

VOTE 07

**Department of
FINANCE**

Department of Finance	Vote 07
To be appropriated by Vote in 2017/18	R 486 299 000
Direct Charge	Not Applicable
Responsible MEC	MEC for Finance, Economy and Enterprise Development
Administering Department	Department of Finance
Accounting Officer	Superintendent General for 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.

Values

The following values, which are derived from the constitution, underpin activities of the Department of Finance.

- Fairness
- Equity
- Accessibility
- Transparency
- Accountability
- Participation
- Professionalism

Strategic Objectives

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

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

- To sustain favourable audit opinion for the next five years;

- To advise and support departments and public entities on budget planning and fiscal matters;
- To provide support to municipalities in order for them to comply with MFMA;
- To provide support to departments and public entities in order for them to comply with PFMA and applicable Treasury Regulations on asset management in the next five years;
- To support and monitor Departments and Public Entities in order to comply with supply chain management prescripts in the next five years; and
- To provide support to Provincial Departments and Public Entities in order to comply with PFMA.

Core Functions

The core functions of the department include the following;

- Co-ordination, monitoring and oversight of Annual MTEF and adjustment budgets;
- Province-wide cash management and monitor asset management implementation in provincial departments;
- Provide oversight and support on provincial departments and public entities Risk management;
- Provide 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 and monitoring on procurement legislation, 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 2016;
- 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 the 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.
- 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 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.

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 current financial year (2016/17)

This section provides a review of 2016/17 financial year, outlining the main achievements and progress made by the department, as well as providing a brief discussion on challenges and new developments.

General

The Auditor-General concluded its regulatory audit for the year ended 31 March 2016 and the Department maintained its clean audit status for the third year in a row.

Sustainable Resource Management

The unit continued to monitor the spending of provincial departments through the various reporting mechanisms, including the monthly IYM (In Year Monitoring), and has taken steps to ensure that provincial spending remains within the budget and within the National Treasury Cost Containment policies. This was strengthened through the MTEC hearings and further bilateral conducted with all provincial departments.

The unit coordinated the preparation of the Estimates of Provincial Revenue and Expenditure for 2017/18 and the Adjustment Estimates of Provincial Revenue and Expenditure for 2016/17.

Support and monitoring for Public Entities was enhanced through the implementation of Budget Database and IYM reporting model. Successfully completed the Database statistics related to Public Entities budget allocation.

The Provincial Budget unit managed to reduce the percentage share of compensation of employees in the Provincial budget from 58 per cent to 56 per cent.

The department managed to develop and implement the VTSD reporting model with an overall reported improvement in Provincial VTSD spending to R2.549 billion which equates to approximately 55 per cent of procurable VTSD items as at 31st December 2016. The target for the financial year ending 31 March 2017 is 70 per cent.

The co-management functions entered into with Departments of Education & Sports Development, Public Works and Roads, and Health was strengthened and all accruals of 2015/16 financial year were cleared relating to Education & Sports Development and Public Works & Roads.

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.

Provincial Revenue Maximization: Implementation of Provincial Revenue Enhancement Strategy yielded an overall improved revenue collection compared to the previous year.

Infrastructure Co-ordination: The programme supported the provincial departments to sustainably implement the Infrastructure Delivery Management System (IDMS) through the continuous training, support and monitoring structures put in place.

National Treasury also issued the Standard for Infrastructure Procurement and Delivery Management (SIPDM) in order to improve project outcomes. National and Provincial workshops were conducted to improve the understanding of SIPDM. Implementation of SIPDM is in a phased-in approach over the next 3 years and the unit plays a support and monitoring role to ensure affected departments are able to implement.

Training sessions were conducted to improve the understanding of IDMS Toolkit best practises by provincial departments within the North West.

Municipal Finance Management (MFM): The department, together with National Treasury (NT) embarked on the process to implement the new standard chart of accounts (mSCOA) in municipalities in the province.

The unit assisted NT by doing analysis of current municipality systems (due diligence exercise) in order to assess its readiness. NT has appointed a service provider through a transversal contract to implement the mSCOA. Implementation is planned for 1 July 2017.

The unit conducted roadshows per district to resuscitate or establish Risk Management and Internal Audit services at a District Shared Services level which was adopted by all municipalities.

Whilst the Department is in the process of implementing measures to enhance capacity as the current structure does not allow the MFM unit to effectively execute its monitoring and support role to the municipalities, additional technical advisors were deployed during the year to municipalities to provide much needed financial management support, inclusive of skills transfer. In total, there are 24 technical

advisors (municipal experts) of which 9 operate at the shared services centres whilst 15 are deployed full-time at municipalities.

Further key achievements for MFM unit include the following:

- Conducted inductions for newly elected Councillors
- Achieved unqualified audit opinion on GRAP 17 Assets registers of 9 municipalities supported
- Provided intensive support on preparation of AFS to the following municipalities:
 - Tswaing Local Municipality (Improved Audit Outcome)
 - Ditsobotla Local Municipality (Improved Audit Outcome)
 - Kgetleng Local Municipality (Improved Audit Outcome)
 - Ngaka Modiri Molema District Municipality

Intervened and facilitated payments of debt owed by government departments to municipalities, which assisted municipalities in paying Eskom and consequently averting power supply interruptions.

- Achieved 100 per cent submission of 30 June 2016 Financial Statements by municipalities
- Temporary secondment of resources at following municipalities:
 - Mahikeng Local Municipality – CFO
 - Ramotshere-Moiloa Local Municipality – CFO
 - Rustenburg Local Municipality – CFO & MM
 - Ngaka Modiri Molema District Municipality – CFO
 - Maquassi Hills Local Municipality - CFO

Assets and Liabilities Management

Provincial Supply Chain Management (SCM): The new NT SCM reforms were rolled out and the unit provided various accredited training sessions to continue professionalizing SCM in the province.

This also led to the development and approval of the Provincial SCM Guideline No.1 of 2016/17: Blueprint Supply Chain Management System which is to be institutionalized by Provincial Departments by 1st April 2017. SCM Circulars were issued to provincial departments to guide on VTSD procurement with the aim of achieving the 70 per cent target by year-end 31 March 2017.

The Central Supplier Database (CSD) drive to register suppliers per region, with specific focus on VTSD areas, continued throughout the year in order to expand the pool of suppliers within the province. As part of the Setsokotsane Programme, several SMME workshops were conducted regarding CSD, E-Portal and payment of suppliers within 30 days. The Provincial SCM offices also served as a walk-in centre for suppliers to register on CSD. Live implementation of CSD was on 1st July 2016 as per the National Treasury (NT) directive. Challenges were experienced with the CSD

drive as suppliers were not always willing to register, the system was not always working properly and significant delays experienced in the on-line bank verification facility. The issues have been communicated to the NT. The unit also continued to monitor and report on payments to service providers within 30 days as per the National Treasury Instruction Note. The Invoice Tracking System was successfully piloted at the Department of Finance and is being rolled out to all provincial departments for implementation.

Asset Management: Monitoring compliance with Asset Management was done through the following mechanisms: Review of audit action plans to reduce the number of capital asset findings in the province. Reviews were conducted on disposal of redundant and obsolete provincial assets, the review of loss control committees and Provincial Loss Control policy was introduced. Physical Verification system was rolled out in the Departments and will address issues of standardization, consistency and accuracy of asset registers. Provincial Asset Management also extended assistance to public entities and close monitoring is being done to improve audit outcomes in this regard.

Financial Governance

All public entities were allocated hands-on support as well as 5 departments identified with specific needs. This was over and above the AFS preparation workshops, capacity building interventions, financial systems support as well as audit support provided. CFO Forums were held throughout the year in order to share best practices and seek solutions to common challenges. Electronic monitoring tool was developed and implemented to monitor the progress on implementation of Post Audit Action Plan. The Provincial Advisory Committee was formed in response to concerns raised by the Provincial Public Accounts Committee (PPAC) in conjunction with the North West Provincial Auditor General and the Provincial Executive Council (EXCO) for dealing with irregular and fruitless expenditure items in the departments and public entities. The purpose of the Committee is to guide Departments and Public Entities through a systematic process of condoning sufficiently/reasonable and justifiable irregular and fruitless expenditure cases at a Provincial level.

The unit co-ordinated, guided and assisted all affected departments with submission of unauthorized expenditure for condonement to the Provincial legislature with the value of R280 million related to financial year 2015/16. The Draft Finance bill was submitted for consideration.

The audit of the Annual Financial Statements for 31 March 2016 ended on 31 July 2016 and the audit outcomes for Departments and Public Entities were as follows:

- 2 Departments received clean audits; 6 unqualified and 5 qualified
- 1 Entity received a clean audit, 7 unqualified, 4 qualified and 7 disclaimers.

The outcomes for Departments indicate an improvement in that one more department received a clean audit and a regression in the five (5) departments that were qualified as compared to the

previous year. The outcomes for Public Entities on the other hand reflect an improvement for the one entity that received a clean audit and a regression in the seven (7) disclaimers.

Provincial Internal Audit: During the year under review the Internal Audit issued various advisories and assurance reports to departments, including the drafting of a comprehensive audit file guideline that would ensure combined assurance and substantiation of every AFS item. All AFS (11 departments) and pre-determined objective reports (where submitted) were reviewed timely and feedback reports provided to departments despite enormous time and workload pressure to ensure improvement in submissions to the AG.

