

# VOTE 6

## Provincial Treasury

Operational budget	R719 651 205
Remuneration of the MEC	R 1 977 795
Total amount to be appropriated	R721 629 000
Responsible Executive Authority	MEC for Finance
Administering department	Provincial Treasury
Accounting officer	Accountant-General

### 1. Overview

#### Vision

The vision of the department is: *Be the centre of excellence in financial and fiscal management in the country.*

#### Mission statement

The department's mission is: *To enhance the KZN Provincial Government's service delivery by responding to the expectations of all stakeholders in the value chain as a key driver through:*

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

#### Strategic objectives

**Strategic policy direction:** The Provincial Treasury will ensure a credible distribution of available funds between departments taking cognisance of the demands for social services and the need to stimulate economic development and growth, and will commit to provide ongoing, effective and efficient support services to internal and external clients. The department will analyse and monitor government revenue and expenditure in the provincial and local spheres, including public entities, undertake robust public policy research and instill prudent financial management and good governance.

The department has set the following goals and strategic objectives:

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

#### Core functions

The core functions of the department include the following:

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

### **Legislative mandate**

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

- Annual Division of Revenue Act
- Borrowing Powers of Provincial Governments Act (Act No. 48 of 1996)
- Government Immovable Asset Management Act (Act No. 19 of 2007)
- Intergovernmental Relations Framework Act (Act No. 13 of 2005)
- Municipal Finance Management Act (MFMA) (Act No. 56 of 2003)
- Preferential Procurement Policy Framework Act (Act No. 5 of 2000) (PPPFA)
- Provincial Internal Audit Act (Act No. 2 of 2001)
- Provincial Tax Regulation Process Act (Act No. 53 of 2001)
- Public Finance Management Act (Act No. 1 of 1999, as amended) and Treasury Regulations
- Public Audit Act (Act No. 25 of 2004)
- Promotion of Access to Information Act (Act No. 2 of 2000)
- Provincial Appropriation Acts
- The Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996)
- KwaZulu-Natal Direct Charges Act, 2002 (Act No. 4 of 2002)

## **2. Review of the 2018/19 financial year**

Section 2 provides a review of 2018/19, outlining the main achievements and progress made by the department, as well as providing a brief discussion on challenges and new developments.

### ***Sustainable Resource Management***

**Infrastructure:** In line with National Treasury guidelines for planning, budgeting and delivery of infrastructure, the unit published the 2018/19 *ECE*, provides a list of all infrastructure projects that the provincial departments are planning to deliver over the MTEF. Support was provided on infrastructure reporting using the Infrastructure Reporting Model (IRM), Infrastructure Delivery Management System (IDMS), and the KZN Infrastructure Master Plan (KZN-IMP). The deployment of the Infrastructure Crack Team continued to be a priority, with projects including the storm disaster repairs relating to DOH.

**Economic Analysis:** The unit continued to produce economic and public policy research, participated in various academic conferences and workshops, undertook district municipality profiling and delivered economic presentations throughout the province. It also provided informative analysis of the provincial Socio-economic Review and Outlook (*SERO*) and contributed to municipalities' Integrated Development Plans (IDPs).

*Public Finance:* The 2018/19 main budget was finalised and tabled on time as stipulated by the PFMA. The main budget was accompanied by the tabling of the 2018/19 EPRE. This publication provides provincial spending plans for the next three years. Monitoring and reporting on the performance of the budget and service delivery achievements for all 14 departments, the Provincial Legislature and 16 public entities to National Treasury continued, as well as updating the Provincial Executive Council and the Finance Portfolio Committee (FPC) in this regard. These were also briefed on the mid-year and close-out budget performance of the province. The unit also continued to oversee the implementation of cost-cutting measures by provincial departments and public entities.

#### ***Financial Governance***

*Asset and Liabilities Management:* Funds were made available to provincial departments as required, in line with their cash flow forecasts and as per the equitable share and conditional grants received from National Treasury. The cash blocking system continued to ensure effective cash management by the departments, as they are unable to disburse payments to suppliers unless they have cash available. These controls ensured that the province continued to remain cash positive.

*Public Private Partnerships (PPP):* The unit continued to provide technical and legal advice in support of all provincial PPPs as regulated by National Treasury guidelines. This was achieved through PPP workshops and seminars.

*Supply Chain Management:* Support was provided to departments, municipalities and public entities with regard to SCM policies and procedures, compliance assessments were conducted to determine the necessary support interventions, and training was provided. The roll-out of the Contract Management Project (CMP) continued in municipalities, which included the deployment of Provincial Treasury resources to various municipalities. Moreover, support was given to DOH in respect of the Treasury/Health assistance plan, as well as to DARD.

The unit continued with the I-Develop project, the Provincial Bid Appeals Tribunal matters and Municipal Bids Appeal Tribunal (MBAT) training in municipalities, including the provision of active support in the hearing and facilitation of MBAT matters.

*Accounting Services:* The unit continued to provide financial management support to provincial departments, public entities and municipalities in sustaining and improving 2018/19 audit outcomes. Provincial Treasury once again obtained a clean audit report for the Provincial Revenue Fund for 2017/18, and this is the tenth consecutive clean audit report.

The department runs a five-year SAICA programme, funded through the Thuthuka Bursary Fund, with the aim of producing professional Chartered Accountants. The programme consists of three years of articles and two years whereby the trainees enter into the Management Development Programme (MDP). Since its inception, the programme benefited 11 trainees as follows: three intake in 2016, two of which have now qualified and were retained on the MDP, two intake in 2017 who are currently at third-year level, three intake in 2018 who are at second-year level, and three intake in 2019 who are currently at first-year level.

*Norms and Standards:* The unit provided policy assistance to municipalities, departments and public entities by focusing on the review and development of critical finance related policies and the review of instruction notes and standard operating procedures for departments. A review was undertaken of departments' financial delegations of authority, and recommendations were provided to ensure accountability and acceptance of responsibility as required by the PFMA. The unit conducted compliance monitoring in all departments to assess revenue and expenditure management and assessed compliance regarding the development and implementation of critical finance-related policies at eight public entities. The unit also provided assistance to National Treasury in the continued development of the Financial Management Capability Maturity Model (FMCMM).

*Support and Interlinked Financial Systems:* The new Public Key Infrastructure (PKI), which is a system/technology used in the biometrics system, was completed during March 2018. The upgrade of biometrics smartcards (biometric scanners for systems such as BAS) linked to the new PKI environment is expected to be finalised by 31 March 2019. The contract for transversal travel systems was extended until the end of February 2019.

### ***Internal Audit***

*Assurance Services:* A shared internal audit service was provided to all provincial departments. Audits were conducted to review the adequacy and effectiveness of internal controls to enhance overall good governance. Risk-based audits were conducted with additional focus on general accounting controls to assist with the enhancement of financial processes, audits on governance processes such as risk management, as well as reviews of contract management. IT audits focused on network vulnerability, IT spend and software licences.

*Risk and Advisory Services:* The review and updating of the Provincial Risk Management Framework was finalised and will be rolled-out before the end of 2018/19. The unit continued to monitor departments' compliance to the minimum risk management standards, as well as follow up on the departments' implementation of recommendations emanating from various risk reports such as risk maturity, business continuity management (BCM), fraud prevention plans and occupational health and safety (OHS).

*Forensic Audit Services:* A total of 33 investigations were completed, and 57 follow-ups were conducted to track the status of implementation of recommendations arising from forensic investigation reports. Forensic cases were updated on the database and a report was issued to the MEC for each quarter of 2018/19 containing all allegations investigated from 2009 to 2018.

### ***Municipal Finance Management***

*Municipal Budget:* Technical support was provided to delegated municipalities and the preparation of both the tabled and approved budgets were monitored, as well as the performance of municipal budgets, which included evaluating mid-year budget and performance assessment reports. The monitoring aspect included compliance with the Municipal Finance Management Act (MFMA) and the Municipal Budget and Reporting Regulations (MBRR). The key activities included monitoring of the implementation of the budgeting framework by municipalities, providing guidance on budget planning and implementation, monitoring, evaluating and reporting on budget implementation, as well as the monitoring and reporting on compliance by municipalities.

*Municipal Support Programme:* The Municipal Support Programme (MSP) supported its clients by identifying methods to improve service delivery, as well as ensuring compliance with the MFMA and other relevant legislation. The programme also placed emphasis on capacity building in respect of projects undertaken. Municipalities were assisted with VAT reviews, PAYE reviews and grant management.

## **3. Outlook for the 2019/20 financial year**

Section 3 looks at the key focus areas of 2019/20, outlining what the department is hoping to achieve, as well as briefly looking at the challenges facing the department, and proposed new developments.

The bulk of the department's budget allocation over the 2019/20 MTEF is for financial governance (for general oversight of all departments, municipalities' and public entities' budget processes), internal audit, SCM, as well as support for transversal and interlinked financial systems.

### ***Sustainable Resource Management***

*Economic Analysis:* Economic and public policy research will be undertaken and there will be participation in various academic conferences and workshops. District municipality profiling will be undertaken and the *SERO* for 2020/21 will be prepared.

*Infrastructure:* Infrastructure planning and delivery performance will continue to be monitored. The IRM will be used to track infrastructure progress and expenditure, while institutionalising the IDMS and the Standard for Infrastructure Procurement and Delivery Management (SIPDM) will continue to be focus areas for all provincial departments to institutionalise. The unit will also focus on preparing the 2020/21 *ECE* that provides project lists that complement the *EPRE* for tabling in the Legislature. The unit will also continue to provide technical support in the development of the KZN-IMP, planned to be issued in February 2019 by DOPW, which will be responsible for managing and updating the KZN-IMP thereafter. The catalytic projects that are endorsed by PGDP will also be captured in the KZN-IMP and will be contextualised to contribute to the KZN PGDS goals and objectives.

*Public Finance:* Monitoring the spending of departments and public entities will continue in 2019/20, with the aim of keeping provincial spending within budget. The Provincial Executive Council will continue to be kept informed of the province's budget performance, as will the FPC. The 2020/21 budget will be prepared for tabling in the Legislature.

#### ***Financial Governance***

*Asset and Liabilities Management:* A support service will continue to be offered to departments in respect of payroll tax and banking functions. Current practices of monitoring all departmental bank balances on a daily basis will be maintained to ensure effective cash flow management. Excess funds will be invested with the South African Reserve Bank (SARB) to ensure maximum interest is earned.

*Public Private Partnerships:* The unit will continue to oversee and provide support at a provincial and municipal level in line with the PPP project cycle. This will be achieved by ensuring that transaction support is provided to departments, public entities, municipalities and their municipal entities to ensure compliance with the PPP legislative processes.

*Supply Chain Management:* Compliance with all SCM prescripts in provincial departments, municipalities and public entities will continue to be enforced and a strategic link between financial management reforms and procurement processes will be established and maintained. Important SCM reforms will be implemented in the outer years of the MTEF, such as SCM training sessions and contract management reviews. Operational support will be provided, SCM policies will be reviewed and training to departments, municipalities and public entities will be provided. Administration of the Central Supplier Database (CSD), support on the e-Tender portal and comprehensive compliance assessments will be undertaken to ensure that incidents of irregular expenditure relating to SCM processes are reduced. The I-Develop project, Provincial Bid Appeals Tribunal matters and MBAT training in municipalities will continue, including the provision of active support in the hearing and facilitation of MBAT matters.

*Accounting Services:* Continued focus will be on hands-on engagement and support to departments and public entities to enhance their financial accounting and reporting performance, as well as continued staff development and training programmes to develop and retain the requisite financial management skills and expertise. Focus will further be given to supporting municipalities on Municipal Standard Chart of Account (mSCOA) implementation, particularly in the provision of guidance and review support to municipalities in the preparation of AFS.

*Norms and Standards:* Continued focus will be on compliance monitoring and evaluation within departments, municipalities and entities to assess financial management compliance and provide the necessary remedial assistance to address identified deviations to ensure improved financial management.

*Support and Interlinked Financial Systems:* The unit will source an asset management system that integrates with BAS and HARDCAT. There will be continued focus on smartcard (biometric scanners for systems such as BAS) changes and additions, and support will continue to be provided to all departments on functional and technical aspects of transversal systems.

#### ***Internal Audit***

*Assurance Services:* Risk-based audits with specific focus on overall good governance will be performed. The unit will also embark on identifying areas that require internal audit process enhancements. The unit will assist departments in redesigning these processes to ensure all risks are well controlled. There will be continued focus on IT audit reviews and specialised performance audits.

