Payments for capital assets</b>	<b>436</b>	<b>908</b>	<b>271</b>	<b>570</b>	<b>570</b>	<b>570</b>	<b>545</b>	<b>832</b>	<b>880</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	436	908	271	570	570	570	545	832	880
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	436	908	271	570	570	570	545	832	880
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total economic classification</b>	<b>15 690</b>	<b>34 512</b>	<b>38 961</b>	<b>47 582</b>	<b>45 162</b>	<b>45 172</b>	<b>51 300</b>	<b>53 874</b>	<b>57 498</b>

# 2016/17 Estimates of Provincial Revenue and Expenditure

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

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15	2015/16	2015/16	2015/16	2016/17	2017/18	2018/19
<b>Current payments</b>	<b>93 027</b>	<b>135 668</b>	<b>145 622</b>	<b>144 542</b>	<b>136 807</b>	<b>136 797</b>	<b>158 485</b>	<b>166 925</b>	<b>172 325</b>
Compensation of employees	54 374	60 409	66 432	83 282	75 434	75 434	86 446	91 294	97 639
Salaries and wages	47 122	52 731	58 200	72 109	66 321	65 221	74 421	78 612	84 221
Social contributions	7 252	7 678	8 232	11 173	9 113	10 213	12 025	12 682	13 418
Goods and services	38 648	75 257	79 189	61 254	61 372	61 362	72 039	75 631	74 686
Administrative fees	1 061	1 004	1 315	1 470	1 470	1 470	1 322	1 394	1 475
Advertising	378	—	—	—	—	—	—	—	—
Assets less than the capitalisation threshold	171	271	607	429	372	502	502	506	509
Audit cost: External	2 916	4 078	2 635	4 101	3 733	3 733	4 305	3 541	3 746
Bursaries: Employees	—	—	—	—	—	—	—	—	—
Catering: Departmental activities	99	74	482	722	772	825	742	745	745
Communication (G&S)	10 730	9 100	19 974	17 403	15 490	15 480	15 528	15 576	15 612
Computer services	416	2 798	924	868	1 308	1 708	1 206	1 165	1 232
Consultants and professional services: Business and advisory services	5 081	39 614	27 704	22 230	23 901	23 651	30 715	34 318	31 024
Consultants and professional services: Infrastructure and planning	14	—	—	—	—	—	—	—	—
Consultants and professional services: Laboratory services	—	—	—	—	—	—	—	—	—
Consultants and professional services: Scientific and technological services	—	—	—	—	—	—	—	—	—
Consultants and professional services: Legal costs	684	—	2 625	—	—	—	—	—	—
Contractors	145	14	8	182	82	82	196	206	218
Agency and support / outsourced services	6	—	—	—	—	—	—	—	—
Entertainment	—	—	—	—	—	—	—	—	—
Fleet services (including government motor transport)	—	—	—	—	—	—	—	—	—
Housing	—	—	—	—	—	—	—	—	—
Inventory: Clothing material and accessories	—	—	—	—	—	—	—	—	—
Inventory: Farming supplies	—	—	—	—	—	—	—	—	—
Inventory: Food and food supplies	85	—	—	—	—	—	—	—	—
Inventory: Fuel, oil and gas	—	—	—	—	—	—	—	—	—
Inventory: Learner and teacher support material	—	—	—	—	—	—	—	—	—
Inventory: Materials and supplies	14	—	—	—	—	—	—	—	—
Inventory: Medical supplies	—	—	—	—	—	—	—	—	—
Inventory: Medicine	—	—	—	—	—	—	—	—	—
Medicines inventory interface	—	—	—	—	—	—	—	—	—
Inventory: Other supplies	—	—	—	—	—	—	52	54	57
Consumable supplies	11	217	272	236	275	275	124	133	139
Consumable: Stationery, printing and office supplies	857	1 156	1 749	2 361	1 957	2 227	2 242	2 256	2 312
Operating leases	4 665	3 184	3 003	3 257	4 677	4 677	4 380	4 570	4 835
Property payments	404	333	405	407	457	457	520	549	581
Transport provided: Departmental activity	—	—	—	—	—	—	—	—	—
Travel and subsistence	3 056	1 910	1 719	3 864	4 233	3 683	3 715	3 730	3 761
Training and development	6 201	10 775	14 610	2 450	1 411	1 411	5 421	5 808	7 344
Operating payments	1 245	186	125	240	250	250	137	144	152
Venues and facilities	409	543	1 032	1 034	984	931	932	936	944
Rental and hiring	—	—	—	—	—	—	—	—	—
Interest and rent on land	5	2	1	6	1	1	—	—	—
Interest	5	2	1	6	1	1	—	—	—
Rent on land	—	—	—	—	—	—	—	—	—
<b>Transfers and subsidies</b>	<b>198</b>	<b>39</b>	<b>180</b>	<b>—</b>	<b>218</b>	<b>218</b>	<b>—</b>	<b>—</b>	<b>—</b>
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	198	39	180	—	218	218	—	—	—
Social benefits	198	39	180	—	218	218	—	—	—
Other transfers to households	—	—	—	—	—	—	—	—	—
<b>Payments for capital assets</b>	<b>811</b>	<b>1 872</b>	<b>1 019</b>	<b>1 607</b>	<b>1 544</b>	<b>1 544</b>	<b>1 977</b>	<b>2 086</b>	<b>2 206</b>
Buildings and other fixed structures	—	—	—	—	—	—	—	—	—
Buildings	—	—	—	—	—	—	—	—	—
Other fixed structures	—	—	—	—	—	—	—	—	—
Machinery and equipment	811	1 872	1 019	1 607	1 544	1 544	1 977	2 086	2 206
Transport equipment	—	—	—	—	—	—	—	—	—
Other machinery and equipment	811	1 872	1 019	1 607	1 544	1 544	1 977	2 086	2 206
Heritage Assets	—	—	—	—	—	—	—	—	—
Specialised military assets	—	—	—	—	—	—	—	—	—
Biological assets	—	—	—	—	—	—	—	—	—
Land and sub-soil assets	—	—	—	—	—	—	—	—	—
Software and other intangible assets	—	—	—	—	—	—	—	—	—
<b>Payments for financial assets</b>	<b>12</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Total economic classification</b>	<b>94 048</b>	<b>137 579</b>	<b>146 821</b>	<b>146 149</b>	<b>138 569</b>	<b>138 559</b>	<b>160 462</b>	<b>169 011</b>	<b>174 531</b>