The Cluster Audit Committees continued to meet with departments throughout the year and reviewed documentation submitted, emphasizing on the urgency to implement both internal audit and AG action plans, and subsequently issued reports to HoD's as well as certificates of review to the Auditor General.

Provincial Risk Management: The unit held Provincial Risk Management Forums and also extended it to the Municipalities for peer to peer learning and information sharing with the aim of improving Risk Management in the province.

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 developed a VTSD action plan and has improved its spending to 31st December 2016, standing at 37 per cent. Mechanisms are being put in place to increase spending in the last quarter on VTSD items/ suppliers to strive towards the 70 per cent target.

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.

The Department also provides a build-up contribution towards World Aids Day and other commemorations and provides assistance of resources towards Care Givers and NGO's.

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 CSD supplier registration.

Saamtrek, Saamwerk Philosophy

The Department works hand in glove with provincial departments, public entities and municipalities to improve financial management. The Department also plays a developmental role by committing funds to bursaries for the underprivileged, and monthly stipends for interns and learners.

3. Outlook for the coming financial year (2017/18)

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 National Treasury updated 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 2018/19 and the Adjustment Estimates of Provincial Revenue and Expenditure for 2017/18. 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 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. The co-management functions entered into with Departments of Education & Sports Development, Public Works and Roads and Health will continue in order to improve budget spending and overall financial management in these critical service delivery departments which will be reported on quarterly basis. Reporting and monitoring on provincial VTSD expenditure will continue as the province strives towards 80 per cent target for 2017/18.

Furthermore, Department of Finance 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: Monitoring of the Revenue Enhancement Strategy will be entrenched with the view to maximize the Provincial Revenue Envelope. The focus will be on establishing new revenue sources to supplement the existing ones.

Infrastructure Co-ordination: The Infrastructure Development Improvement Programme (IDIP) will be extended to municipalities. The IDIP is already in the process of implementation by provincial departments. The goal of IDIP 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) through regular monitoring, technical support and capacity building interventions.

Over the next few years, the 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.

The sustainability of the IDMS will be enhanced through the implementation of the new Infrastructure Progression Model (IPM) at provincial departments. North West has been identified as a pilot site to drive the implementation and the unit will be playing a pivotal role in this key activity.

The phased-in approach of the Standard for Infrastructure Procurement and Delivery Management (SIPDM) which began in 2016/17 will continue in 2017/18 and will be closely monitored and training/capacity building interventions provided.

Municipal Financial Management (MFM): The unit undertook a review of all 22 supported municipalities, classified them according to the state of their financial affairs, developed a turnaround strategy for key intervention areas, and presented the municipal remedial/ intervention strategy to EXCO with the aim of improving audit outcomes, financial management and capacity building in municipalities. EXCO adopted the strategy. The resources to drive the action/improvement plans will be a combination of municipality officials, MFM unit officials, technical advisors, consultants and Department of Local Government and Human Settlements.

The drive to implement the mSCOA by 1 July 2017 will continue and the following is planned:

- Technical advisors (municipal experts) to capacitate the municipality with the implementation of mSCOA;
- Procuring a uniform financial system; and
- Retain the NT advisor to capacitate MFM and municipal officials.

Contract Management and Unauthorised, Irregular, Fruitless & Wasteful expenditure, Asset Management and Audit Outcomes: Consultants to be appointed to provide much needed support in these key intervention areas.

Revenue Management: The revenue enhancement tender will be finalized in the last quarter of 2016/17 and a panel of service providers will assist municipalities with, amongst others, the following revenue management initiatives during 2017/18:

- Revenue protection
- Revenue enhancement
- Revenue maximization
- Exploring new revenue sources

Creditors Management: Eskom, Water Boards and Auditor-General accounts will be closely monitored on a monthly basis to avert any crisis which occurred in 2016/17.

Assets and Liabilities Management

Provincial Supply Chain Management: Implementation and Monitoring of new NT SCM reforms are expected to continue whilst also providing monitoring, assistance and support to provincial departments with the Provincial SCM Guideline No.1 of 2016/17: Blueprint Supply Chain Management System which is to be institutionalized by Provincial Departments by 1 April 2017. The professionalization and capacity building of SCM will continue through accredited training sessions aimed at strengthening SCM compliance in the province. The Provincial SCM will also expand its services to municipalities to address issues of SCM compliance and capacity development. Focus also will be given to strengthening the organizational structure in the unit in order to support provincial departments and public entities with highly skilled staff to address the SCM compliance challenges faced by provincial departments and public entities. Supplier training is also earmarked on pricing and invoicing as well as outreach programmes to be conducted in communities with a view to capacitating and expanding the supplier database. The office will continue its support to register suppliers on the CSD. The unit will continue to monitor and report on compliance with 30 day payments in line with National Treasury instruction Note. In this regard, the rollout and implementation of the Provincial Invoice Tracking System will assist departments to identify captured invoices not yet paid and take necessary steps to ensure payment within the stipulated timeframe. The automation of the procurement processes within provincial departments is planned to commence in 2017/18 with the assistance of Provincial IT of Office of the Premier whilst an electronic contract management system will also be developed which will directly contribute to efficiencies and alleviate audit queries.

Asset Management: During the 2017/18 financial year, impetus will be put on monitoring compliance with Asset Management through the following mechanisms: Emphasis will be placed on maintaining reliable asset registers through the Provincial Asset Management system, AFS Disclosures will be reviewed with special focus on public entities and audit action plans to reduce the number of capital asset findings in the province.

Reviews will also be conducted on regular disposal of redundant and obsolete provincial assets, and monitoring compliance with prescripts and Provincial Asset Management policies. Ongoing reviews will be conducted on the state of the provincial cash affairs which shall be closely monitored and reported upon.

Financial Governance

The aim of this programme is to facilitate the implementation of financial management in Provincial Departments and Public Entities to ensure improved audit outcomes. As such, the following are additional activities/focus areas planned for 2017/18:

- Stringent monitoring of audit action plans through the PAAP system with firm deadlines for completion by reporting to HoD's and EA's and Constant engagement with Chief Financial Officers through the CFO Forums and capacity building interventions.
- Identify more public entities and provincial departments for clean audit strategy. Address Disclaimers in public entities by strengthening financial management support, including asset management.
- Strengthen compliance to PFMA and Treasury Regulations to address matters of UIF. The Provincial Advisory Committee will meet regularly in order to assist departments with clearing Irregular and Fruitless expenditure.
- Provincial Risk management will be extended to public entities and streamline risk management processes across provincial departments and public entities.
- 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.

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 services from Villages, Townships and small Dorpies from within the province. This then affords the Department of Finance 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, medium and micro 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 R19.6 million was shifted within Programme 01 from goods and services to fund the Compensation of employees: vacant posts to be filled in the 2017/18 financial year as the moratorium was lifted.

An amount of R39.3 million was shifted within Programme 2 to reprioritise the funding of MFMA experts as the budget was budgeted under Compensation of employees of which R5 million was shifted from Programme 03 and R11.2 million from Programme 04.

The shifting of funds was done within Programme 03 for an amount of R3.8 million between the economic classifications to relieve budget pressures under compensation of employees and advertisement of Provincial Tenders and outreach programmes such as Setsokotsane Programme and VTSD programme, whereas R4.1 million was shifted within Programme 04 between economic classification to relieve budget pressures under compensation of employees to fill the vacant posts especially under Internal Audit Unit as it was under budgeted for and to pay Leave gratuities for retiring officials and to fund the Provincial Training and development.

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;
- Continued Internal Audit support through the internal audit annual plans ;
- Conduct capacity building programmes for all SCM officials in Provincial Government;
- Maintain appropriate systems & controls for safeguarding of assets; and
- Monitoring and oversight provided to Municipalities, inclusive of training municipal officials to ensure full compliance to municipal Standard Charts of Account and other MFMA reforms through a regional organisational structure model.

5. Procurement

The major procurement plans for 2017/18 relate to the following:

- An amount of R16 million for PFMA clean audit support to provincial departments and public entities;
- An amount of R45 million is set aside for Municipal Financial Management Support Programme inclusive of mSCOA implementation, contract management, asset management, AFS preparation and audit support.
- 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.

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 2013/14 to 2019/20.

Table 7.1 : Summary of receipts

R thousand	Outcome			Main appropriation	Adjusted appropriation 2016/17	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
Equitable share	285 386	314 667	344 263	360 756	339 770	339 770	354 947	377 493	403 632
Conditional grants	–	–	–	–	–	–	–	–	–
Departmental receipts	176 557	124 810	120 890	124 887	124 887	124 887	130 179	134 588	142 125
Financing (Rollovers and additional)	–	–	–	–	–	–	1 173	–	–
Total receipts	461 943	439 477	465 153	485 643	464 657	464 657	486 299	512 081	545 757

The main sources of funding for the department is equitable share and own revenue. The equitable share allocation for 2017/18 is 73 per cent or R354.9 million of the total departmental allocation, while own revenue is 27 per cent of the total allocation or R130 million. The departmental equitable share grows by 4 per cent from 2016/17 revised estimates to R354.9 million in 2017/18, then increased by

6 per cent which amounts to R22.5 million to R377.4 million in 2018/19, and then increased by 7 per cent in 2019/20.