*Risk and Advisory Services:* Departments will continue to be assisted on specialised risk assessment projects, and this will be expanded to also focus on strategic risk assessments, IT project risk assessments and financial statement (reporting) risk assessments. More focus will be directed at assisting selected departments with evaluating and improving key controls.

*Forensic Audit Services:* More detailed follow-up audits will be conducted to assess the extent to which investigated entities are implementing forensic investigation recommendations. The case management system tool will be implemented in departments and public entities and it is envisaged that this tool will also be used to assess whether the recommendations contained in the forensic reports were implemented.

### **Municipal Finance Management**

*Municipal Budget:* There will be continued focus on improving technical support to delegated municipalities on the preparation of multi-year budgets, as well as the monthly outcomes of those budgets. More focus will be placed on in-year monitoring including statutory returns, as well as the preparation of monthly, quarterly, mid-year and annual consolidated reports on the state of financial performance.

*Municipal Accounting and Reporting:* This is a new sub-programme which will be implemented from 2019/20 and as the sub-programme is phased in, the focus will be on assisting, supporting and monitoring municipalities with financial management and compliance with the annual reporting framework. This will be achieved by promoting an understanding of GRAP, monitoring compliance with reporting requirements, providing accounting services and support, implementing systems and processes to improve sound financial management and audit outcomes, reviewing the quality of AFS as well as monitoring, evaluating and reporting on compliance with the Municipal Asset Management Regulations.

*Municipal Support Programme:* The unit will continue to support its clients by identifying methods to improve service delivery, as well as ensuring compliance with the MFMA and other relevant legislation. Continued focus will be placed on capacity building in respect of projects undertaken.

## **4. Reprioritisation**

In 2019/20, the department undertook reprioritisation totalling R16.500 million from Programme 1: Administration, Programme 2: Sustainable Resource Management, and Programme 5: Municipal Finance Management. The funds were reprioritised from *Goods and services* across the three programmes due to reduced reliance on consultants, and allocated to Programme 3: Financial Governance to cater for projects such as preparation of consolidated AFS, training on financial management provided to departments and municipalities and training municipalities for compliance with mSCOA, and to Programme 4, mainly against *Compensation of employees* to cater for the filling of vacant posts.

In 2020/21, the department undertook reprioritisation totalling R9.011 million from Programme 1, Programme 2 and Programme 3, mainly against *Goods and services* due to reduced reliance on consultants. These funds were allocated to Programme 4 and Programme 5 to cater for the filling of vacant posts. Note that reprioritisation to Programme 5 provides for the implementation of the Municipal Accounting and Reporting and the Municipal Revenue and Debt Management sub-programmes.

## **5. Procurement**

The department will continue to maintain a fair, equitable, transparent, competitive and cost effective procurement system that will enable economic transformation. The department implemented a rotation policy that ensures equal opportunities for the participants.

The department will further strengthen the wider participation by all targeted groups in the various categories of procurement. This will be attained through the implementation of effective and efficient procurement and demand plans that will create an enabling environment for better planning and spend analysis, thus ensuring value for money objectives and client satisfaction.

## **6. Receipts and financing**

### **6.1 Summary of receipts and financing**

Table 6.1 shows the sources of funding for Vote 6 over the seven-year period from 2015/16 to 2021/22. The table also compares actual and budgeted receipts against actual and budgeted payments.

Table 6.1 : Summary of receipts and financing

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2015/16	2016/17	2017/18	2018/19			2019/20	2020/21	2021/22
Equitable share	611 038	586 154	606 344	635 400	635 400	635 400	681 629	725 726	765 393
Conditional grants	-	-	-	-	-	-	-	-	-
<b>Total receipts</b>	<b>611 038</b>	<b>586 154</b>	<b>606 344</b>	<b>635 400</b>	<b>635 400</b>	<b>635 400</b>	<b>681 629</b>	<b>725 726</b>	<b>765 393</b>
<b>Total payments</b>	<b>604 650</b>	<b>596 115</b>	<b>588 876</b>	<b>650 900</b>	<b>681 900</b>	<b>659 667</b>	<b>721 629</b>	<b>725 726</b>	<b>765 393</b>
Surplus/(Deficit) before financing	6 388	(9 961)	17 468	(15 500)	(46 500)	(24 267)	(40 000)	-	-
Financing									
of which									
Provincial roll-overs	218	-	10 525	-	11 000	11 000	-	-	-
Provincial cash resources	69 062	42 000	14 500	15 500	35 500	35 500	40 000	-	-
<b>Surplus/(Deficit) after financing</b>	<b>75 668</b>	<b>32 039</b>	<b>42 493</b>	<b>-</b>	<b>-</b>	<b>22 233</b>	<b>-</b>	<b>-</b>	<b>-</b>

In 2015/16, the provincial cash resources of R69.062 million comprise suspensions from the previous financial year relating to additional funding for the Infrastructure Delivery Improvement Programme (IDIP), Operation Pay-on-Time, Operation Clean Audit, e-Procurement Tool, special audits, forensic investigations, Shayamoya eco-complex, the Bhongweni light industrial park and the Inkosi Albert Luthuli Central Hospital (IALCH) floor repairs. An amount of R218 000 was rolled over in respect of the payment of invoices from 2014/15 for the Msunduzi electricity-related development projects.

The under-spending of R75.668 million in 2015/16 was mainly due to non-filling of vacant posts, invoices being withheld as a result of unsatisfactory service delivery from service providers, and cost-cutting.

The amount of R42 million against provincial cash resources in 2016/17 comprises once-off additional funding for IDIP Technical Advisors (TAs), Operation Pay-on-Time, e-Procurement tool, Operation Clean Audit, CMP, as well as funding for the replacement of biometric scanners and the IALCH floor repairs.

The 2016/17 budget was under-spent by R32.039 million mainly in respect of the non-filling of various vacant posts, such as that of Directors: SCM (Asset Management and Loss Control) and Financial Management, as well as two Deputy Directors in IT Management and various Budget Analyst posts.

In 2017/18, approval was granted for a roll-over of R10.525 million from 2016/17, mainly relating to performance audits and forensic investigations taking longer than anticipated, as well as some service providers submitting invoices too late for payment in 2016/17. Several adjustments were made to the department's budget, as summarised below:

- Additional funding of R14.500 million was allocated in 2017/18 for the Treasury/Health assistance plan, with a further R15.500 million allocated in 2018/19, from provincial cash resources.
- Offsetting this was a suspension of R1.500 million in both 2017/18 and 2018/19 from Vote 6 to Vote 11: COGTA toward the Mandela Day Marathon. This is reflected against the equitable share.

The 2017/18 budget was under-spent by R42.493 million mainly in respect of the non-filling of vacant posts, due to lengthy internal recruitment processes, as well as delays in receiving invoices.

In 2018/19, the department received R15.500 million in respect of the Treasury/Health assistance plan. In the 2018/19 Adjusted Appropriation, the department received approval for a roll-over of R11 million from 2017/18, mainly relating to the Treasury/Health assistance plan due to the project taking longer than anticipated. The department also received a top-up of R20 million for the Treasury/Health assistance plan, in line with project requirements.

The 2018/19 Revised Estimate shows that the department is anticipating to under-spend by R22.233 million, due to internal delays in the filling of critical vacant posts because of lengthy recruitment processes, difficulty in finding suitably qualified candidates and non-submission of invoices.

In 2019/20, a once-off additional amount of R40 million is allocated for the Treasury/Health assistance plan, in line with project requirements. The departmental budget shows steady growth over the MTEF.

## 6.2 Departmental receipts collection

Table 6.2 gives a summary of the departmental receipts for Vote 6. The details are presented in the *Annexure – Vote 6: Provincial Treasury*.

Table 6.2 : Summary of departmental receipts collection

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2015/16	2016/17	2017/18	2018/19			2019/20	2020/21	2021/22
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sale of goods and services other than capital assets	345	352	446	227	227	277	228	235	247
Transfers received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	1	-	-	-	-	-	-	-
Interest, dividends and rent on land	391 253	284 822	338 296	295 219	295 219	444 491	365 000	387 995	413 345
Sale of capital assets	790	119	356	203	203	-	204	210	222
Transactions in financial assets and liabilities	4 027	3 594	715	407	407	698	410	422	445
<b>Total</b>	<b>396 415</b>	<b>288 888</b>	<b>339 813</b>	<b>296 056</b>	<b>296 056</b>	<b>445 466</b>	<b>365 842</b>	<b>388 862</b>	<b>414 259</b>

*Sale of goods and services other than capital assets* is derived from parking fees, game licences, commission on PERSAL deductions such as insurance premiums and garnishees, tender fees, etc. The revenue growth is conservative over the MTEF due to its unpredictable nature.

*Interest, dividends and rent on land* mainly relates to interest earned on the Paymaster General (PMG) and inter-governmental cash co-ordination (IGCC) accounts. The significant revenue collection against this category in prior years is due to the collective implementation of cost-cutting measures by provincial departments and stringent cash management by Provincial Treasury. Such measures contributed to the significantly higher amount projected in the 2018/19 Revised Estimate. The revenue was increased by R50 million per annum over the MTEF due to the projected over-collection in the 2018/19 Revised Estimate and because it is expected that the province will remain cash positive.

*Sale of capital assets* relates to the disposal of redundant assets, such as vehicles, office equipment, etc. The department anticipates disposing of motor vehicles and office equipment over the 2019/20 MTEF, in line with its asset disposal policy.

*Transactions in financial assets and liabilities* comprises recoveries from staff debts such as breached bursary contracts. The high collection in 2015/16 and 2016/17 was mainly due to reversed salary over-payments and inter-departmental claims in respect of consultants deployed to prepare Interim Financial Statements, as well as movable and immovable asset registers for other departments. The revenue growth is conservative over the MTEF due to the unpredictable nature of this revenue source. For instance, it is difficult to project with certainty the volume of salary over-payments or breached bursary contracts.

### 6.3 Donor and agency funding

Table 6.3 and 6.4 provides information on donor funding received and expenditure by the department from 2015/16 to 2018/19.

Table 6.3 : Details of donor and agency funding receipts

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2015/16	2016/17	2017/18	2018/19			2019/20	2020/21	2021/22
<b>Donor funding</b>	<b>7 073</b>	<b>57 227</b>	<b>116 185</b>	<b>155 383</b>	<b>344 821</b>	<b>344 821</b>	-	-	-
Development of KwaZulu-Natal Science Parks	7 073	34 527	78 633	-	-	-	-	-	-
EU Global Fund: Fight against HIV/AIDS, TB & Malaria	-	22 700	37 552	155 383	344 821	344 821	-	-	-
<b>Agency receipt</b>	<b>-</b>	<b>131</b>	<b>240</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
PSETA	-	131	240	-	-	-	-	-	-
<b>Total</b>	<b>7 073</b>	<b>57 358</b>	<b>116 425</b>	<b>155 383</b>	<b>344 821</b>	<b>344 821</b>	<b>-</b>	<b>-</b>	<b>-</b>

Table 6.4 : Details of donor funding and agency funding payment and estimates

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2015/16	2016/17	2017/18	2018/19			2019/20	2020/21	2021/22
<b>Donor funding</b>	<b>7 073</b>	<b>45 685</b>	<b>116 185</b>	<b>155 383</b>	<b>344 821</b>	<b>344 821</b>	<b>-</b>	<b>-</b>	<b>-</b>
Development of KwaZulu-Natal Science Parks	7 073	34 291	78 633	-	-	-	-	-	-
EU Global Fund: Fight against HIV/AIDS, TB & Malaria	-	11 394	37 552	155 383	344 821	344 821	-	-	-
<b>Agency receipt</b>	<b>-</b>	<b>131</b>	<b>240</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
PSETA	-	131	240	-	-	-	-	-	-
<b>Total</b>	<b>7 073</b>	<b>45 816</b>	<b>116 425</b>	<b>155 383</b>	<b>344 821</b>	<b>344 821</b>	<b>-</b>	<b>-</b>	<b>-</b>



In total, KZN received a R120.233 million grant from the EU related to the development of KZN Science Parks and the project was supposed to run from 2014/15 to 2016/17, however, the three-year term was extended to 2017/18, and the funding was spent in full as at 31 March 2018. Three Technology Hubs (Newcastle, Port Shepstone and Richards Bay) reached the practical completion phase by 28 March 2018 and have been commissioned and occupied. The Richards Bay Technology Hub entered into a three-year contract with an FET college to occupy the facility. The Pietermaritzburg Hub experienced delays with the Environmental Impact Assessment (EIA) application. Note that the Msunduzi Municipality is exploring alternative funding options in order to continue with the construction of the Pietermaritzburg Hub. The three hubs that were completed have been handed over to their respective municipalities and EDTEA will monitor the utilisation of these hubs.