6.2 Departmental receipts collection

Table 7.2 below provides details of the revenue collection by this department from 2013/14 to 2019/20.

Table 7.2 : Summary of departmental receipts collection

R thousand	Outcome			Main appropriation	Adjusted appropriation 2016/17	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sales of goods and services other than capital assets	160	208	207	300	300	300	215	228	240
Transfers received	-	540	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	172 742	123 994	120 562	124 587	124 587	124 587	129 964	134 360	141 885
Sales of capital assets	9	3	1	-	-	-	-	-	-
Transactions in financial assets and liabilities	3 646	65	120	-	-	-	-	-	-
Total departmental receipts	176 557	124 810	120 890	124 887	124 887	124 887	130 179	134 588	142 125

On aggregate the significant revenue collection was registered in 2013/14. The department has factored in a decline of 29 per cent in 2014/15 and 3 per cent in 2015/16 financial years. There is an increase of 3 per cent in 2016/17, another 4 per cent increase in 2017/18, 3 per cent increase on anticipated revenue in 2018/19, and 5 per cent increase in collection in the 2019/20 financial year.

The sources of own 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 3 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. There is an increase of 4 per cent in 2017/18, 3 per cent increase on anticipated revenue in 2018/19 and 5 per cent increase on collection in 2019/20 financial year.

Sales of capital assets: The significant collection in 2013/14 is attributed to sales of redundant assets which were auctioned during the year and a decline of 66 percent is realised in 2014/15 financial year.

6.3 Donor Funding

None

7. Payment Summary

7.1 Key assumptions

The budget for the 2017/18 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 2016 Medium Term Budget Policy Statement are 6.1 per cent in 2017/18, 5.9 per cent in 2018/19 and 5.8 per cent in 2019/20;
- Provision for improvement in conditions of service (ICS) is 7.1 per cent in 2017/18, 6.9 per cent in 2018/19 and 6.8 per cent in 2019/20 financial year;
- A 1.5 per cent pay progression is included 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 2016-2017 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 2013/14 to 2019/20.

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2016/17	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
1. Administration	86 981	103 818	136 358	140 649	133 152	133 152	140 278	149 164	157 519
2. Sustainable Resource Management	132 113	131 485	126 137	133 232	136 383	136 383	151 325	155 707	164 425
3. Asset And Liabilities Management	34 512	38 961	42 958	51 300	48 800	48 800	48 924	52 448	55 383
4. Financial Governance	137 579	146 821	120 145	160 462	146 322	146 322	145 772	154 762	168 430
Total payments and estimates	391 185	421 085	425 598	485 643	464 657	464 657	486 299	512 081	545 757

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	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
Current payments	384 199	409 925	414 234	476 093	454 611	454 537	478 580	503 708	536 496
Compensation of employees	175 343	204 876	216 255	302 047	249 347	251 511	287 008	309 697	331 627
Goods and services	208 853	205 047	197 978	174 046	205 264	203 026	191 572	194 011	204 869
Interest and rent on land	3	2	1	–	–	–	–	–	–
Transfers and subsidies to:	594	3 025	3 439	1 170	1 860	1 934	1 306	1 527	2 031
Provinces and municipalities	–	–	–	–	–	–	–	–	–
Departmental agencies and accounts	–	–	–	–	–	–	–	–	–
Higher education institutions	–	–	–	–	–	–	–	–	–
Foreign governments and international organisations	–	–	–	–	–	–	–	–	–
Public corporations and private enterprises	–	–	–	–	–	–	–	–	–
Non-profit institutions	–	–	–	–	–	–	–	–	–
Households	594	3 025	3 439	1 170	1 860	1 934	1 306	1 527	2 031
Payments for capital assets	6 392	8 124	7 922	8 380	8 186	8 186	6 413	6 846	7 230
Buildings and other fixed structures	–	213	–	–	–	–	–	–	–
Machinery and equipment	6 392	7 911	7 922	8 380	8 186	8 186	6 413	6 846	7 230
Heritage Assets	–	–	–	–	–	–	–	–	–
Specialised military assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Land and sub-soil assets	–	–	–	–	–	–	–	–	–
Software and other intangible assets	–	–	–	–	–	–	–	–	–
Payments for financial assets	–	11	3	–	–	–	–	–	–
Total economic classification	391 185	421 085	425 598	485 643	464 657	464 657	486 299	512 081	545 757

The department is comprised of four programmes, namely, Administration, Sustainable Resource Management, Asset 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. However, discussions are underway on the review of Provincial Treasuries Generic Structures.

The departmental spending over the past financial years was R391 million in 2013/14, R421 million in 2014/15 and R426 million in 2015/16. There is an increase of R39 million from 2015/16 to 2016/17 financial year. The Departmental baseline was reduced by R23.1 million in 2017/18, R23 million in 2018/19 and R19.7 million in the final year of which R51 million was COE reduction and R20.5 million was for ICT Transformation Programme and there was an inflationary adjustment of R5 million in the last financial year.

Compensation of employees: On aggregate, compensation of employees registered a significant growth from 2013/14 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. The Department has decided to fill its organizational structure in 2017/18 hence a sharp increase of 14 per cent, 7 per cent in the two outer years, as most of the posts that were filled in 2016/17 were internal promotions.

Goods and Services: There is a drop of 20 per cent from 2015/16 revised estimates and a reduction of R28 million from Compensation of employees to cater for MFMA Experts or HR Capacity challenges in 2017/18.

Inclusive in the R192 million under goods and services is an amount of R60 million for MFMA Municipal Financial Management Support Programme, as well as an allocation of R54 million in 2018/19 and R57 million in 2019/20 respectively.

The allocation further makes provision for the Provincial Telephone Account amount of R14 million in 2017/18, which makes R31 million throughout the MTEF period. The Provincial Turn-Around Clean Audit is allocated R16 million in 2017/18 and R34 million throughout the MTEF period. There is a once off earmarked amount of R1.173 million allocated for Departmental Training and Development that was received from FASSET in 2017/18 for Departmental training and development for officials.

Transfers and Subsidies: There is an increase of R1.2 million in 2017/18 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 R2.6 million is allocated for the two outer years.

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 6 per cent in 2016/17 and a drop of 21 per cent in 2017/18 for the replacement of office equipment, an increase of 6 per cent in 2018/19 for new officials, and 5 per cent increase in 2019/20.

Programme 1 Administration: The programme registered a significant growth of 19 per cent in 2014/15 and a significant growth of 31 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 R2 million; R2 million for Legal fees; R4 million for fleet services; R3.8 million for external audit fees as well as R4 million for training and development. There is a decline of 2 per cent in 2016/17, an increase of 5 per cent in 2017/18, an increase of 6 per cent in 2018/19 and 5 per cent in the final year.

Programme 2 Sustainable Resource Management: The programme showed a decline by 4 per cent in 2015/16 due to the reduction of consultant fees to improve HR capacity in MFMA support. Inclusive in the R151 million is R60 million for MFMA Municipal Financial Management Support Programme as well as an allocation of R54 million in 2018/19 and R57 million in 2019/20 respectively.

Programme 3 Assets and Liabilities: The overall programme is showing a growth of 13 per cent from 2013/14 to 2014/15; 19 per cent increase in 2015/16. Inclusive in the Programme in 2017/18 is R2.2 million for Lease of Building; R4.8 million for Invoice Tracking System and Asset Management Software.

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 and the budget of R1.5 million set aside for advertising and R1 million is for traveling and subsistence for outreach by physically visiting VTSD to speed up registration process of suppliers on CSD system.

Programme 4 Financial Governance: In overall the programme has a decline of 18 per cent in 2015/16. Inclusive in the Programme is R3 million for Audit Committee; R16 million for Provincial PFMA Clean Audit; R14 million for Provincial Telephone; R3.7 million for Training and Development; R4 million for Lease of Building and R3.6 million for audit fees.

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

Not applicable to this department.

9. Programme Description

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

Programme 1: Administration

Description and objectives

The main aim of this programme is to provide Human Resource support services to the entire Department. Communication focuses on projecting the corporate image of the Department to internal and external stakeholders. The Minimum Security Information Services (MISS) focuses on issues of departmental security as defined in the Provincial Security Strategy. Special programmes focus mainly on youth, women, disability and gender related matters.

Departmental financial management services support the entire department by focusing on budgeting, financial accounting, asset management, transport and logistics, salary administration and supply chain management related activities.

Administration consists of the following Sub-programmes:

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

Tables 7.5 and 7.6 below provide a summary of payments and budget estimates pertaining to Programme 1: Administration over the seven-year period from 2013/14 to 2019/20.