Provincial Treasury is one of the eight recipients of the EU Global Fund programme for the period 1 April 2016 to 31 March 2019 (three years). The main objective of the grant is to address the social and structural drivers of HIV and TB prevention, care and impact, preventing new HIV, STI and TB infections, sustaining health and wellness, as well as ensuring protection of human rights and improving access to justice. There is a significant increase in the allocation from the Main to Adjusted Appropriation, due to more funds being made available by the donor. The allocation for this project is R405.073 million over the three years (2016/17 to 2018/19).

In respect of the Public Sector Education and Training Authority (PSETA), the department was allocated R240 000 in 2017/18 for work integrated learning, with the aim of supporting 20 students from TVET colleges with a stipend of R2 000 per student per month for a period of 18 months, which ended in June 2017. This allocation gave learners the opportunity to do in-service training in the department in their area of study. Note that no allocation is made from 2018/19 onwards.

## 7. Payment summary

This section provides information pertaining to the Vote as a whole at an aggregated level, including payments and budgeted estimates in terms of programmes and economic classification. Further details are given in Section 8 below, as well as in the *Annexure – Vote 6: Provincial Treasury*.

### 7.1 Key assumptions

The department applied the following broad assumptions when compiling the budget:

- All inflation related increases are based on CPI projections.
- In terms of the National Treasury's guidelines, the cost of living adjustment is 7.8 per cent in 2019/20, 8 per cent in 2020/21 and 8 per cent in 2021/22, including the 1.5 per cent pay progression. However, the department provided for a growth in *Compensation of employees* of 20 per cent in 2019/20, 10.2 per cent in 2020/21 and 3.8 per cent in 2021/22. The substantial growth in 2019/20 caters for the filling of 133 vacant critical posts. The growth in 2021/22, which is below National Treasury's guidelines, will be reviewed by the department in the next budget process.
- The expanded cost-cutting measures, as reissued by Provincial Treasury in 2018/19, will continue to be adhered to over the 2019/20 MTEF, in conjunction with National Treasury Instruction Note 03 of 2017/18: Cost-containment measures.

### 7.2 Additional provincial and equitable share allocations: 2017/18 to 2019/20 MTEF

Table 6.5 shows additional provincial and equitable share funding received by the department over the 2017/18, 2018/19 and 2019/20 MTEF periods, and excludes conditional grant funding.

The carry-through allocations for the outer year (i.e. 2021/22) are based on the incremental percentage used in the 2019/20 MTEF.

**Table 6.5 : Summary of additional provincial and equitable share allocations for the 2017/18 to 2019/20 MTEF**

R thousand	2017/18	2018/19	2019/20	2020/21	2021/22
<b>2017/18 MTEF period</b>	<b>(3 559)</b>	<b>(3 982)</b>	<b>501</b>	<b>529</b>	<b>558</b>
PES and Provincial Own Revenue reductions	(2 583)	(2 953)	(5 237)	(5 525)	(5 829)
Budget cuts to fund remuneration of <i>Izinduna</i>	(976)	(1 029)	(1 086)	(1 146)	(1 209)
Additional funding from National Treasury	-	-	6 824	7 199	7 595
<b>2018/19 MTEF period</b>		<b>14 000</b>	<b>88 714</b>	<b>15 522</b>	<b>15 881</b>
Suspension of Mandela Day Marathon to Vote 11		(1 500)	-	-	-
Treasury/Health assistance plan		15 500	-	-	-
Above-budget wage agreement		-	-	6 886	7 265
<b>2019/20 MTEF period</b>			<b>44 357</b>	<b>4 318</b>	<b>4 308</b>
Treasury/Health assistance plan			40 000	-	-
Infrastructure development improvement shift			5 000	5 000	5 000
Budget cuts for remuneration of public office bearers			(643)	(682)	(692)
<b>Total</b>	<b>(3 559)</b>	<b>10 018</b>	<b>133 572</b>	<b>20 369</b>	<b>20 746</b>

With regard to the 2017/18 MTEF, the department's budget was reduced due to the following:

- In 2017/18, there was a reduction of the PES allocation due to data updates of the PES formula, fiscal framework reductions, as well as a downward revision of the Provincial Own Revenue. The department's budget cut amounted to R2.583 million with carry-through and was effected proportionately across all programmes and economic classifications.
- As determined by the Provincial Executive Council on 2 November 2016, the province commenced the process of the remuneration of *Izinduna* in compliance with previously issued Presidential proclamations. The *Izinduna's* remuneration budget was partly funded (50 per cent) through an internal reprioritisation by COGTA and the balance of 50 per cent funded through a proportional cut against all the remaining Votes. As a result, the department's budget was reduced by R976 000 with carry-through. This was proportionately effected against *Goods and services* in all programmes.
- Offsetting these cuts to some extent was additional funding of R6.824 million provided by National Treasury in the outer year.

With regard to the 2018/19 MTEF:

- R1.500 million was removed from the department's budget in 2018/19 due to the suspension of funds for the Mandela Day Marathon to COGTA, in line with a commitment made by the MEC for Finance.
- Offsetting this suspension was an allocation of R15.500 million for the Treasury/Health assistance plan. The Executive Statement presented by the MEC for Finance in the Provincial Legislature on 22 June 2017 indicated that Provincial Treasury would provide support to DOH. Part of this assistance required the allocation of resources in areas such as Internal Control and Accounting Services. This is additional to an amount of R14.500 million that was allocated in the 2017/18 Adjustments Estimate.
- There was an additional amount of R6.886 million with carry-through allocated by National Treasury in the outer year (2020/21) to cater for the above-budget wage agreement.

With regard to the 2019/20 MTEF:

- An additional R40 million is allocated for the Treasury/Health assistance plan, in line with project requirements.
- National Treasury allocated R5 million per annum in support of ongoing efforts to increase technical capacity within Provincial Treasuries' infrastructure units to assist in making infrastructure delivery more effective in provinces.
- In 2019/20, the department's budget was cut by R643 000 with carry-through, in respect of the remuneration of public office bearers in line with a determination made by the Honourable President. In this regard, the President announced that there would be minimal or no annual salary increases in 2018/19 for public office bearers. In the case of provincial executives, Premiers, MECs and Speakers did not receive salary increases, while MPLs received a 2.5 per cent increase. The savings realised from this announcement were cut from provinces in line with fiscal consolidation efforts.

In 2012/13, additional funds were allocated for improving infrastructure support. Although no longer visible in Table 6.5, this funding was specifically and exclusively appropriated and the department utilises this funding for the Infrastructure Crack Team, which provides infrastructure support in the province. Thus amounts of R9.072 million, R10.060 million and R10.613 million remain ring-fenced for this purpose over the 2019/20 MTEF.

### 7.3 Summary by programme and economic classification

The services rendered by the department are categorised under five programmes and the department is now largely aligned to the generic programme structure of the sector. Tables 6.6 and 6.7 provide a summary of the Vote's payments and budgeted estimates over the seven-year period, by programme and by economic classification, respectively.

**Table 6.6 : Summary of payments and estimates by programme: Provincial Treasury**

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2015/16	2016/17	2017/18	2018/19			2019/20	2020/21	2021/22
1. Administration	145 589	159 101	162 962	192 377	230 669	227 528	220 209	206 593	217 715
2. Sustainable Resource Management	38 257	43 866	39 099	40 657	41 157	39 338	47 641	49 984	52 732
3. Financial Governance	240 163	207 210	199 954	209 602	196 102	187 588	223 541	227 687	240 208
4. Internal Audit	134 604	132 745	133 643	144 555	150 263	142 146	166 345	164 732	173 792
5. Municipal Finance Management	46 037	53 193	53 218	63 709	63 709	63 067	63 893	76 730	80 946
<b>Total</b>	<b>604 650</b>	<b>596 115</b>	<b>588 876</b>	<b>650 900</b>	<b>681 900</b>	<b>659 667</b>	<b>721 629</b>	<b>725 726</b>	<b>765 393</b>

**Table 6.7 : Summary of payments and estimates by economic classification: Provincial Treasury**

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2015/16	2016/17	2017/18	2018/19			2019/20	2020/21	2021/22
<b>Current payments</b>	<b>569 228</b>	<b>583 277</b>	<b>571 510</b>	<b>628 832</b>	<b>655 812</b>	<b>631 052</b>	<b>700 363</b>	<b>703 559</b>	<b>742 015</b>
Compensation of employees	227 845	252 383	270 780	308 148	314 333	300 056	360 012	396 594	411 815
Goods and services	341 383	330 300	300 730	317 184	341 473	330 982	338 851	305 365	328 512
Interest and rent on land	-	594	-	3 500	6	14	1 500	1 600	1 688
<b>Transfers and subsidies to:</b>	<b>21 041</b>	<b>8 077</b>	<b>5 419</b>	<b>3 095</b>	<b>6 077</b>	<b>5 959</b>	<b>2 201</b>	<b>2 140</b>	<b>2 256</b>
Provinces and municipalities	10 301	24	26	23	23	31	26	27	28
Departmental agencies and accounts	2	-	1 025	3	3	3	3	3	3
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	4	7	-	-	-	-	-	-	-
Non-profit institutions	4 340	3 857	3 264	896	694	705	213	279	294
Households	6 394	4 189	1 104	2 173	5 357	5 220	1 959	1 831	1 931
<b>Payments for capital assets</b>	<b>14 037</b>	<b>4 740</b>	<b>11 941</b>	<b>18 973</b>	<b>20 011</b>	<b>22 656</b>	<b>19 065</b>	<b>20 027</b>	<b>21 122</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	14 037	4 740	11 941	18 823	19 861	22 656	18 807	19 755	20 835
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	150	150	-	258	272	287
<b>Payments for financial assets</b>	<b>344</b>	<b>21</b>	<b>6</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>604 650</b>	<b>596 115</b>	<b>588 876</b>	<b>650 900</b>	<b>681 900</b>	<b>659 667</b>	<b>721 629</b>	<b>725 726</b>	<b>765 393</b>

Programme 1 shows an increase from 2015/16 to 2016/17 due to the function shift of IT Management from Programme 3 to this programme. The increase from 2016/17 to 2017/18 was mainly due to the filling of posts. The increase from the 2018/19 Main to Adjusted Appropriation is mainly as a result of the approved roll-over and the additional allocation for the Treasury/Health assistance plan for providing financial management services in DOH, and these funds are held under the HOD's budget, as well as provision for special interventions. In addition, the increase relates to a transfer to the Thuthuka Bursary Fund that could not be processed in 2017/18 as a result of tax certificate related challenges. The decrease from the 2018/19 Adjusted Appropriation to 2019/20 is mainly due to the reprioritisation of funds from *Goods and services* because of reduced reliance on consultants, to cater for filling of posts in Programme 4. The decrease in 2020/21 is due to the Treasury/Health assistance plan that is only allocated up to 2019/20. The growth in the outer year is inflationary.

Programme 2 shows a decrease from 2016/17 to 2017/18 due to a once-off payment of a salary backpay in 2016/17. The increase from the 2018/19 Main to Adjusted Appropriation was to cater for personnel costs

that were higher than budgeted for, because of the above-budget wage adjustment. The increase from 2018/19 to 2019/20 and over the MTEF is largely due to the allocation made by National Treasury to enhance the technical capacity to assist in infrastructure delivery within the province. The MTEF allocations also cater for inflationary growth for the Infrastructure Crack Team, the IDIP TAs, as well as Public Finance, Infrastructure and Economic Analysis units.

Programme 3 reflects a decrease from 2015/16 to 2016/17 due to the function shift of IT Management from this sub-programme to Programme 1, as well as the relocation of the PERSAL Mainframe time server from Pietermaritzburg SITA to Centurion. The decrease from the 2018/19 Main to Adjusted Appropriation was mainly as a result of delays in the receipt of invoices from consultants for projects such as financial management training to organisations, revised project scopes for SCM support interventions at departments and municipalities, as well as the positive bank balance as it is expected that the province will not go into overdraft and will therefore not incur any interest charges. The high growth in 2019/20 relates to a once-off reprioritisation from *Goods and services* in Programme 5 to the same category in this programme, in order to address a shortfall in 2019/20, regarding a decision taken by the Minister of Finance on 22 April 2014 which requires that all municipalities and related municipal entities transact in compliance with the mSCOA regulations. Note that this initiative is already being undertaken by the Accounting Services sub-programme and the funds are allocated against consultants. The increase from 2020/21 to 2021/22 is inflationary and provides mainly for CMP, MBAT, support to departments in respect of consolidating and reviewing of the AFS, preparation of the AFS for the Provincial Revenue Fund, Operation Clean Audit, as well as training of and support to departments and municipalities.