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2016/17	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
1. Office Of The Mec	6 515	7 486	7 850	9 373	9 373	9 373	8 614	9 362	9 887
2. Management Services	5 604	7 911	6 239	14 390	10 181	10 181	10 000	11 278	11 911
3. Corporate Services	42 293	49 465	80 747	66 783	68 123	68 123	73 739	77 836	82 195
4. Financial Management (Office Of The Cfo)	32 569	38 956	41 522	50 103	45 475	45 475	47 925	50 688	53 526
Total payments and estimates	86 981	103 818	136 358	140 649	133 152	133 152	140 278	149 164	157 519

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2016/17	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
Current payments	83 933	95 088	129 443	135 303	127 645	127 571	136 561	144 860	152 895
Compensation of employees	55 457	66 902	69 329	85 321	86 803	86 729	97 630	104 872	110 668
Goods and services	28 476	28 186	60 114	49 982	40 842	40 842	38 931	39 988	42 227
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	555	2 092	1 974	1 170	1 566	1 640	1 229	1 400	1 557
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	555	2 092	1 974	1 170	1 566	1 640	1 229	1 400	1 557
Payments for capital assets	2 493	6 627	4 938	4 176	3 941	3 941	2 488	2 904	3 067
Buildings and other fixed structures	-	213	-	-	-	-	-	-	-
Machinery and equipment	2 493	6 414	4 938	4 176	3 941	3 941	2 488	2 904	3 067
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	11	3	-	-	-	-	-	-
Total economic classification	86 981	103 818	136 358	140 649	133 152	133 152	140 278	149 164	157 519

Budget Growth Trends

The programme spending over seven year period ending in 2019/20 started peaking up in 2013/14 and its anticipated to grow by 23 per cent, 22 per cent including a once-off allocation of R27 million for the appointment of Forensic Auditors Costs in 2015/16 financial year. There is a decline of 2 per cent in 2016/17, an increase of 5 per cent in 2017/18, an increase of 6 per cent in 2018/19 and 5 per cent in the final year.

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

Office of the MEC: There is an increase of 15 per cent in 2014/15; followed by 13 per cent in 2015/16 and an increase of 11 per cent increase in 2016/17. The MTEF period grows steady from R8.6 million in 2017/18 to R19.2 million in outer years.

Management Services: There is a decrease from R3.2 million in 2013/14 to R2.3 million in 2014/15, and this is due to the non-filling of key positions and a provision of associated operational costs for the sub-programme. There is a decline of R100 thousand in 2017/18 due to reduction of caterings and other goods and services due to Cost Containment Policy and a growth of R1.9 million for the two 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 R27 million in 2015/16 financial year for the appointment of Forensic Auditors which register a decline of 15 per cent in 2016/17. The MTEF period grows by R2.5 million in 2017/18 and R8.4 million in the two outer years.

Financial Management (CFO's office): The budget outcome for this sub-programme has been constant from 2013/14 and a growth of R6.4 million in 2014/15 with a steady increase of R2.6 million in 2015/16 and R4 million in 2016/17 financial year. The substantial increase in 2014/15 is informed by the planned procurement of pool vehicles for the department, payment for external audit fees as well as filling of vacant posts. The decline of R1 million in Audit fees in 2017/18 is because the item was over budgeted for in the previous years. There is steady increase of R2.4 million in 2017/18 and R5.6 in the two outer years.

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, R100 million in 2017/18; R105 million in 2018/19 and R111 million in 2019/20, which translates to 17 per cent as the Programme anticipate to fill the vacant posts and 6 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 R27 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; 2016/17 declines to R50 million and R41 million in 2017/18; a decline to R40 million in 2018/19 and increase to R42 million in 2019/20.

Transfers and Subsidies: There is a decline of 48 per cent in 2015/16 due to leave gratuities for retired officials, resignations and death that are not budgeted for and a steady increase for decentralisation of bursary funding from the office of the Premier.

Capital Assets: The significant growth in 2014/15 of 61 per cent was due to the planned purchase of pool vehicles, and an amount of R2.5 million was spent. The item declines by R1 million in 2015/16 followed by a further decline of 23 per cent in 2016/17. The MTEF period decrease by 36 per cent in 2017/18 and 16 per cent in 2018/19 and 5 per cent in 2019/20 financial year.

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 Programme 2: Sustainable Resource Management over the seven-year period from 2013/14 to 2019/20.

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2016/17	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
1. Programme Support	2 280	2 336	1 786	5 030	5 030	5 030	3 025	3 222	3 402
2. Economic Analysis	2 909	4 879	5 197	6 408	5 446	5 446	4 701	5 165	5 453
3. Fiscal Policy	2 928	2 944	4 158	5 782	4 414	4 414	6 697	7 148	7 549
4. Budget Management	13 550	14 685	15 753	22 578	19 489	19 824	22 396	23 523	24 840
5. Public Finance	14 947	11 931	12 087	17 195	16 247	15 912	18 528	20 167	21 296
6. Municipal Finance	95 499	94 710	87 156	76 239	85 757	85 757	95 978	96 482	101 885
Total payments and estimates	132 113	131 485	126 137	133 232	136 383	136 383	151 325	155 707	164 425

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2016/17	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
Current payments	130 994	131 207	124 825	131 550	135 272	135 272	150 188	154 388	163 111
Compensation of employees	39 085	44 691	48 282	93 853	56 088	58 326	71 608	77 664	82 094
Goods and services	91 909	86 516	76 543	37 697	79 184	76 946	78 580	76 724	81 017
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	-	71	363	-	-	-	-	75	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	71	363	-	-	-	-	75	-
Payments for capital assets	1 119	207	949	1 682	1 111	1 111	1 137	1 244	1 314
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	1 119	207	949	1 682	1 111	1 111	1 137	1 244	1 314
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total economic classification	132 113	131 485	126 137	133 232	136 383	136 383	151 325	155 707	164 425

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 further 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 R7.5 million in 2015/16 due to the reduction of consultant's costs, decline by 1 per cent which amounts to R1.4 million in 2016/17, and a sharp increase of R10 million in 2017/18 and R6 million growth over the MTEF period.

Compensation of employees: There is an increase of R13 million in 2013/14 due to the filling of vacant posts within the Programme and a decrease of R5.6 million in 2014/15 and R3.5 million in 2015/16 due to the reduction in Consultants for MFMA Municipal Financial Management Support Programme. 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. There is an increase of R10 million that is realized in 2016/17 to fund the Retired experts, unemployed graduates and MFMA reforms. 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 challenges. There is an increase of R13 million in 2017/18 and R6 million in 2018/19, as well as R5 million in the final year to capacitate the programme.

Goods and Services: The increase in 2013/14 budget outcome is as a result of additional funds received for Municipal Financial Management Improvement Programme (MFMIP). The 2013/14 spending was augmented through virements and additional funding of R22.2 million to address budgetary pressures relating to the MFMIP capacity building. In 2015/16 there is a decrease of R10 million relating to the extended scope in MFMIP and Programme Support. There is a decline of R400 thousand in 2016/17 and R1.6 million in 2017/18, R1.8 million and an increase of R4 million in the last financial year. An increase of R28 million from Compensation of employees to cater for MFMA Experts or HR Capacity challenges; R28 million in 2018/19 and R28 million in 2019/20 respectively.

Transfers and Subsidies: The budget outcome for 2014/15 was R71 thousand, however, spending was very low as a result of minimal termination of appointments. The R290 thousand allocated in 2015/16 was due to retirements and resignations of officials within the Programme, whereas R75 thousand is projected for upcoming retirements. Forecasting for this item remains a challenge owing to its uncertainty.

Capital Assets: A decline outcome to R207 thousand was due to the delay in filling of vacant posts. 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		
	2017/18	2018/19	2019/20
Number of reports compiled on the socio-economic analysis of the province (SERO)	2	2	2
Number of consolidated reports produced on the implementation of revenue enhancement strategy	4	4	4
Number of consolidated assessment reports compiled based on MTEC hearing sessions for each department including the Provincial Legislature	1	1	1
Number of expenditure reports of public entities through monthly In-Year Monitoring (IYM) Model compiled	12	12	12
Number of assessment reports on infrastructure plan produced	16	16	16
Number of consolidated reports compiled on support and capacity building programmes provided to municipalities and submitted to the Legislature with regard to the implementation of MFMA	4	4	4

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 Programme 3: Asset and Liabilities Management over the seven-year period from 2013/14 to 2019/20.

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2016/17	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
1. Programme Support	724	2 839	2 501	2 220	2 310	2 280	1 889	1 976	2 086
2. Asset Management	5 981	11 684	9 414	10 974	9 343	9 343	11 833	12 601	13 306
3. Support And Interlinked Financial System	27 807	24 438	31 043	38 106	37 147	37 177	35 202	37 871	39 991
Total payments and estimates	34 512	38 961	42 958	51 300	48 800	48 800	48 924	52 448	55 383

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2016/17	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
Current payments	33 604	38 008	41 573	50 755	48 157	48 157	47 992	51 718	54 430
Compensation of employees	20 392	26 851	27 910	36 427	24 250	24 250	32 479	35 194	36 984
Goods and services	13 211	11 156	13 663	14 328	23 907	23 907	15 513	16 524	17 446
Interest and rent on land	1	1	-	-	-	-	-	-	-
Transfers and subsidies to:	-	682	878	-	98	98	-	-	181
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	682	878	-	98	98	-	-	181
Payments for capital assets	908	271	507	545	545	545	932	730	772
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	908	271	507	545	545	545	932	730	772
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total economic classification	34 512	38 961	42 958	51 300	48 800	48 800	48 924	52 448	55 383

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. A net increase of 4 per cent on compensation of employees is 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.

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 2015/16 outcome of R43 million reflect an average steady growth and the increase of R6 million in 2016/17 due to the payment of Invoice tracking software license, and R157 million throughout the MTEF period.

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 and the budget of R1.5 million set aside for advertising, and R1 million is for traveling and subsistence for outreach by physically visiting VTSD to speed up registration process of suppliers on CSD system.