Programme 4: Internal Audit shows an increase from the 2018/19 Main to Adjusted Appropriation to cater for outstanding commitments in respect of performance audits and staff exit costs. The increase from 2018/19 to 2019/20 is to cater for performance audit costs, as well as the filling of critical posts. The decrease in 2020/21 is due to the Treasury/Health assistance plan which is allocated up to 2019/20, and the increase in 2021/22 is inflationary.

Programme 5: Municipal Finance Management shows low growth from 2018/19 to 2019/20 as a result of the once-off reprioritisation from this programme to Programme 3, as mentioned. The increase from 2020/21 to 2021/22 mainly relates to the filling of contract posts in line with programme requirements, as well as the reprioritisation of funds from Programme 1 to this programme to cater for the implementation of the Municipal Accounting Reporting and Municipal Revenue and Debt Management sub-programmes.

The increase against *Compensation of employees* from 2015/16 to 2016/17 was due to the filling of vacant posts, as well as annual wage adjustments. The increase from the 2018/19 Main to the Adjusted Appropriation can be ascribed to spending pressures related to the above-budget wage adjustment. The low Revised Estimate is as a result of non-filling of vacant posts. The department plans to fill 133 posts in 2019/20, such as the Chief Director: Corporate Services, Chief Director: IGR, IDMS TA, Provincial Budget Co-ordinator, Director: Financial Reporting, Cash Management Specialist, Systems Controllers, Chief Director: Supply Chain Management, Director: Policy and Contract Management (SCM), and various contract posts. The department continues with the drive to use contract employees at the DPSA salary levels and scales instead of using consultants, with the aim of realising savings from this approach in the next few years, as the proposed organisational structure is not yet approved. *Compensation of employees* grows by 20 per cent in 2019/20, 10.2 per cent in 2020/21 and 3.8 per cent in 2021/22. National Treasury recommended wage adjustment rates are 7.8 per cent in 2019/20, 8 per cent in 2020/21 and 8 per cent in 2021/22, including the 1.5 pay progression, which implies the affordability of filling vacant posts in the first year of the MTEF. Provision has not been adequately made for the carry-through costs of the inflationary wage adjustment in the outer year of the 2019/20 MTEF, as well as the 1.5 per cent pay progression, and this will be reviewed in-year. Note that this also depends on whether all the 133 posts are filled in 2019/20, which seems highly unlikely.

The substantial allocation against *Goods and services* in 2015/16 was mainly due to the additional funding for MBAT, CMP, the Infrastructure Crack Team, Operation Clean Audit initiatives, an increase in forensic investigations, as well as increased demand for performance audits from client departments. The decrease from 2016/17 to 2017/18 was mainly due to additional funding in 2016/17 for consultants in the Internal Audit unit. The increase from 2017/18 to 2018/19 is due to the additional funding in respect of the

Treasury/Health assistance plan. The substantial increase from the 2018/19 Main to Adjusted Appropriation relates to the roll-over and additional funding for the Treasury/Health assistance plan, in line with project requirements. The low Revised Estimate can be ascribed to reduced reliance on consultants. The increase from 2018/19 to 2019/20 is due to the funding of R40 million in respect of the Treasury/Health assistance plan. The decrease in 2020/21 with carry-through relates to the implementation of the Municipal Accounting and Reporting and Municipal Revenue and Debt Management sub-programmes, which resulted in funds being reprioritised from *Goods and services* to cover personnel costs, especially contract employees. Also impacting is the fact that funding for the Treasury/Health assistance plan ends in 2019/20.

There was no spending against *Interest and rent on land* in 2015/16 and 2017/18. This resulted in a lower interest provision, hence the decrease from the 2018/19 Main to Adjusted Appropriation. The 2019/20 MTEF makes provision for this item in the event that the province starts incurring interest charges.

The expenditure reflected against *Transfers and subsidies to: Provinces and municipalities* in 2015/16 is in respect of the payment of motor vehicle licences, as well as provision for once-off special infrastructure projects which included Msunduzi electricity-related development projects, the Bhongweni light industrial park, and the Shayamoya eco-complex. The allocations in 2018/19 and over the MTEF are for motor vehicle licences.

*Transfers and subsidies to: Departmental agencies and accounts* in 2017/18 relates to a transfer made to the KZNGBB in respect of the legal fees that were withheld after the function was moved to Vote 1. The allocations from 2018/19 and over the MTEF cater for the payment of TV licences.

*Transfers and subsidies to: Public corporations and private enterprises* relates to payments to third parties in respect of claims made against the state as a result of car accidents involving officials.

The amounts against *Transfers and subsidies to: Non-profit institutions* from 2015/16 to 2017/18 catered for the transfer payments made to NPOs such as the Coastal Horse Care Unit and the Financial Literacy Association (FLA). The decrease from the 2018/19 Main to the Adjusted Appropriation and over the 2019/20 MTEF is mainly due to the reclassification of non-cash donations from this category to *Goods and services*, in line with the SCOA reclassification. The allocations over the MTEF include provision for cash donations that will be made as and when required.

*Transfers and subsidies to: Households* caters for staff exit costs, injury on duty, as well as bursaries for non-employees. The decrease from 2016/17 to 2017/18 was due to the fact that the transfer to the Thuthuka Bursary Fund could not be processed as a result of tax certificate related challenges. The increase from the 2018/19 Main to Adjusted Appropriation is mainly because the payment to the Thuthuka Bursary Fund was in line with a prior year commitment. The substantial decrease over the 2019/20 MTEF is mainly due to a decrease in the Thuthuka Bursary Fund as a result of the reprioritisation from this fund to accommodate salaries and other related costs to take into account the intake of the SAICA trainees within the organisation.

Spending against *Machinery and equipment* occurs on a cyclical basis, hence the fluctuating trend against this category. The high spending in 2015/16 was mainly due to the installation of biometric servers, the configuration of offices in Treasury House, purchase of departmental vehicles, as well as the replacement of boardroom furniture at Nomalanga Building. The amount in 2017/18 was for the purchase of departmental vehicles, as well as the replacement of computers and furniture in line with the replacement policy. The increase from the 2018/19 Adjusted Appropriation to Revised Estimate is due to payment of the biometric system procured which was not anticipated in the Adjustments Estimate. The increase from the 2018/19 Main to Adjusted Appropriation mainly relates to the reclassification of finance leases (cellphones and leases of printing machines) from *Goods and services* to this category, in line with a SCOA reclassification. The increase over the MTEF is inflationary.

*Software and other intangible assets* relates to purchase of computer software and the MTEF makes inflationary provision for this.

*Payments for financial assets* relates to the write-off of staff debts, such as breached bursary contracts and lost and stolen computers.

## 7.4 Summary of conditional grant payments and estimates – Nil

## 7.5 Summary of infrastructure payments and estimates

Table 6.8 summarises the infrastructure payments and estimates relating to the department. The infrastructure budget of the department is placed solely against *Infrastructure transfers: Capital*.

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

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2015/16	2016/17	2017/18	2018/19			2019/20	2020/21	2021/22
<b>Existing infrastructure assets</b>	-	-	-	-	-	-	-	-	-
Maintenance and repair: Current	-	-	-	-	-	-	-	-	-
Upgrades and additions: Capital	-	-	-	-	-	-	-	-	-
Refurbishment and rehabilitation: Capital	-	-	-	-	-	-	-	-	-
<b>New infrastructure assets: Capital</b>	-	-	-	-	-	-	-	-	-
<b>Infrastructure transfers</b>	10 280	-	-	-	-	-	-	-	-
Infrastructure transfers: Current	-	-	-	-	-	-	-	-	-
Infrastructure transfers: Capital	10 280	-	-	-	-	-	-	-	-
<b>Infrastructure: Payments for financial assets</b>	-	-	-	-	-	-	-	-	-
<b>Infrastructure Leases</b>	-	-	-	-	-	-	-	-	-
<b>Non infrastructure<sup>1</sup></b>	-	-	-	-	-	-	-	-	-
<b>Total</b>	10 280	-	-	-	-	-	-	-	-
Capital infrastructure	10 280	-	-	-	-	-	-	-	-
Current infrastructure	-	-	-	-	-	-	-	-	-

1. Non infrastructure is a stand alone-item, and is therefore excluded from Capital infrastructure and Current infrastructure, but it is included in the overall total

The amount of R10.280 million in 2015/16 comprises R2.062 million for the Shayamoya eco-complex, R8 million for the Bhongweni light industrial park, and R218 000 for Msunduzi electricity-related development projects. Provincial Treasury is not currently undertaking any infrastructure projects, nor are any planned over the MTEF period.

## 7.6 Summary of Public Private Partnerships – Nil

## 7.7 Transfers to public entities (listed i.t.o Schedule 3 of the PFMA) and other entities

Table 6.9 gives a summary of departmental transfers to other entities, details of which are given below.

**Table 6.9 : Summary of departmental transfers to public entities (listed i.t.o Schedule 3 of the PFMA) and other transfers**

		Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
R thousand	Sub-programme	2015/16	2016/17	2017/18	2018/19			2019/20	2020/21	2021/22
Transfers to public entities		-	-	1 025	-	-	-	-	-	-
KZN Gaming and Betting Board		-	-	1 025	-	-	-	-	-	-
Transfers to other entities		8 437	7 190	3 264	896	2 894	2 905	880	918	967
Coastal Horse Care Unit	1.1 Office of the MEC	860	269	-	-	-	-	-	-	-
Donations	1.1 Office of the MEC	398	438	114	896	165	162	213	279	294
Donations	3.6 Accounting Services	-	-	-	-	-	14	-	-	-
Donations	4.2 Assurance Services	-	-	-	-	17	17	-	-	-
Financial Literacy Association	1.1 Office of the MEC	3 082	3 150	3 150	-	512	512	-	-	-
Thuthuka Bursary Fund	1.4 Coporate Services	4 097	3 333	-	-	2 200	2 200	667	639	673
Total		8 437	7 190	4 289	896	2 894	2 905	880	918	967

The amount of R1.025 million in 2017/18 relates to a transfer made to KZNGBB in respect of the legal fees that were withheld after the Gaming and Betting function was moved to Vote 1, as mentioned. A donation of R860 000 in 2015/16 was made towards the Coastal Horse Care Unit to cater for the education and rehabilitation relating to horses, and a further donation of R269 000 was made in 2016/17. There is no provision made over the MTEF for further donations in this regard.

As a result of a change in the MEC's approach to community outreach, from 2014/15 onward, donations are made to co-operatives, old age homes, schools and NPOs. It is noted that donations include those made by the HOD in line with his OSS responsibilities. These donations are categorised into two types i.e. cash donations and tangible inventory items. Non-cash donations (tangible inventory items) are classified under *Goods and services*. The donation of R14 000 in the 2018/19 Revised Estimate related to an annual gala dinner for the recognition of SAICA students, and R17 000 related to an unexpected donation made in respect of the burial of an Internal Audit trainee.

From 2015/16 to 2017/18, funds were allocated by the department for transfer to the FLA. This project was initiated by the MEC for Finance with the aim of educating the citizens of KZN about using their money wisely and also on various aspects such as encouraging savings and financial discipline. There was no budget in 2018/19 as the MOU was for three years, starting from 2015/16 and ending in 2017/18. The increase from the 2018/19 Main to Adjusted Appropriation is in relation to a donation made to the FLA due to financial challenges faced by the institution because of the inability to attract sponsors, and the funds were requested to pay creditors and employees. There are no provisions over the MTEF as there are no donations planned to be made from 2019/20 onward.

Transfers to the Thuthuka Bursary Fund amounted to R4.097 million in 2015/16 and R3.333 million in 2016/17. The decrease from 2016/17 to 2017/18 was due to the fact that the transfers to the Thuthuka Bursary Fund could not be processed as a result of tax certificate related challenges. The increase from the 2018/19 Main to Adjusted Appropriation is mainly due to the payment to the Thuthuka Bursary Fund in line with a prior year commitment. The decrease in the transfer to the Thuthuka Bursary Fund is as a result of reprioritisation undertaken to accommodate salaries and other related costs due to the intake of the SAICA trainees within the organisation, as explained in Section 7.3.

## 7.8 Transfers to local government

Table 6.10 provides a summary of transfers to local government. It is noted that *Transfers to local government* includes funds in respect of motor vehicle licences. However, these funds will not be transferred to any municipality and, hence, the amounts are not reflected in Tables 6.10 and 6.11. The details are presented in the *Annexure – Vote 6: Provincial Treasury*.

**Table 6.10 : Summary of departmental transfers to local government by category**

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2015/16	2016/17	2017/18	2018/19			2019/20	2020/21	2021/22
Category A	-	-	-	-	-	-	-	-	-
Category B	10 280	-	-	-	-	-	-	-	-
Category C	-	-	-	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>10 280</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Table 6.11 : Summary of departmental transfers to local government by grant name**

R thousand	Sub-programme	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
		2015/16	2016/17	2017/18	2018/19			2019/20	2020/21	2021/22
Shayamoya eco-complex	1.2. Office of the HOD	8 000	-	-	-	-	-	-	-	-
Bhongweni light industrial park	1.2. Office of the HOD	2 062	-	-	-	-	-	-	-	-
Msunduzi electricity-related dev.	1.2. Office of the HOD	218	-	-	-	-	-	-	-	-
<b>Total</b>		<b>10 280</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Category B transfers provide for the development of the Shayamoya eco-complex, the Bhongweni light industrial park, as well as Msunduzi electricity-related development projects. There are no transfers to municipalities planned over the 2019/20 MTEF.

## 7.9 Transfers and subsidies

Table 6.12 is a summary of spending on *Transfers and subsidies* by programme and main category. *Transfers and subsidies* fluctuates and reduces significantly over the MTEF as explained below.

- *Provinces and municipalities* in Programme 1 relates to motor vehicle licence fees, as well as transfers to municipalities for different projects which ended in 2015/16, as explained in Section 7.8.
- *Departmental agencies and accounts* against Programme 1 relates to the payment of TV licences. The amount reflected against Programme 3 in 2017/18 relates to a transfer to the KZNGBB in respect of the legal fees that were withheld after the Gaming and Betting function was moved to Vote 1.
- Transfers to *Non-profit institutions* in respect of both Programme 1 and Programme 3 have been explained in Section 7.7 above. The amount reflected in Programme 4 in 2018/19 relates to an unexpected donation made in relation to the burial of a trainee.

Table 6:12 : Summary of transfers and subsidies by programme and main category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2015/16	2016/17	2017/18				2019/20	2020/21	2021/22
<b>1. Administration</b>	<b>19 304</b>	<b>7 484</b>	<b>3 940</b>	<b>2 050</b>	<b>4 066</b>	<b>3 907</b>	<b>1 891</b>	<b>1 774</b>	<b>1 870</b>
Provinces and municipalities	10 301	24	26	23	23	31	26	27	28
Motor vehicle licences	21	24	26	23	23	31	26	27	28
Shayamoya eco-complex	8 000	-	-	-	-	-	-	-	-
Development of light industrial park	2 062	-	-	-	-	-	-	-	-
Msunduzi electricity-related development	218	-	-	-	-	-	-	-	-
Departmental agencies and accounts	2	-	-	3	3	3	3	3	3
SABC TV Licences	2	-	-	3	3	3	3	3	3
Public corporations and private enterprises	-	7	-	-	-	-	-	-	-
Claims against the state	-	7	-	-	-	-	-	-	-
Non-profit institutions	4 340	3 857	3 264	896	677	674	213	279	294
Financial Literacy Association	3 082	3 150	3 150	-	512	512	-	-	-
Donations	398	438	114	896	165	162	213	279	294
Coastal Horse Care Unit	860	269	-	-	-	-	-	-	-
Households	4 661	3 596	650	1 128	3 363	3 199	1 649	1 465	1 545
Staff exit costs	564	263	277	100	135	64	106	112	118
Thuthuka Bursary Fund	4 097	3 333	-	-	2 200	2 200	667	639	673
External bursary	-	-	373	1 028	1 028	935	876	714	754
<b>2. Sustainable Resource Management</b>	<b>50</b>	<b>-</b>	<b>67</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Households	50	-	67	-	-	-	-	-	-
Staff exit costs	50	-	67	-	-	-	-	-	-
<b>3. Financial Governance</b>	<b>975</b>	<b>492</b>	<b>1 204</b>	<b>939</b>	<b>974</b>	<b>1 008</b>	<b>198</b>	<b>248</b>	<b>262</b>
Departmental agencies and accounts	-	-	1 025	-	-	-	-	-	-
KZN Gaming and Betting Board	-	-	1 025	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	14	-	-	-
Donations: SAICA	-	-	-	-	-	14	-	-	-
Households	975	492	179	939	974	994	198	248	262
Staff exit costs	975	492	179	939	970	990	198	248	262
Injury on duty	-	-	-	-	4	4	-	-	-
<b>4. Internal Audit</b>	<b>684</b>	<b>101</b>	<b>180</b>	<b>106</b>	<b>1 037</b>	<b>1 044</b>	<b>112</b>	<b>118</b>	<b>124</b>
Public corporations and private enterprises	4	-	-	-	-	-	-	-	-
Third party claim (excess)	4	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	17	17	-	-	-
Donations	-	-	-	-	17	17	-	-	-
Households	680	101	180	106	1 020	1 027	112	118	124
Staff exit costs	680	101	180	106	1 020	1 027	112	118	124
<b>5. Municipal Finance Management</b>	<b>28</b>	<b>-</b>	<b>28</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Households	28	-	28	-	-	-	-	-	-
Staff exit costs	28	-	28	-	-	-	-	-	-
<b>Total</b>	<b>21 041</b>	<b>8 077</b>	<b>5 419</b>	<b>3 095</b>	<b>6 077</b>	<b>5 959</b>	<b>2 201</b>	<b>2 140</b>	<b>2 256</b>

- *Public corporations and private enterprises* against Programme 1 and Programme 4 in 2015/16 and 2016/17 relates to a third party claiming excess against the state for a motor vehicle accident.
- *Households* across all programmes caters for staff exit costs, and the external bursaries amount against *Households* under Programme 1 in 2015/16 and 2016/17 is an allocation toward the Thuthuka Bursary Fund, as mentioned. The decrease from 2016/17 to 2017/18 was due to the fact that the transfer to the Thuthuka Bursary Fund could not be processed as a result of tax certificate related challenges, as mentioned. The increase from the 2018/19 Main to Adjusted Appropriation is mainly due to the payment to the Thuthuka Bursary Fund in line with a prior year commitment. The department will continue to provide external bursaries to needy and deserving students. The decrease in the Thuthuka Bursary Fund is as a result of reprioritisation undertaken to provide for salaries and other related costs of the SAICA trainees currently working at Provincial Treasury, as explained in Section 7.3. Also contributing to the decrease is staff exit costs, which are difficult to predict.

## 8. Programme description

The services rendered by the department are categorised under five programmes, which are discussed below. The expenditure and budgeted estimates for each programme are summarised in terms of sub-programmes and economic classification. Details are given in *Annexure – Vote 6: Provincial Treasury*.

### 8.1 Programme 1: Administration

The purpose of this programme is to provide strategic support services in terms of financial management, human resources, auxiliary services, information communication and technology, and legal services. The programme is largely in line with the generic structure apart from the exclusion of the Internal Audit sub-programme which is a stand-alone programme in this province. The main services are as follows:



- To support the Executive Authority in providing strategic and political direction to provincial departments, public entities, as well as municipalities.
- To provide the MEC with technical support on the appropriation of revenue, to ensure equitable distribution among provincial departments.
- To render financial and supply chain management functions to the department.
- To provide human resource management functions to the department.
- To render legal professional guidance in operational matters of the department.
- To deliver auxiliary services to the department, such as the telecom system, transport fleet management and control of registry.
- To provide IT services to Provincial Treasury.
- To provide funding for special projects and interventions.

Tables 6.13 and 6.14 provide a summary of payments and budgeted estimates pertaining to the programme over the seven-year period from 2015/16 to 2021/22.

**Table 6.13 : Summary of payments and estimates by sub-programme: Administration**

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2015/16	2016/17	2017/18	2018/19			2019/20	2020/21	2021/22
1. Office of the MEC	26 491	29 124	32 823	28 506	33 506	34 487	30 951	32 651	34 475
2. Management Services (HOD)	39 105	27 580	10 542	46 263	62 355	62 355	51 963	28 980	30 309
3. Financial Management (CFO)	19 117	21 830	32 832	30 894	30 894	28 567	34 337	36 226	38 217
4. Corporate Services	60 876	80 567	86 765	86 714	103 914	102 119	102 958	108 736	114 714
<b>Total</b>	<b>145 589</b>	<b>159 101</b>	<b>162 962</b>	<b>192 377</b>	<b>230 669</b>	<b>227 528</b>	<b>220 209</b>	<b>206 593</b>	<b>217 715</b>

**Table 6.14 : Summary of payments and estimates by economic classification: Administration**

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2015/16	2016/17	2017/18	2018/19			2019/20	2020/21	2021/22
<b>Current payments</b>	<b>124 094</b>	<b>148 999</b>	<b>150 022</b>	<b>178 049</b>	<b>213 935</b>	<b>208 685</b>	<b>202 456</b>	<b>187 673</b>	<b>197 717</b>
Compensation of employees	59 586	67 170	74 943	87 152	89 152	86 033	96 062	101 454	107 022
Goods and services	64 508	81 829	75 079	90 897	124 777	122 638	106 394	86 219	90 695
Interest and rent on land	-	-	-	-	6	14	-	-	-
<b>Transfers and subsidies to:</b>	<b>19 304</b>	<b>7 484</b>	<b>3 940</b>	<b>2 050</b>	<b>4 066</b>	<b>3 907</b>	<b>1 891</b>	<b>1 774</b>	<b>1 870</b>
Provinces and municipalities	10 301	24	26	23	23	31	26	27	28
Departmental agencies and accounts	2	-	-	3	3	3	3	3	3
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	7	-	-	-	-	-	-	-
Non-profit institutions	4 340	3 857	3 264	896	677	674	213	279	294
Households	4 661	3 596	650	1 128	3 363	3 199	1 649	1 465	1 545
<b>Payments for capital assets</b>	<b>2 113</b>	<b>2 598</b>	<b>8 997</b>	<b>12 278</b>	<b>12 668</b>	<b>14 936</b>	<b>15 862</b>	<b>17 146</b>	<b>18 128</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	2 113	2 598	8 997	12 128	12 518	14 936	15 604	16 874	17 841
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	150	150	-	258	272	287
<b>Payments for financial assets</b>	<b>78</b>	<b>20</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total economic classification</b>	<b>145 589</b>	<b>159 101</b>	<b>162 962</b>	<b>192 377</b>	<b>230 669</b>	<b>227 528</b>	<b>220 209</b>	<b>206 593</b>	<b>217 715</b>

The sub-programme: Office of the MEC, which includes security and communications, as well as parliamentary liaison, shows a steady increase throughout the seven-year period except in 2018/19 due to the fact that the transfer of funds to the FLA ended in 2017/18. The increase from the 2018/19 Main to Adjusted Appropriation provides for increased personnel costs related to the notch adjustments for an employee in the Office of the MEC, as well as higher than budgeted property payments relating to security services. The growth over the MTEF provides for MEC's outreach programmes and security services.

The sub-programme: Management Services (HOD) shows a significant decrease from 2015/16 to 2017/18 due to posts that were filled later than anticipated and under-spending on special projects, including departmental interventions. In 2017/18, there was under-spending on special projects, including

departmental interventions, as well as funds set aside for the tender process/ procurement for the PPP Government Precinct and Legislature Complex. The increase from 2017/18 to the 2018/19 Main Appropriation relates to an additional allocation for the Treasury/Health assistance plan. The increase from the 2018/19 Main to Adjusted Appropriation is mainly due to the roll-over of R11 million for the Treasury/Health assistance plan, as well as an additional allocation of R35.500 million, in line with the project requirements of the Treasury/Health assistance plan. The increase from 2018/19 to 2019/20 can be ascribed to a once-off allocation of R40 million in respect of the Treasury/Health assistance plan, as well as provision made for special projects such as financial management assistance to departments. The two outer years of the 2019/20 MTEF reflect inflationary increases and provide for *Compensation of employees*, operational costs of running the HOD's office, replacement of machinery and equipment, as well as donations by the HOD in terms of his OSS responsibilities.

The sub-programme: Financial Management (CFO), which is responsible for various functions such as budget control, internal SCM, asset management, loss control, etc., reflects a steady increase from 2016/17 to 2017/18, due to the filling of posts. The growth over the MTEF is inflationary and provides for *Compensation of employees*, operational costs for the running of the Office of the CFO, and audit fees.