Compensation of employees: The spending over the seven year period reflects an increase of R9 million in 2013/14, with a substantial increase of R6 million and R1 million in 2014/15 and 2015/16 respectively. This trend is mainly driven by implementation of the revised structure which brought the 30 days payment unit into existence. There is a decline of R3.6 million in the programme due to the contracts termination of 30 Days Creditors Payments officials. The MTEF period shows a sharp increase of R8.2 million in 2017/18, R2.7 million in 2018/19 and R2.1 million in 2019/20 financial years.

Goods and Services: The revised estimates for 2013/14 show an increase of R9 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, increased to R2.5 million in 2015/16, increased to R10 million in 2016/17 due to the implementation of Provincial Invoice tracking system, 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 R507 thousand in 2015/16, and increased to R545 thousand in 2016/17 and then increased to R2.4 million over the MTEF period.

Service Delivery Measures

Performance Measures	Estimated Annual Targets		
	2017/18	2018/19	2019/20
Number of consolidated monitoring reports produced on compliance to asset management prescripts by provincial departments and public entities	4	4	4
Number of accredited SCM training sessions conducted of all Departments and Public Entities	10	10	10
Number of compliance reports related to invoices paid after 30 days produced and submitted to National Treasury	12	12	12

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 Programme 4: Financial Governance over the seven-year period from 2013/14 to 2019/20.

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2016/17	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
1. Programme Support	6 229	5 124	8 648	8 431	10 076	10 076	7 334	7 857	8 296
2. Accounting Services	82 113	88 353	55 325	84 490	73 892	73 892	68 029	71 450	75 452
3. Norms And Standards	1 686	1 222	1 285	1 642	1 517	1 517	2 453	2 546	2 688
4. Risk Management	1 908	2 736	2 838	3 476	3 586	3 586	4 017	4 230	4 466
5. Provincial Internal Audit	45 643	49 386	52 049	62 423	57 251	57 251	63 939	68 679	77 528
Total payments and estimates	137 579	146 821	120 145	160 462	146 322	146 322	145 772	154 762	168 430

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2016/17	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
Current payments	135 668	145 622	118 393	158 485	143 537	143 537	143 839	152 742	166 060
Compensation of employees	60 409	66 432	70 734	86 446	82 206	82 206	85 291	91 967	101 881
Goods and services	75 257	79 189	47 658	72 039	61 331	61 331	58 548	60 775	64 179
Interest and rent on land	2	1	1	–	–	–	–	–	–
Transfers and subsidies to:	39	180	224	–	196	196	77	52	293
Provinces and municipalities	–	–	–	–	–	–	–	–	–
Departmental agencies and accounts	–	–	–	–	–	–	–	–	–
Higher education institutions	–	–	–	–	–	–	–	–	–
Foreign governments and international organisations	–	–	–	–	–	–	–	–	–
Public corporations and private enterprises	–	–	–	–	–	–	–	–	–
Non-profit institutions	–	–	–	–	–	–	–	–	–
Households	39	180	224	–	196	196	77	52	293
Payments for capital assets	1 872	1 019	1 528	1 977	2 589	2 589	1 856	1 968	2 077
Buildings and other fixed structures	–	–	–	–	–	–	–	–	–
Machinery and equipment	1 872	1 019	1 528	1 977	2 589	2 589	1 856	1 968	2 077
Heritage Assets	–	–	–	–	–	–	–	–	–
Specialised military assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Land and sub-soil assets	–	–	–	–	–	–	–	–	–
Software and other intangible assets	–	–	–	–	–	–	–	–	–
Payments for financial assets	–	–	–	–	–	–	–	–	–
Total economic classification	137 579	146 821	120 145	160 462	146 322	146 322	145 772	154 762	168 430

Budget Growth Trend

The Programme registered a growth of R44 million in 2013/14 due to PFMA Support to Provincial Departments; R9 million increase in 2014/15 and a decline of R27 million in 2015/16 due to a reduction in the earmarked funds for PFMA support to departments. The Programme realises a growth of R26 million in 2016/17. There is an increase of R23 million 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 2014/15 is due to the provisions for Provincial Turn around to clean audit. The budget declines by R33 million in 2015/16, an increase by R19 million in 2016/17, and a decline of R6 million in 2017/18 and a steady increase of R7.4 million over the remaining MTEF period. In 2017/18 there is an amount of R16 million and R34 million in the two outer years for PFMA clean audit support to provincial departments and public entities.

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. There is a sharp increase throughout the MTEF to alleviate the capacity challenges within the sub-programme, including R4 million for Lease of Building and R3.6 million for audit fees.

Norms and Standards: This sub-programme is not yet fully established and it's the intention of the Department to capacitate it through filling of vacant positions, in order to service the provincial departments, and hence an increase in 2014/15 budget. Due to the moratorium that was placed in 2014/15 vacant posts could not be filled. The substantial budget outcome registered in 2015/16 is

R1.2 million and a projection of R1.5 million in 2016/17. In the MTEF the Sub-programme has budgeted R2.5 million, R5.2 million over the three years respectively to fill the vacant posts.

Provincial Risk Management: Currently the sub-programme is filled by the Director, Secretary, DD and an AD and the programme envisaged 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. There is a steady increase throughout the MTEF period.

Compensation of employees: The spending over the seven year period reflects an increase of R6 million in 2013/14, R6 million in 2014/15, R4 million in 2015/16 and R11 million in 2016/17 financial year. A sharp increase of R19 million is registered throughout the MTEF period for filling of vacant posts especially in Internal Audit.

Goods and Services: The substantial growth in 2013/14 is due to the rollover of R10 million for the training programme and provision for provincial telephone costs. The registered budget growth of R4 million for the 2014/15 is due to the provisions for Provincial Turn around to clean audit. The budget goes down by R31 million in 2015/16, and then goes up by R14 million in 2016/17 and decrease again by R3 million in 2017/18, a steady growth in the two outer years. There is a decline in Provincial Telephone Account of 27 per cent which amounts to R5 million from 2014/15 to 2015/16 and it remains steady over the MTEF period. There is a decrease in Training and development in 2015/16 due to the completion of Financial Management Training Phase 3 and it shows a sharp increase over the MTEF period to capacitate Public entities as they always have new reforms with different Accounting frameworks.

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 the replacement of office equipment and furniture for the Training rooms. There is a steady increase over the MTEF period.

Service Delivery Measures

Performance Measures	Estimated Annual Targets		
	2017/18	2018/19	2019/20
Number of capacity building workshops conducted for Departmental CFO's and Public Entities on Accounting updates and Reforms	4	4	4
Number of monitoring reports produced on a plan of action on AFS audit outcomes for departments and Public Entities	3	3	3
Number of monitoring reports produced on irregular, fruitless and wasteful expenditure	1	1	1
Number of departmental post audits action plan strategies and processes reviewed	11	11	11

10. Other Programme Information

10.1 Personnel numbers and costs

Table 7.13 illustrate the personnel numbers and estimates pertaining to the department.

Table 7.13 : Summary of departmental personnel numbers and costs by component

Table 7.13: Summary of departmental personnel numbers and costs by component																			
R thousands	Actual						Revised estimate				Medium-term expenditure estimate						Average annual growth over MTEF		
	2013/14		2014/15		2015/16		2016/17				2017/18		2018/19		2019/20		2016/17 - 2019/20		
	Personnel numbers ¹	Costs	Personnel numbers ¹	Costs	Personnel numbers ¹	Costs	Filled posts	Additional posts	Personnel numbers ¹	Costs	Personnel numbers ¹	Costs	Personnel numbers ¹	Costs	Personnel numbers ¹	Costs	Personnel growth rate	Costs growth rate	% Costs of Total
Salary level																			
1 – 6	109	17 647	166	22 583	166	24 101	197	12	209	31 357	119	25 216	119	26 640	119	28 447	-17.1%	-3.2%	9.7%
7 – 10	253	77 144	255	87 460	261	94 484	261	24	285	112 240	361	149 014	361	161 361	361	173 089	8.2%	15.5%	50.0%
11 – 12	81	46 978	84	54 153	78	56 629	84	3	87	66 510	90	64 215	90	69 524	90	74 377	1.1%	3.8%	23.6%
13 – 16	35	29 811	36	38 124	33	35 699	33	–	33	38 950	39	40 769	39	43 764	39	46 737	5.7%	6.3%	14.5%
Other	65	4 207	13	2 556	27	13 686	1	–	1	2 454	84	7 794	84	8 408	84	8 978	338.0%	54.1%	2.2%
Total	543	175 787	554	204 876	565	224 599	576	39	615	251 511	693	287 008	693	309 697	693	331 628	4.1%	9.7%	100.0%
Programme																			
1. Administration	193	55 457	199	66 902	195	69 329	237	–	237	86 729	260	97 630	260	104 872	260	110 668	3.1%	8.5%	33.9%
2. Sustainable Resource Management	87	39 085	96	44 691	105	48 282	123	–	123	58 326	139	71 608	139	77 664	139	82 094	4.2%	12.1%	24.4%
3. Asset And Liabilities Management	71	20 392	82	26 851	78	27 910	16	39	55	24 250	74	32 479	74	35 194	74	36 984	10.4%	15.1%	10.8%
4. Financial Governance	192	60 409	177	66 432	187	70 734	200	–	200	82 206	220	85 291	220	91 967	220	101 882	3.2%	7.4%	30.9%
Direct charges	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total	543	175 343	554	204 876	565	216 255	576	39.0	615	251 511.0	693	287 007.8	693	309 696.8	693	331 628.0	4.1%	9.7%	100.0%
Employee dispensation classification																			
Public Service Act appointees not covered by OSDs	–	–	–	–	–	220 095	498	3	501	170 921	611	280 565	611	303 663	611	325 121	6.8%	23.9%	97.9%
Public Service Act appointees still to be covered by OSDs	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Professional Nurses, Staff Nurses and Nursing Assistants	–	–	–	–	–	482	1	–	1	409	1	535	1	571	1	610	–	14.3%	0.2%
Legal Professionals	–	–	–	–	–	1 025	1	–	1	739	1	698	1	746	1	797	–	2.6%	0.3%
Social Services Professions	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Engineering Professions and related occupations	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Medical and related professionals	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Therapeutic, Diagnostic and other related Allied Health Professionals	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Educators and related professionals	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Others such as interns, EPWP, learnerships, etc	–	–	–	–	–	2 997	115	–	115	3 353	80	5 210	80	4 717	80	5 100	-11.4%	15.0%	1.6%
Total	–	–	–	–	–	224 599	615	3	618	175 422	693	287 008	693	309 697	693	331 628	3.9%	23.6%	100.0%