The sub-programme: Corporate Services reflects an increase from 2015/16 to 2021/22, and the significant increase in 2016/17 was mainly due to the function shift of IT Management from Programme 3 to this sub-programme. The increase from the 2018/19 Main to Adjusted Appropriation is mainly to cater for centralised costs such as operating leases for office accommodation, as a result of these items being under-budgeted for. In addition, the increase was due to a transfer to the Thuthuka Bursary Fund that could not be processed in 2017/18, as mentioned, as well as higher than anticipated spending on staff exit costs. The allocations over the MTEF are inflationary and provide for HR, legal services, strategic management and auxiliary services. This includes provision for centralised costs such as operating leases for office accommodation, fleet services, fuel price escalations, bursaries for employees and non-employees, legal fees, etc., as well as salaries for the SAICA students.

*Compensation of employees* shows an increasing trend over the seven-year period. This category increases by 11.7 per cent in 2019/20, 5.6 per cent in 2020/21 and 5.5 per cent in 2021/22. The increase in 2019/20 is higher than the National Treasury's wage adjustment rate, but falls short of the recommended rates in 2020/21 and 2021/22. National Treasury recommended wage adjustment rates are 7.8 per cent in 2019/20, 8 per cent in 2020/21 and 8 per cent in 2021/22, including the 1.5 per cent pay progression. The low growth in 2020/21 and 2021/22 is not sufficient to provide for filling of critical vacant posts, as well as the carry-through of previous wage agreements, contract employees, interns, learners, and in-service trainees. There are 30 vacant posts budgeted to be filled within Programme 1 over the 2019/20 MTEF, such as Chief Director: Corporate Services, Registry Clerk, Deputy Director: IT Governance, Specialist: Legal Services, Contract Administration Officer, Chief Director: IGR, Deputy Director: Security and Risk Management, and OHS Specialists, among others. The department will review its *Compensation of employees*' budget in the next budget process, taking into account progress with the filling of the vacant posts.

The category *Goods and services* fluctuates throughout the seven-year period. The increase from 2015/16 to 2019/20 is attributed to the function shift of IT Management from Programme 3 to this programme, as mentioned. The increase from the 2018/19 Main to Adjusted Appropriation relates to the provision towards the Treasury/Health assistance plan, as well as special interventions, as mentioned. In addition, there is a further allocation for the Treasury/Health assistance plan in 2019/20, hence the decrease in 2020/21. The increase from 2020/21 to 2021/22 is inflationary and includes provision for special interventions, such as assisting departments in terms of financial management.

*Transfers and subsidies to: Provinces and municipalities* in 2015/16 includes the transfer in respect of the Shayamoya eco-complex in 2015/16, development of a light industrial park, and the Msunduzi electricity-related development project. The allocation over the MTEF provides for motor vehicle licences.

*Departmental agencies and accounts* provides for the payment of SABC TV licences.

*Transfers and subsidies to: Non-profit institutions* mainly relates to transfers to the FLA and the Coastal Horse Care Unit, as well as donations for the OSS outreach programme, as mentioned. The increase from

the 2018/19 Main to the Adjusted Appropriation is in relation to a donation made to the FLA due to the financial challenges faced by the institution because of its inability to attract sponsors, as mentioned. Note that the decrease over the MTEF is due to the reclassification of non-cash donations from this category to *Goods and services*, in line with the SCOA reclassification, as mentioned. The amounts remaining under this category are for cash donations, as explained.

*Transfers and subsidies to: Households* caters for staff exit costs, and external bursaries. Note that no transfer was made to the Thuthuka Bursary Fund in 2017/18 as a result of tax certificate related challenges affecting this entity, as mentioned. The increase from the 2018/19 Main to Adjusted Appropriation is mainly due to the payment to the Thuthuka Bursary Fund in line with prior year's commitment. The increase over the MTEF is inflationary and provides for bursaries awarded to non-employees. Note that the decrease in the Thuthuka Bursary Fund is as a result of reprioritisation undertaken to provide for the salaries and other related costs of the current SAICA trainees, as explained.

*Machinery and equipment* shows an increase from the 2018/19 Main to Adjusted Appropriation and over the MTEF, mainly due to the reclassification of finance leases (cellphones and leases of printing machines), which were previously allocated under *Goods and services*, in terms of the SCOA reclassification, as mentioned. The increase over the MTEF is inflationary.

*Software and other intangible assets* relates to the purchase of computer software and the MTEF makes inflationary provision.

*Payments for financial assets* was in respect of the write-off of staff debts.

## 8.2 Programme 2: Sustainable Resource Management

The programme is largely in line with the generic structure with the exception that the Fiscal Policy sub-programme is not being utilised in this province.

The main purpose of the programme is to effectively manage and monitor the provincial and fiscal resources. The objectives and services of this programme are as follows:

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

Tables 6.15 and 6.16 provide a summary of payments and budgeted estimates pertaining to this programme for the period 2015/16 to 2021/22.

**Table 6.15 : Summary of payments and estimates by sub-programme: Sustainable Resource Management**

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2015/16	2016/17	2017/18	2018/19			2019/20	2020/21	2021/22
1. Programme Support	2 721	7 824	4 361	3 650	3 850	3 748	3 413	3 598	3 795
2. Economic Analysis	21 848	22 244	20 214	20 760	20 760	18 817	26 685	27 878	29 412
3. Public Finance	13 688	13 798	14 524	16 247	16 547	16 773	17 543	18 508	19 525
<b>Total</b>	<b>38 257</b>	<b>43 866</b>	<b>39 099</b>	<b>40 657</b>	<b>41 157</b>	<b>39 338</b>	<b>47 641</b>	<b>49 984</b>	<b>52 732</b>

**Table 6.16 : Summary of payments and estimates by economic classification: Sustainable Resource Management**

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2015/16	2016/17	2017/18	2018/19			2019/20	2020/21	2021/22
<b>Current payments</b>	<b>37 997</b>	<b>43 567</b>	<b>38 794</b>	<b>40 499</b>	<b>40 938</b>	<b>38 997</b>	<b>47 325</b>	<b>49 784</b>	<b>52 522</b>
Compensation of employees	27 951	34 957	32 667	34 259	34 759	34 814	41 022	43 440	45 829
Goods and services	10 046	8 016	6 127	6 240	6 179	4 183	6 303	6 344	6 693
Interest and rent on land	-	594	-	-	-	-	-	-	-
<b>Transfers and subsidies to:</b>	<b>50</b>	<b>-</b>	<b>67</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	50	-	67	-	-	-	-	-	-
<b>Payments for capital assets</b>	<b>208</b>	<b>299</b>	<b>238</b>	<b>158</b>	<b>219</b>	<b>341</b>	<b>316</b>	<b>200</b>	<b>210</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	208	299	238	158	219	341	316	200	210
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>38 257</b>	<b>43 866</b>	<b>39 099</b>	<b>40 657</b>	<b>41 157</b>	<b>39 338</b>	<b>47 641</b>	<b>49 984</b>	<b>52 732</b>

The sub-programme: Programme Support reflects a fluctuating trend. The substantial increase in 2016/17 relates to backpay paid to an ex-employee. The increase from the 2018/19 Main to Adjusted Appropriation was to cater for personnel costs that were higher than budgeted for, due to the above-budget wage adjustment. The growth over the MTEF is inflationary and provides for the operational costs for the office of the DDG: Sustainable Resource Management, as well as the office support team who provide administration and financial support to the programme as a whole.

The sub-programme: Economic Analysis includes funding for the Infrastructure Crack Team to assist departments, public entities and municipalities in the delivery of infrastructure projects, as well as additional funding for IDIP TAs. The increase from 2018/19 to 2019/20 and over the MTEF is due to an allocation made by National Treasury in support of ongoing efforts to increase technical capacity within the Provincial Treasury infrastructure units, as well as to assist in making infrastructure delivery more effective in the province. These funds are specifically and exclusively allocated and may therefore not be used for any other purpose. The budget over the MTEF also provides for infrastructure site visits, as well as the continued development of the KZN-IMP, which will be issued by the end of February 2019 by DOPW, and DOPW will be responsible for managing the plan thereafter. In addition to this, the Economic Analysis team compiles the *SERO*, assists municipalities with IDPs, provides and facilitate a platform for economic information sharing, dialogues, debates and stakeholder participation, etc. The sub-programme is also responsible for the publication of the *ECE*.

The sub-programme: Public Finance shows an increase from the 2018/19 Main to Adjusted Appropriation due to personnel costs which were higher than budgeted for. The budget over the MTEF provides for costs relating to the preparation of the *EPRE* and the *AEPRE*, as well as oversight over the provincial budget.

*Compensation of employees* shows steady growth from 2015/16 onward, except for the decrease in 2017/18 as a result of vacant posts due to lengthy internal recruitment processes. In 2019/20, this category grows by 17.8 per cent, which is higher than the National Treasury recommended rate of 7.8 per cent. The growth in 2019/20 is due to the allocation made by National Treasury to increase the technical capacity to assist in infrastructure delivery within the province, as explained. National Treasury allocated R5 million in each year of the MTEF, of which R4.208 million is allocated against *Compensation of employees* in 2019/20 to increase infrastructure capacity, as mentioned. The growth rate in 2020/21 (5.9 per cent) and 2021/22 (5.5 per cent) is not sufficient to provide for the filling of vacant posts and will be reviewed in the next budget process. There is one post to be filled under this programme, namely the Provincial Budget Co-ordinator. Note that that the Infrastructure unit is not planning to fill posts at this stage, as the revised organisational structure is not yet approved. The number of posts to be filled will thus be reviewed once the revised organisational structure is approved.

*Goods and services* shows a decrease from 2015/16 to 2017/18 due to under-spending in respect of the Infrastructure Crack Team. The allocation over the MTEF includes funding for IDIP TAs, the Infrastructure Crack Team, as well as provision for the printing of the *EPRE*, *AEPRE*, *ECE* and *SERO*, etc. The increase over the MTEF is due to the additional allocation made by National Treasury to assist in infrastructure delivery within the province, as mentioned. In this regard, an additional R642 000 is allocated in 2019/20, R579 000 in 2020/21 and R611 000 in 2021/22 for infrastructure site visits, being part of the R5 million allocated, as mentioned.

*Transfers and subsidies to: Households* caters for staff exit costs. There is no provision made over the MTEF, but this will be reviewed in-year.

The fluctuating trend against *Machinery and equipment* results from the fact that machinery and equipment are purchased on a cyclical basis. The budget over the 2019/20 MTEF provides mainly for the replacement of computers and laptops, as well as the reclassification of finance leases (cellphones and leases of printing machines), which were previously allocated under *Goods and services*, in terms of the SCOA reclassification. The increase over the MTEF is also due to a portion of the additional allocation made by National Treasury to assist in infrastructure delivery within the province, as mentioned. In this regard, additional funding of R150 000, with carry-through over the MTEF, was allocated in 2019/20 for the purchase of laptops and desktops.

*Payments for financial assets* in 2015/16 was in respect of the write-off of staff debts.

### Service delivery measures: Sustainable Resource Management

Table 6.17 below illustrates the service delivery measures pertaining to Programme 2. The department is largely following the measures used in previous years, with some of the outputs and performance indicator descriptions having been changed to ensure alignment with the department's 2019/20 APP.

**Table 6.17 : Service delivery measures: Sustainable Resource Management**

Outputs	Performance indicators	Estimated performance		Medium-term targets	
		2018/19	2019/20	2020/21	2021/22
<b>1.1 Economic Analysis</b>					
1.1.1 To determine and evaluate economic parameters and socio-economic imperatives to inform provincial and local resource allocation	<ul style="list-style-type: none"> <li>No. of economic analysis reports for the province</li> <li>Timeous Economic Analysis inputs to the <i>Estimates of Provincial Revenue and Expenditure (EPRE)</i></li> </ul>	Produce 4 provincial dept. economic reports Produce 1 <i>SERO</i> Produce 9 districts socio-economic reports February 2019	Produce 4 provincial dept. economic reports Produce 1 <i>SERO</i> Produce 9 districts socio-economic reports February 2020	Produce 4 provincial dept. economic reports Produce 1 <i>SERO</i> Produce 9 districts socio-economic reports February 2021	Produce 4 provincial dept. economic reports Produce 1 <i>SERO</i> Produce 9 districts socio-economic reports February 2022
1.1.2 To provide a platform to enhancing regional economic growth and development	<ul style="list-style-type: none"> <li>No. of quality research for regional policy analysis</li> </ul>	Produce 4 economic research projects	Produce 4 economic research projects	Produce 4 economic research projects	Produce 4 economic research projects
<b>1.2 Infrastructure</b>					
1.2.1 Efficient infrastructure management in KZN that contributes to effective economic and social infrastructure	<ul style="list-style-type: none"> <li>No. of assessment reports on the User Asset Management Plans (U-AMPs)</li> </ul>	Compile a consolidated assessment report on U-AMPs	Compile a consolidated assessment report on U-AMPs	Compile a consolidated assessment report on U-AMPs	Compile a consolidated assessment report on U-AMPs
1.2.2 To facilitate implementation and institutionalisation of the IDMS in all KZN provincial depts and municipalities	<ul style="list-style-type: none"> <li>No. of reports on the implementation of IDMS in KZN</li> <li>No. of reports on the infrastructure site visits conducted</li> <li>No. of progress reports on infrastructure budgets and delivery plans using IRM data</li> <li>Timeous Infrastructure input for <i>EPRE</i></li> </ul>	Produce 4 reports on the implementation of IDMS in KZN Submit 4 reports on the site visits conducted Submit 4 reports on the infrastructure expenditure in KZN February 2019	Produce 4 reports on the implementation of IDMS in KZN Submit 4 reports on the site visits conducted Submit 4 reports on the infrastructure expenditure in KZN February 2020	Produce 4 reports on the implementation of IDMS in KZN Submit 4 reports on the site visits conducted Submit 4 reports on the infrastructure expenditure in KZN February 2021	Produce 4 reports on the implementation of IDMS in KZN Submit 4 reports on the site visits conducted Submit 4 reports on the infrastructure expenditure in KZN February 2022

**Table 6.17 : Service delivery measures: Sustainable Resource Management**

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2018/19	2019/20	2020/21	2021/22	
	<ul style="list-style-type: none"> <li>No. of <i>Estimates for Capital Expenditure (ECE)</i> developed and published</li> </ul>	Develop and publish the <i>ECE</i> on time for tabling with the annual provincial budget	Develop and publish the <i>ECE</i> on time for tabling with the annual provincial budget	Develop and publish the <i>ECE</i> on time for tabling with the annual provincial budget	Develop and publish the <i>ECE</i> on time for tabling with the annual provincial budget	
1.2.3	To assist and provide technical support to the development of the KZN Provincial Infrastructure Master Plan	<ul style="list-style-type: none"> <li>No. of assessment reports on the Infrastructure Programme Management Plan (IPMP) compiled</li> <li>No. of reports on infrastructure funding mechanisms and opportunities to support the provincial fiscal framework</li> </ul>	Compile an assessment report on Infrastructure Programme Management Plans  Produced 4 reports on the infrastructure mechanisms in the province	Compile an assessment report on Infrastructure Programme Management Plans  Produce 4 reports on the infrastructure mechanisms in the province	Compile an assessment report on Infrastructure Programme Management Plans  Produce 4 reports on the infrastructure mechanisms in the province	Compile an assessment report on Infrastructure Programme Management Plans  Produce 4 reports on the infrastructure mechanisms in the province
<b>2. Public Finance</b>						
<b>2.1 Provincial Budget Management</b>						
2.1.1	Promote effective and optimal financial resource allocation for provincial govt.	<ul style="list-style-type: none"> <li>No. of chapters in MTEC report</li> <li>Timeous tabling of <i>EPRE</i></li> <li>Timeous tabling of <i>Adjusted Estimates of Provincial Revenue and Expenditure (AEPRE)</i></li> </ul>	1 report with 15 chapters completed 1 working day before MTEC as per budget process timetable  March 2019  November 2018	1 report with 15 chapters completed 1 working day before MTEC as per budget process timetable  March 2020  November 2019	1 report with 15 chapters completed 1 working day before MTEC as per budget process timetable  March 2021  November 2020	1 report with 15 chapters completed 1 working day before MTEC as per budget process timetable  March 2022  November 2021
2.1.2	Ensure efficient budget and expenditure management and accurate financial reporting for provincial govt. (incl. public entities)	<ul style="list-style-type: none"> <li>No. of section 32 report (Monthly provincial IYM report)</li> <li>No. of quarterly performance reports for provincial depts</li> </ul>	12 IYM reports p/a (submitted to NT by 22 <sup>nd</sup> monthly)  3 quarterly performance reports	12 IYM reports p/a (submitted to NT by 22 <sup>nd</sup> monthly)  4 quarterly performance reports	12 IYM reports p/a (submitted to NT by 22 <sup>nd</sup> monthly)  4 quarterly performance reports	12 IYM reports p/a (submitted to NT by 22 <sup>nd</sup> monthly)  4 quarterly performance reports
<b>2.2 Provincial Own Revenue</b>						
2.2.1	Promote optimal and sustainable revenue generation and collection by provincial depts and public entities	<ul style="list-style-type: none"> <li>No. of revenue quarterly performance report</li> <li>Timeous revenue input into <i>Overview of Provincial Revenue and Expenditure (OPRE)</i> and <i>EPRE</i></li> </ul>	3 revenue quarterly performance reports  March 2019	4 revenue performance reports per annum  March 2020	4 revenue performance reports per annum  March 2021	4 revenue performance reports per annum  March 2022
<b>2.3 Special Advisory Support Services</b>						
2.3.1	Promote effective and optimal financial resource allocation for provincial govt. (including public entities)	<ul style="list-style-type: none"> <li>Timeous input into the revision and maintenance of Division Of Revenue Act (DORA)</li> <li>No. of reports on institutionalising framework for the monitoring of provincial public entities</li> <li>No. of MTEC reports completed</li> </ul>	November 2018  2  1 report with 16 chapters completed 1 day before MTEC	November 2019  2  1 report completed 1 day before MTEC	November 2020  2  1 report completed 1 day before MTEC	November 2021  2  1 report completed 1 day before MTEC

### 8.3 Programme 3: Financial Governance

This programme consists of seven sub-programmes, namely Programme Support, Asset and Liabilities Management, Support and Interlinked Financial Systems, Supply Chain Management, Public, Private Partnerships, Accounting Services and Norms and Standards. The purpose of this programme is to ensure effective and efficient management of physical and financial assets for provincial and local government. The main services undertaken by this programme are:

- To ensure the effective and efficient management of assets and implementation of PPP projects.
- To realise the effective and efficient acquisition of goods and services for provincial government and to secure sound SCM for local government.

- To optimise liquidity requirements and maximise returns within acceptable levels of risk for provincial government and to secure sound cash management for local government.
- To ensure that financial reporting provides a full and true reflection of the financial position of the province and municipalities as prescribed, inclusive of the accounting responsibilities related to the PMG and IGCC account.
- To develop and implement financial and associated governance norms and standards, in order to enhance performance orientated financial results and accountability in provincial departments and municipalities as prescribed.
- To implement and support transversal financial systems across the province.

Tables 6.18 and 6.19 provide a summary of payments and budgeted estimates pertaining to Programme 3. The programme as a whole reflects a steady trend over the period, as explained in detail below.

**Table 6.18 : Summary of payments and estimates by sub-programme: Financial Governance**

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2015/16	2016/17	2017/18	2018/19			2019/20	2020/21	2021/22
1. Programme Support	-	-	-	3 892	3 892	5 607	4 235	4 468	4 712
2. Asset and Liabilities Management	13 931	14 101	16 325	19 219	16 219	15 632	14 969	15 809	16 678
3. Support and Interlinked Financial Systems	122 056	107 833	97 313	94 182	94 182	90 314	100 198	105 875	111 698
4. Supply Chain Management	52 062	39 769	39 930	44 731	37 231	34 864	45 735	48 360	51 019
5. Public, Private Partnerships	4 916	5 493	6 336	8 288	8 288	6 599	8 785	9 268	9 779
6. Accounting Services	42 626	35 087	34 441	32 668	29 668	28 253	42 497	36 382	38 384
7. Norms and Standards	4 572	4 927	5 609	6 622	6 622	6 319	7 122	7 525	7 938
<b>Total</b>	<b>240 163</b>	<b>207 210</b>	<b>199 954</b>	<b>209 602</b>	<b>196 102</b>	<b>187 588</b>	<b>223 541</b>	<b>227 687</b>	<b>240 208</b>

**Table 6.19 : Summary of payments and estimates by economic classification: Financial Governance**

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2015/16	2016/17	2017/18	2018/19			2019/20	2020/21	2021/22
<b>Current payments</b>	<b>227 890</b>	<b>206 011</b>	<b>198 008</b>	<b>203 156</b>	<b>189 441</b>	<b>180 644</b>	<b>222 493</b>	<b>226 737</b>	<b>239 206</b>
Compensation of employees	55 409	56 955	60 455	74 456	74 425	65 934	84 792	88 413	93 276
Goods and services	172 481	149 056	137 553	125 200	115 016	114 710	136 201	136 724	144 242
Interest and rent on land	-	-	-	3 500	-	-	1 500	1 600	1 688
<b>Transfers and subsidies to:</b>	<b>975</b>	<b>492</b>	<b>1 204</b>	<b>939</b>	<b>974</b>	<b>1 008</b>	<b>198</b>	<b>248</b>	<b>262</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	1 025	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	14	-	-	-
Households	975	492	179	939	974	994	198	248	262
<b>Payments for capital assets</b>	<b>11 237</b>	<b>707</b>	<b>742</b>	<b>5 507</b>	<b>5 687</b>	<b>5 936</b>	<b>850</b>	<b>702</b>	<b>740</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	11 237	707	742	5 507	5 687	5 936	850	702	740
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	<b>61</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>240 163</b>	<b>207 210</b>	<b>199 954</b>	<b>209 602</b>	<b>196 102</b>	<b>187 588</b>	<b>223 541</b>	<b>227 687</b>	<b>240 208</b>

The sub-programme: Programme Support is a newly created sub-programme in 2018/19 hence there is no historical information. This sub-programme is responsible for providing strategic leadership support to the Financial Governance programme. The historic figures of this sub-programme were not restated because this sub-programme was not included in the previous financial year's structure and thus financial records were not kept at this level. The increase from the 2018/19 Adjusted Appropriation to the Revised Estimate is due to pressure in respect of personnel costs that were under-budgeted for, and the low allocation in 2020/21 will be reviewed in-year. The increase in 2021/22 is inflationary and provides for the operational costs for the office of the Accountant-General, as well as the office support team who provide administration and financial support to the programme as a whole.

The sub-programme: Asset and Liabilities Management shows a steady increase from 2015/16 to 2018/19 mainly due to the increased number of speed point machines supplied to municipalities for payments of

motor vehicle licences which resulted in an increase in bank charges. Note that the rollout of the speed point machines to municipalities is an ongoing process as the department continues to roll out these machines to different municipalities in the province. The sub-programme shows a decrease from the 2018/19 Main to the Adjusted Appropriation and to the Revised Estimate, mainly due to the positive bank balance as it is expected that the province will not go into overdraft and will therefore not incur any interest charges in this regard, as mentioned. The 2019/20 MTEF provides for various operational costs of the unit, provision for interest should the IGCC account go into overdraft, conducting an annual tax information seminar with all departments and entities, as well as ensuring compliance to tax legislation.

The sub-programme: Support and Interlinked Financial Systems shows a decrease from 2015/16 to 2016/17 due to the function shift of IT Management from this sub-programme to Programme 1, as well as the relocation of the PERSAL Mainframe time server from Pietermaritzburg SITA to Centurion, as mentioned. The low Revised Estimate relates to non-filling of vacant posts due to lengthy internal recruitment processes. The growth over the MTEF includes costs relating to all transversal systems, such as BAS, PERSAL and HARDCAT, for the entire province, SITA charges, software licences, asset management systems development related costs, as well as the biometric access control system, etc.

The sub-programme: Supply Chain Management shows a decrease in 2016/17 due to the suspension of some projects within this unit. The decrease from the 2018/19 Main to Adjusted Appropriation and the further decrease in the Revised Estimate relates to delays in the receipt of invoices from consultants, as well as revised project scopes for SCM support interventions at departments and municipalities. The increase over the MTEF is inflationary and provides mainly for CMP, MBAT, and SCM support interventions in departments such as DOH and DARD and municipalities, and the unit's operational costs.

The sub-programme: Public, Private Partnerships shows inflationary growth over the 2019/20 MTEF, and provides for support to departments, municipalities and public entities.

The sub-programme: Accounting Services reflects a decrease from 2015/16 to 2017/18 as a result of cost-cutting. The decrease from the 2018/19 Main to Adjusted Appropriation is due to reduced reliance on consultants, relating to preparing the consolidated AFS, as this was done internally through hired contract staff. The significant increase in 2019/20 is due to the once-off reprioritisation of R8 million from Programme 5, as mentioned. The MTEF provides for the unit's operational costs, support to departments in the preparation and consolidating and reviewing of their AFS, preparing consolidated AFS, training of departments and municipalities, financial management assistance, etc.