The Department has been on a major recruitment drive since 2013/14 and it was anticipated that this exercise will be completed in 2014/15, unfortunately there was a moratorium placed departmentally and provincially; however it is anticipated to complete the exercise in 2016/17 as soon as the provincial moratorium is 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/July 2016/17 financial year.

The decreases in the MTEF period on expenditure relate mainly to the control of CoE expenditure through implementation of the Flexible Moratorium which culminated into the allocation reduction during the 2016/17 Adjustment budget, the baseline allocation of CoE has been rebased as per the decision from Executive Council. The other Departmental growth is for the annual increases in improvement in condition of services (ICS) and pay progressions and filling of the organisational structure especially in Programmes 1, 3 and 4.

10.2 Training

Tables 7.14 illustrate the training costs and estimates pertaining to the department.

Table 7.14 : Information on training: Finance

R thousand	Outcome			Main appropriation	Adjusted appropriation 2016/17	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
Number of staff	543	554	565	615	615	615	693	693	693
Number of personnel trained	393	375	357	587	587	587	693	693	693
of which									
Male	163	135	116	285	285	285	289	289	289
Female	230	240	241	302	302	302	404	404	404
Number of training opportunities	296	413	397	337	337	337	714	714	714
of which									
Tertiary	–	19	40	37	37	37	40	35	30
Workshops	–	–	–	–	–	–	–	–	–
Seminars	27	–	–	–	–	–	–	–	–
Other	269	394	357	300	300	300	674	679	684
Number of bursaries offered	–	19	40	37	37	37	40	35	30
Number of interns appointed	64	43	35	56	56	90	60	60	60
Number of learnerships appointed	8	6	14	20	20	16	20	20	20
Number of days spent on training	–	–	–	–	–	–	–	–	–
Payments on training by programme									
1. Administration	873	1 330	1 195	3 193	3 193	3 193	1 928	1 936	2 038
2. Sustainable Resource Management	257	603	643	1 752	1 752	1 752	1 030	986	1 043
3. Asset And Liabilities Management	104	515	478	716	716	716	548	473	500
4. Financial Governance	597	1 416	1 148	1 800	1 800	1 800	1 634	1 623	1 717
Total payments on training	1 831	3 864	3 464	7 461	7 461	7 461	5 140	5 018	5 298

Training needs of the Department are in line with Workplace Skills Programme, which has been developed from targeted learning programmes for level 1 to 14 that has been submitted to Department of Labour for approval to be implemented from 1st April 2014. There is an upward trend in the number of employees sent for training in line with the filling of vacancies.

There is no movement in the number of Interns and Learnerships anticipated in the MTEF period, due to increased permanent staff members which has a bearing on logistical and budget constraints in the Department i.e. office accommodation, furniture and tools of trade.

Internal Bursaries

The awarding of Bursaries for studies in 2015/16 was approved in 2014/15 as per approved Departmental Bursary Policy. Funding for internal staff was sourced from Departmental Training and Development budget which amounts to R1.1 million in 2016/17 and R2.7 million over the MTEF period.

External Bursaries

There was a decentralisation of bursaries for Non-employees over the MTEF from Office of the Premier to the Department for the amount of R1.2 million and R4.2 million throughout the MTEF period.

10.3 Reconciliation of structural changes

Table 7.15 : Reconciliation of structural changes: Finance

2016/17		2017/18	
Programmes	R'000	Programmes	R'000
	–	1. Administration	140 278
		1. Office Of The Mec	8 614
		2. Management Services	10 000
		3. Corporate Services	73 739
		4. Financial Management (Office Of The Cfo)	47 925
		2. Sustainable Resource Management	151 325
		1. Programme Support	3 025
		2. Economic Analysis	4 701
		3. Fiscal Policy	6 697
		4. Budget Management	22 396
		5. Public Finance	18 528
		6. Municipal Finance	95 978
		3. Asset And Liabilities Management	48 924
		1. Programme Support	1 889
		2. Asset Management	11 833
		3. Support And Interlinked Financial System	35 202
		4. Financial Governance	145 772
		1. Programme Support	7 334
		2. Accounting Services	68 029
		3. Norms And Standards	2 453
		4. Risk Management	4 017
		5. Provincial Internal Audit	63 939
Total	–		486 299

Annexure to the Estimates of Provincial Revenue and Expenditure

Table B.1: Specification of receipts: Finance

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sales of goods and services other than capital assets	160	208	207	300	300	300	215	228	240
Sale of goods and services produced by department (excluding capital assets)	160	208	207	300	300	300	215	228	240
Sales by market establishments	-	-	-	-	-	-	-	-	-
Administrative fees	141	143	142	200	200	200	210	222	234
Other sales	19	65	65	100	100	100	5	6	6
Of which									
Health patient fees	19	65	11	100	100	100	5	6	6
Other (Specify)	-	-	-	-	-	-	-	-	-
Other (Specify)	-	-	-	-	-	-	-	-	-
Other (Specify)	-	-	-	-	-	-	-	-	-
Sales of scrap, waste, arms and other used current goods (excluding capital assets)	-	-	-	-	-	-	-	-	-
Transfers received from:	-	540	-	-	-	-	-	-	-
Other governmental units	-	540	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments	-	-	-	-	-	-	-	-	-
International organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Households and non-profit institutions	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	172 742	123 994	120 562	124 587	124 587	124 587	129 964	134 360	141 885
Interest	172 742	123 749	120 562	124 587	124 587	124 587	129 964	134 360	141 885
Dividends	-	245	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Sales of capital assets	9	3	1	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Other capital assets	9	3	1	-	-	-	-	-	-
Transactions in financial assets and liabilities	3 646	65	120	-	-	-	-	-	-
Total departmental receipts	176 557	124 810	120 890	124 887	124 887	124 887	130 179	134 588	142 125

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

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16	2016/17	2016/17	2016/17	2017/18	2018/19	2019/20
Current payments	384 199	409 925	414 234	476 093	454 611	454 537	478 580	503 708	536 496
Compensation of employees	175 343	204 876	216 255	302 047	249 347	251 511	287 008	309 697	331 627
Salaries and wages	154 103	180 709	190 916	258 710	219 894	222 038	242 168	262 404	281 923
Social contributions	21 240	24 167	25 339	43 337	29 453	29 473	44 840	47 293	49 704
Goods and services	208 853	205 047	197 978	174 046	205 264	203 026	191 572	194 011	204 869
Administrative fees	1 004	1 315	1 739	1 322	2 622	2 622	2 594	2 675	2 825
Advertising	3 511	1 976	3 966	3 124	4 471	4 471	4 389	4 826	5 096
Minor assets	1 923	1 338	765	1 296	822	882	1 255	1 213	1 282
Audit cost: External	8 859	7 346	35 585	11 426	14 208	14 208	7 962	8 116	8 570
Bursaries: Employees	-	-	390	1 100	700	700	800	864	912
Catering: Departmental activities	1 285	1 901	1 855	2 814	3 474	3 378	2 432	2 671	2 821
Communication (G&S)	18 628	21 450	16 141	17 536	16 867	16 885	17 110	17 126	18 086
Computer services	4 542	5 382	8 354	13 545	16 365	16 135	17 987	23 086	24 378
Consultants and professional services: Business and advisory services	122 084	108 162	81 976	55 736	89 740	87 493	81 960	76 609	80 899
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	1 490	6 358	516	2 680	680	680	801	933	985
Contractors	334	302	476	2 087	622	577	873	1 205	1 273
Agency and support / outsourced services	39	178	180	-	50	50	-	-	-
Entertainment	-	22	-	163	43	43	-	-	-
Fleet services (including government motor transport)	3 480	2 559	2 907	3 458	2 984	2 984	4 030	4 447	4 696
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medias inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-52	-	-	-	-
Consumable supplies	1 399	1 392	1 336	3 452	2 230	2 173	2 141	2 235	2 362
Consumable: Stationery, printing and office supplies	5 934	6 731	7 360	8 728	10 017	9 686	7 787	7 782	8 214
Operating leases	6 166	6 613	7 242	10 644	9 787	9 734	7 806	8 518	8 993
Property payments	615	1 411	3 829	2 445	4 835	4 835	2 410	2 604	2 750
Transport provided: Departmental activity	58	108	64	123	228	244	130	138	146
Travel and subsistence	8 298	8 223	12 590	13 375	13 331	13 785	12 857	13 151	13 887
Training and development	15 670	19 198	6 497	13 284	5 614	5 692	11 045	11 539	12 182
Operating payments	1 863	747	1 671	3 490	2 279	2 279	2 480	1 491	1 574
Venues and facilities	1 671	2 319	2 411	2 187	3 272	3 342	2 691	2 748	2 902
Rental and hiring	-	16	128	31	75	148	32	34	36
Interest and rent on land	3	2	1	-	-	-	-	-	-
Interest	3	2	1	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	594	3 025	3 439	1 170	1 860	1 934	1 306	1 527	2 031
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	594	3 025	3 439	1 170	1 860	1 934	1 306	1 527	2 031
Social benefits	39	1 224	1 432	-	690	764	77	227	658
Other transfers to households	555	1 801	2 007	1 170	1 170	1 170	1 229	1 300	1 373
Payments for capital assets	6 392	8 124	7 922	8 380	8 186	8 186	6 413	6 846	7 230
Buildings and other fixed structures	-	213	-	-	-	-	-	-	-
Buildings	-	213	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	6 392	7 911	7 922	8 380	8 186	8 186	6 413	6 846	7 230
Transport equipment	-	2 566	-	-	2 178	2 240	-	-	-
Other machinery and equipment	6 392	5 345	7 922	8 380	6 008	5 946	6 413	6 846	7 230
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	11	3	-	-	-	-	-	-
Total economic classification	391 185	421 085	425 598	485 643	464 657	464 657	486 299	512 081	545 757

2017/18 Estimates of Provincial Revenue and Expenditure

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

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
Current payments	83 933	95 088	129 443	135 303	127 645	127 571	136 561	144 860	152 895
Compensation of employees	55 457	66 902	69 329	85 321	86 803	86 729	97 630	104 872	110 668
Salaries and wages	48 338	58 439	60 677	73 578	75 582	75 508	85 804	92 650	97 762
Social contributions	7 119	8 463	8 652	11 743	11 221	11 221	11 826	12 222	12 906
Goods and services	26 476	28 186	60 114	49 982	40 842	40 842	38 931	39 988	42 227
Administrative fees	—	—	—	—	—	—	—	—	—
Advertising	3 381	1 808	3 275	2 789	2 660	2 660	2 385	2 551	2 694
Minor assets	854	379	408	523	436	486	528	532	562
Audit cost: External	4 310	4 290	31 315	5 718	5 418	5 418	4 321	4 270	4 509
Bursaries: Employees	—	—	390	1 100	700	700	800	864	912
Catering: Departmental activities	648	911	269	1 358	933	847	1 070	1 170	1 236
Communication (G&S)	813	967	943	1 203	1 065	1 083	893	895	946
Computer services	148	384	1 261	2 682	1 482	1 482	1 755	2 274	2 401
Consultants and professional services: Business and advisory services	670	100	22	2 508	823	814	1 034	1 218	1 286
Infrastructure and planning	—	—	—	—	—	—	—	—	—
Laboratory services	—	—	—	—	—	—	—	—	—
Scientific and technological services	—	—	—	—	—	—	—	—	—
Legal services	1 490	3 733	516	2 680	680	680	801	933	985
Contractors	270	288	381	1 761	601	551	696	990	1 046
Agency and support / outsourced services	39	164	180	—	50	50	—	—	—
Entertainment	—	22	—	163	43	43	—	—	—
Fleet services (including government motor transport)	3 480	2 559	2 907	3 458	2 984	2 984	4 030	4 447	4 696
Housing	—	—	—	—	—	—	—	—	—
Inventory: Clothing material and accessories	—	—	—	—	—	—	—	—	—
Inventory: Farming supplies	—	—	—	—	—	—	—	—	—
Inventory: Food and food supplies	—	—	—	—	—	—	—	—	—
Inventory: Fuel, oil and gas	—	—	—	—	—	—	—	—	—
Inventory: Learner and teacher support material	—	—	—	—	—	—	—	—	—
Inventory: Materials and supplies	—	—	—	—	—	—	—	—	—
Inventory: Medical supplies	—	—	—	—	—	—	—	—	—
Inventory: Medicine	—	—	—	—	—	—	—	—	—
Medias inventory interface	—	—	—	—	—	—	—	—	—
Inventory: Other supplies	—	—	—	—	—	—	—	—	—
Consumable supplies	1 039	907	922	2 326	1 671	1 666	1 294	1 302	1 375
Consumable: Stationery, printing and office supplies	2 165	2 366	3 011	4 030	3 815	3 494	3 251	3 160	3 337
Operating leases	581	695	626	1 877	1 977	1 894	1 262	1 329	1 403
Property payments	3	567	3 073	1 925	3 985	3 985	1 861	2 023	2 136
Transport provided: Departmental activity	58	108	64	123	228	244	130	138	146
Travel and subsistence	2 720	2 889	4 622	5 271	4 508	4 867	4 814	5 003	5 283
Training and development	3 556	3 560	3 464	5 050	3 600	3 608	5 140	5 018	5 298
Operating payments	1 510	610	1 395	2 531	2 015	2 015	2 171	1 154	1 219
Venues and facilities	741	863	945	875	1 093	1 123	663	683	721
Rental and hiring	—	16	125	31	75	148	32	34	36
Interest and rent on land	—	—	—	—	—	—	—	—	—
Interest	—	—	—	—	—	—	—	—	—
Rent on land	—	—	—	—	—	—	—	—	—
Transfers and subsidies	555	2 092	1 974	1 170	1 566	1 640	1 229	1 400	1 557
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	555	2 092	1 974	1 170	1 566	1 640	1 229	1 400	1 557
Social benefits	—	398	446	—	396	470	—	100	184
Other transfers to households	555	1 694	1 528	1 170	1 170	1 170	1 229	1 300	1 373
Payments for capital assets	2 493	6 627	4 938	4 176	3 941	3 941	2 488	2 904	3 067
Buildings and other fixed structures	—	213	—	—	—	—	—	—	—
Buildings	—	213	—	—	—	—	—	—	—
Other fixed structures	—	—	—	—	—	—	—	—	—
Machinery and equipment	2 493	6 414	4 938	4 176	3 941	3 941	2 488	2 904	3 067
Transport equipment	—	2 566	—	—	2 178	2 240	—	—	—
Other machinery and equipment	2 493	3 848	4 938	4 176	1 763	1 701	2 488	2 904	3 067
Heritage Assets	—	—	—	—	—	—	—	—	—
Specialised military assets	—	—	—	—	—	—	—	—	—
Biological assets	—	—	—	—	—	—	—	—	—
Land and sub-soil assets	—	—	—	—	—	—	—	—	—
Software and other intangible assets	—	—	—	—	—	—	—	—	—
Payments for financial assets	—	11	3	—	—	—	—	—	—
Total economic classification	86 981	103 818	136 358	140 649	133 152	133 152	140 278	149 164	157 519

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

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
Current payments	130 994	131 207	124 825	131 550	135 272	135 272	150 188	154 388	163 111
Compensation of employees	39 085	44 691	48 282	93 853	56 088	58 326	71 608	77 664	82 094
Salaries and wages	34 558	39 667	43 032	79 372	50 106	52 324	55 718	61 371	64 889
Social contributions	4 527	5 024	5 250	14 481	5 982	6 002	15 890	16 293	17 205
Goods and services	91 909	86 516	76 543	37 697	79 184	76 946	78 580	76 724	81 017
Administrative fees	-	-	-	-	-	-	-	-	-
Advertising	-	-	-	-	-	-	-	-	-
Minor assets	189	131	95	201	98	108	251	202	214
Audit cost: External	471	421	-	1 403	2 485	2 485	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	248	187	557	416	1 151	1 101	311	304	321
Communication (G&S)	4 871	337	328	444	360	360	477	452	478
Computer services	-	106	1 897	4 520	400	400	10 262	14 452	15 261
Consultants and professional services: Business and advisory services	80 936	80 299	68 283	21 038	67 375	65 137	59 827	53 593	56 594
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	-	-
Contractors	46	-	18	130	-	-	71	97	102
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	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medias inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	111	145	141	885	184	184	585	658	695
Consumable: Stationery, printing and office supplies	1 798	1 882	1 259	1 973	1 947	1 937	1 742	1 765	1 861
Operating leases	209	161	218	585	313	313	254	277	292
Property payments	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	2 467	2 533	3 379	3 183	3 969	3 969	3 457	3 461	3 655
Training and development	48	-	75	1 877	267	267	499	572	604
Operating payments	142	-	18	781	54	54	122	140	147
Venues and facilities	373	314	275	261	581	631	722	751	793
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	71	363	-	-	-	-	75	-
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	-	71	363	-	-	-	-	75	-
Social benefits	-	-	363	-	-	-	-	75	-
Other transfers to households	-	71	-	-	-	-	-	-	-
Payments for capital assets	1 119	207	949	1 682	1 111	1 111	1 137	1 244	1 314
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	1 119	207	949	1 682	1 111	1 111	1 137	1 244	1 314
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	1 119	207	949	1 682	1 111	1 111	1 137	1 244	1 314
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total economic classification	132 113	131 485	126 137	133 232	136 383	136 383	151 325	155 707	164 425

2017/18 Estimates of Provincial Revenue and Expenditure

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		
	2013/14	2014/15	2015/16	2016/17	2016/17	2016/17	2017/18	2018/19	2019/20
Current payments	33 604	38 008	41 573	50 755	48 157	48 157	47 992	51 718	54 430
Compensation of employees	20 392	26 851	27 910	36 427	24 250	24 250	32 479	35 194	36 984
Salaries and wages	18 476	24 403	25 315	31 339	21 408	21 408	27 111	29 514	30 986
Social contributions	1 916	2 448	2 595	5 088	2 842	2 842	5 368	5 680	5 998
Goods and services	13 211	11 156	13 663	14 328	23 907	23 907	15 513	16 524	17 446
Administrative fees	—	—	—	—	—	—	—	—	—
Advertising	130	168	691	335	1 811	1 811	2 004	2 275	2 402
Minor assets	609	221	52	70	66	66	70	70	74
Audit cost: External	—	—	—	—	—	—	—	—	—
Bursaries: Employees	—	—	—	—	—	—	—	—	—
Catering: Departmental activities	315	321	488	298	398	428	303	302	319
Communication (G&S)	3 844	172	248	361	287	287	384	387	408
Computer services	1 596	3 968	3 837	5 137	12 187	11 957	4 805	5 128	5 415
Consultants and professional services: Business and advisory services	864	59	490	1 475	1 375	1 375	1 767	1 735	1 832
Infrastructure and planning	—	—	—	—	—	—	—	—	—
Laboratory services	—	—	—	—	—	—	—	—	—
Scientific and technological services	—	—	—	—	—	—	—	—	—
Legal services	—	—	—	—	—	—	—	—	—
Contractors	4	6	15	—	—	—	—	—	—
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	—	—	—	—	—	—	—	—	—
Inventory: Fuel, oil and gas	—	—	—	—	—	—	—	—	—
Inventory: Learner and teacher support material	—	—	—	—	—	—	—	—	—
Inventory: Materials and supplies	—	—	—	—	—	—	—	—	—
Inventory: Medical supplies	—	—	—	—	—	—	—	—	—
Inventory: Medicine	—	—	—	—	—	—	—	—	—
Medsas inventory interface	—	—	—	—	—	—	—	—	—
Inventory: Other supplies	—	—	—	—	—	—	—	—	—
Consumable supplies	32	68	21	65	38	38	75	79	83
Consumable: Stationery, printing and office supplies	815	734	929	483	690	690	538	545	576
Operating leases	2 192	2 754	2 834	3 802	3 077	3 107	2 220	2 577	2 721
Property payments	279	439	334	—	210	210	—	—	—
Transport provided: Departmental activity	—	—	—	—	—	—	—	—	—
Travel and subsistence	1 201	1 082	1 623	1 206	2 422	2 472	1 706	1 776	1 875
Training and development	1 291	1 028	1 909	936	926	1 046	1 248	1 255	1 324
Operating payments	25	12	19	41	41	41	43	45	48
Venues and facilities	14	110	170	119	379	379	350	350	369
Rental and hiring	—	—	3	—	—	—	—	—	—
Interest and rent on land	1	1	—	—	—	—	—	—	—
Interest	1	1	—	—	—	—	—	—	—
Rent on land	—	—	—	—	—	—	—	—	—
Transfers and subsidies	—	682	878	—	98	98	—	—	181
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	—	682	878	—	98	98	—	—	181
Social benefits	—	646	399	—	98	98	—	—	181
Other transfers to households	—	36	479	—	—	—	—	—	—
Payments for capital assets	908	271	507	545	545	545	932	730	772
Buildings and other fixed structures	—	—	—	—	—	—	—	—	—
Buildings	—	—	—	—	—	—	—	—	—
Other fixed structures	—	—	—	—	—	—	—	—	—
Machinery and equipment	908	271	507	545	545	545	932	730	772
Transport equipment	—	—	—	—	—	—	—	—	—
Other machinery and equipment	908	271	507	545	545	545	932	730	772
Heritage Assets	—	—	—	—	—	—	—	—	—
Specialised military assets	—	—	—	—	—	—	—	—	—
Biological assets	—	—	—	—	—	—	—	—	—
Land and sub-soil assets	—	—	—	—	—	—	—	—	—
Software and other intangible assets	—	—	—	—	—	—	—	—	—
Payments for financial assets	—	—	—	—	—	—	—	—	—
Total economic classification	34 512	38 961	42 958	51 300	48 800	48 800	48 924	52 448	55 383

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

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
Current payments	135 668	145 622	118 393	158 485	143 537	143 537	143 839	152 742	166 060
Compensation of employees	60 409	66 432	70 734	86 446	82 206	82 206	85 291	91 967	101 881
Salaries and wages	52 731	58 200	61 892	74 421	72 798	72 798	73 535	78 869	88 286
Social contributions	7 678	8 232	8 842	12 025	9 408	9 408	11 756	13 098	13 595
Goods and services	75 257	79 189	47 658	72 039	61 331	61 331	58 548	60 775	64 179
Administrative fees	1 004	1 315	1 739	1 322	2 622	2 622	2 594	2 675	2 825
Advertising	—	—	—	—	—	—	—	—	—
Minor assets	271	607	210	502	222	222	406	409	432
Audit cost: External	4 078	2 635	4 270	4 305	6 305	6 305	3 641	3 846	4 061
Bursaries: Employees	—	—	—	—	—	—	—	—	—
Catering: Departmental activities	74	482	541	742	992	1 002	748	895	945
Communication (G&S)	9 100	19 974	14 622	15 528	15 155	15 155	15 356	15 392	16 254
Computer services	2 798	924	1 359	1 206	2 296	2 296	1 165	1 232	1 301
Consultants and professional services: Business and advisory services	39 614	27 704	13 181	30 715	20 167	20 167	19 332	20 063	21 187
Infrastructure and planning	—	—	—	—	—	—	—	—	—
Laboratory services	—	—	—	—	—	—	—	—	—
Scientific and technological services	—	—	—	—	—	—	—	—	—
Legal services	—	2 625	—	—	—	—	—	—	—
Contractors	14	8	62	196	21	26	106	118	125
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	—	—	—	—	—	—	—	—	—
Inventory: Fuel, oil and gas	—	—	—	—	—	—	—	—	—
Inventory: Learner and teacher support material	—	—	—	—	—	—	—	—	—
Inventory: Materials and supplies	—	—	—	—	—	—	—	—	—
Inventory: Medical supplies	—	—	—	—	—	—	—	—	—
Inventory: Medicine	—	—	—	—	—	—	—	—	—
Medsas inventory interface	—	—	—	—	—	—	—	—	—
Inventory: Other supplies	—	—	—	—	-52	—	—	—	—
Consumable supplies	217	272	252	176	337	285	187	196	209
Consumable: Stationery, printing and office supplies	1 156	1 749	2 161	2 242	3 565	3 565	2 256	2 312	2 440
Operating leases	3 184	3 003	3 564	4 380	4 420	4 420	4 070	4 335	4 577
Property payments	333	405	422	520	640	640	549	581	614
Transport provided: Departmental activity	—	—	—	—	—	—	—	—	—
Travel and subsistence	1 910	1 719	2 966	3 715	2 432	2 477	2 880	2 911	3 074
Training and development	10 775	14 610	1 049	5 421	821	771	4 158	4 694	4 956
Operating payments	186	125	239	137	169	169	144	152	160
Venues and facilities	543	1 032	1 021	932	1 219	1 209	956	964	1 019
Rental and hiring	—	—	—	—	—	—	—	—	—
Interest and rent on land	2	1	1	—	—	—	—	—	—
Interest	2	1	1	—	—	—	—	—	—
Rent on land	—	—	—	—	—	—	—	—	—
Transfers and subsidies	39	180	224	—	196	196	77	52	293
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	39	180	224	—	196	196	77	52	293
Social benefits	39	180	224	—	196	196	77	52	293
Other transfers to households	—	—	—	—	—	—	—	—	—
Payments for capital assets	1 872	1 019	1 528	1 977	2 589	2 589	1 856	1 968	2 077
Buildings and other fixed structures	—	—	—	—	—	—	—	—	—
Buildings	—	—	—	—	—	—	—	—	—
Other fixed structures	—	—	—	—	—	—	—	—	—
Machinery and equipment	1 872	1 019	1 528	1 977	2 589	2 589	1 856	1 968	2 077
Transport equipment	—	—	—	—	—	—	—	—	—
Other machinery and equipment	1 872	1 019	1 528	1 977	2 589	2 589	1 856	1 968	2 077
Heritage Assets	—	—	—	—	—	—	—	—	—
Specialised military assets	—	—	—	—	—	—	—	—	—
Biological assets	—	—	—	—	—	—	—	—	—
Land and sub-soil assets	—	—	—	—	—	—	—	—	—
Software and other intangible assets	—	—	—	—	—	—	—	—	—
Payments for financial assets	—	—	—	—	—	—	—	—	—
Total economic classification	137 579	146 821	120 145	160 462	146 322	146 322	145 772	154 762	168 430