The sub-programme: Norms and Standards shows an inflationary increase over the MTEF and mainly provides for personnel costs, various operational costs of the unit, as well as preparation of instruction notes and standard operating procedures for departments, public entities and municipalities, among others.

*Compensation of employees* shows a steady increase to 2017/18. The category grows by 28.6 per cent in 2019/20, 4.3 per cent in 2020/21 and 5.5 per cent in 2021/22. The growth in 2019/20 is higher than the National Treasury recommended rate of 7.8 per cent, and is therefore adequate for the filling of 13 posts, but the growth rate in 2020/21 and 2021/22 falls short of the recommended rates of 8 per cent for both the outer years. Examples of posts to be filled include Director: Financial Reporting, Cash Management Specialist, Office Administrator, Specialist: Project Technical Advisory Services, Systems Controllers, Secretary, Chief Director: Supply Chain Management, Director: Policy and Contract Management (SCM), Analyst: Contract Management (SCM), Inter-governmental Debt Recovery Specialist, Assistant Director: BAS, and Biometric System Supporter, among others. The low growth in *Compensation of employees* in the two outer years will be reviewed in the next budget process.

*Goods and services* reflects a fluctuating trend. The decrease from 2015/16 to 2018/19 is due to the function shift of IT Management from this sub-programme to Programme 1, as well as the relocation of the PERSAL Mainframe time server from Pietermaritzburg SITA to Centurion, as mentioned. The decrease from the 2018/19 Main to Adjusted Appropriation relates to delays in the receipt of invoices from consultants, as well as the revised project scope for SCM support interventions at departments and municipalities, such as Msinga Municipality. The high growth in 2019/20 can be ascribed to a once-off reprioritisation from *Good and services* in Programme 5, in order to address a shortfall in 2019/20, regarding a decision taken by the Minister of Finance on 22 April 2014 which requires that all municipalities and related municipal entities transact in compliance with the mSCOA regulations, as



mentioned. The increase from 2020/21 to 2021/22 provides for CMP, MBAT, support to departments in respect of consolidating and reviewing of AFS, preparation of the AFS for the Provincial Revenue Fund, Operation Clean Audit, as well as training of and support to departments and municipalities.

*Interest and rent on land* reflects a decrease from the 2018/19 Main to Adjusted Appropriation mainly as a result of the positive bank balance as it is expected that the province will not go into overdraft and will therefore not incur any interest charges, as mentioned. Provision is, however, made over the MTEF in the event the province goes into overdraft.

*Departmental agencies and accounts* reflected in 2017/18 is in respect of the transfer to the KZNGBB that relates to legal fees that were held back by the department in 2016/17 pending the outcome of the discussions in respect of the movement of the KZNGBB to OTP.

*Transfers and subsidies to: Non-profit institutions* reflects an amount of R14 000 in the 2018/19 Revised Estimate which was made as a donation to SAICA for an annual gala dinner.

*Transfers and subsidies to: Households* provides for staff exit costs and pension payouts relating to former development board members who took early retirement in 2015/16 when the development boards were amalgamated with the Provincial Administration. The increase from the 2018/19 Main to Adjusted Appropriation largely relates to staff exit costs that were higher than budgeted for. The increase from the 2018/19 Adjusted Appropriation to the Revised Estimate is due to staff exit costs in respect of staff in the SCM unit. The substantial decrease over the 2019/20 MTEF is mainly due to a decrease in staff exit costs.

*Machinery and equipment* is purchased on a cyclical basis, hence the fluctuating trend against this category. The decrease from 2018/19 and over the 2019/20 MTEF can be ascribed to the upgrade of the biometric servers, the hardware refresher server, as well as the biometric access control system, as these were procured in 2018/19. The MTEF allocations provide for an asset management system, as mentioned.

*Payments for financial assets* in 2015/16 provides for the write-off of irrecoverable debts.

## Service delivery measures: Financial Governance

Table 6.20 show the main service delivery measures for Programme 3. Note that there are no sector measures for this sector. The department is largely following the measures used in previous years, and some of the outputs and performance indicators have changed to ensure alignment with the 2019/20 APP.

**Table 6.20 : Service delivery measures: Financial Governance**

Outputs	Performance indicators	Estimated performance		Medium-term targets	
		2018/19	2019/20	2020/21	2021/22
<b>1. Asset and Liabilities Management</b>					
1.1. To assist depts. in improving cash management	<ul style="list-style-type: none"> <li>No. of tax information seminars conducted annually</li> <li>No. of risk analysis reports per dept. to ensure compliance to tax legislation</li> <li>No. of quarterly assessment reports to depts. on status of bank related suspense accounts</li> <li>No. of monthly bank reconciliations per dept.</li> <li>No. of quarterly reports on withdrawals from municipal bank accounts</li> </ul>	1 session  56 reports  56 assessment reports  168 reconciled bank reconciliation  4 reports on withdrawals from municipal bank accounts	1 session  56 reports  56 assessment reports  168 reconciled bank reconciliation  4 reports on withdrawals from municipal bank accounts	1 session  56 reports  56 assessment reports  168 reconciled bank reconciliation  4 reports on withdrawals from municipal bank accounts	1 session  56 reports  56 assessment reports  168 reconciled bank reconciliation  4 reports on withdrawals from municipal bank accounts
<b>2. Public, Private Partnerships (PPP)</b>					
2.1. To provide technical, financial and legal advice in support of all provincial PPP projects in line with PPP project cycle as regulated by National Treasury guidelines	<ul style="list-style-type: none"> <li>Seminars/workshops conducted for provincial depts, public entities, municipalities, municipal entities and the private sector</li> <li>No. of reports for Provincial Treasury management and National Treasury PPP unit</li> <li>No. of contract management reports on closed deals</li> </ul>	2  12  12	2  12  12	2  12  12	2  12  12

Table 6.20 : Service delivery measures: Financial Governance

Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2018/19	2019/20	2020/21	2021/22
3. Provincial Supply Chain Management					
3.1.	Support and monitor adherence of state institutions to SCM prescripts	<ul style="list-style-type: none"><li>No. of SCM training sessions and information sessions conducted</li><li>No. of SCM compliance assessments conducted</li><li>No. of policies reviewed and updated</li><li>No. of contract management analysis conducted</li></ul>	<p>Conduct 12 SCM training, information sessions, workshops and forums for state institutions</p> <p>Conduct 84 SCM assessments in depts, munic. and public entities and investigate complaints</p> <p>Review and update 4 policies</p> <p>Conduct 130 contract management reviews for state institutions</p>	<p>Conduct 24 SCM training, information sessions, workshops and forums for state institutions</p> <p>Conduct 168 SCM assessments in depts, munic. and public entities and investigate complaints</p> <p>Review and update 12 policies</p> <p>Conduct 106 contract management reviews for state institutions</p>	<p>Conduct 24 SCM training, information sessions, workshops and forums for state institutions</p> <p>Conduct 168 SCM assessments in depts, munic. and public entities and investigate complaints</p> <p>Review and update 12 policies</p> <p>Conduct 106 contract management reviews for state institutions</p>
4. Accounting Services					
4.1.	To assist depts and public entities in the attainment of a clean audit outcome for the province	<ul style="list-style-type: none"><li>Consolidated AFS for provincial depts to the Auditor General</li><li>Consolidated AFS for public entities to the Auditor General</li><li>Timeous submission of consolidated AFS for Revenue Fund to the Auditor General</li><li>No. of trainings conducted to provincial depts and public entities to strengthen financial management</li><li>No. of progress reports on financial management support based on identified needs/audit findings</li><li>Annual pre-audit review conducted on depts preparing AFS on Modified Cash Standard (MCS) basis</li><li>Annual pre-audit review conducted on public entities</li></ul>	<p>Audited Consolidated AFS for FY 2017/18 by 31 December 2018 to the Legislature</p> <p>Audited Consolidated AFS for FY 2017/18 by 31 December 2018</p> <p>Audited Revenue Fund to A-G for FY 2017/18 by 31 December 2018</p> <p>1 training workshop by 30 April 2019</p> <p>3 progress reports on financial management support based on specific requests received from depts</p> <p>Pre-audit review of AFS at depts preparing AFS on the MCS basis</p> <p>Pre-audit review of AFS at 7 public entities</p>	<p>Audited Consolidated AFS for FY 2018/19 tabled by 30 September 2019 to the A-G</p> <p>Audited Consolidated AFS for FY 2018/19 tabled by 30 September 2019 to the A-G</p> <p>Audited Consolidated AFS for FY 2018/19 submitted by 30 September 2019 to the A-G</p> <p>1 training workshop by 30 April 2020</p> <p>3 progress reports on financial management support based on specific requests received from depts</p> <p>Pre-audit review of AFS at depts preparing AFS on the MCS basis</p> <p>Pre-audit review of AFS at 7 public entities</p>	<p>Audited Consolidated AFS for FY 2019/20 tabled by 30 September 2020 to the A-G</p> <p>Audited Consolidated AFS for FY 2019/120 tabled by 30 September 2020 to the A-G</p> <p>Audited Consolidated AFS for FY 2019/20 submitted by 30 September 2020 to the A-G</p> <p>1 training workshop by 30 April 2021</p> <p>3 progress reports on financial management support based on specific requests received from depts</p> <p>Pre-audit review of AFS at depts preparing AFS on the MCS basis</p> <p>Pre-audit review of AFS at 7 public entities</p>
5. Norms and Standards					
5.1.	To develop, facilitate implementation and monitor compliance with financial norms and standards in provincial depts, municipalities and public entities	<ul style="list-style-type: none"><li>No. of instruction notes/standard operating procedures/policies developed and reviewed for depts, municipalities and their respective entities</li><li>No. of depts/public entities assessed and monitored</li></ul>	<p>8 standard operating procedures reviewed for departments</p> <p>20 policies reviewed for 4 entities</p> <p>8 financial norms &amp; standards reviewed for departments</p> <p>All depts and 2 public entities assessed and monitored</p> <p>8 entities assessed</p>	<p>8 standard operating procedures reviewed for departments</p> <p>20 policies reviewed / developed for 4 entities as required in terms of an assessment</p> <p>8 financial norms &amp; standards reviewed for departments</p> <p>14 depts assessed and monitored</p> <p>8 entities assessed</p>	<p>8 standard operating procedures reviewed for departments</p> <p>20 policies reviewed / developed for 4 entities as required in terms of an assessment</p> <p>8 financial norms &amp; standards reviewed for departments</p> <p>14 depts assessed and monitored</p> <p>8 entities assessed</p>
6. Support and Interlinked Financial Systems					
6.1.	To provide technical and functional support to supporting and interlinked financial systems	<ul style="list-style-type: none"><li>Mean Time To Resolve (MTTR) (transversal systems)</li></ul>	8-16 hr MTTR	4-8hr MTTR	4-8hr MTTR

## 8.4 Programme 4: Internal Audit

The main purpose of the programme is to develop effective risk management strategies and governance, to build and maintain successful client relationships, to develop knowledge by creating a learning culture, and to build foundations for excellence to support the provincial government in achieving its objectives. This programme is not as per sector structure as it is a sub-programme of Programme 1 in the generic structure of Treasuries. The following services are rendered by the unit:

- To conduct risk assessments on behalf of the Accounting Officers and Chief Executive Officers of provincial departments and public entities, develop comprehensive risk profiles and recommend improvements on significant risk exposures for each client.
- To review accounting and management processes and systems of internal control for efficiency and effectiveness in terms of their design and operation and provide recommendations for improvement.
- To develop, facilitate implementation and monitor integrated risk management strategies and fraud prevention strategies.
- To conduct forensic investigations and facilitate prosecution, perform misconduct enquiries and recovery in liaison with other state law enforcement agencies.
- To provide training and development programmes in areas such as risk management, strategy development and management, project management, design and improvement of systems of internal control, financial management and reporting, leadership, forensic investigations, governance, etc.
- To provide a consulting function as per requests by relevant MECs and Heads of Departments.
- To prepare special reviews on computerised systems and performance.

Tables 6.21 and 6.22 provide a summary of payments and budgeted estimates pertaining to Programme 4.

**Table 6.21 : Summary of payments and estimates by sub-programme: Internal Audit**

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2015/16	2016/17	2017/18	2018/19			2019/20	2020/21	2021/22
1. Programme Support	-	-	-	3 575	3 575	2 576	3 729	3 934	4 150
2. Assurance Services	78 647	78 037	72 920	78 993	85 841	86 878	94 583	89 217	94 123
3. Risk Management	55 957	24 441	27 486	25 055	25 555	22 473	28 555	29 933	31 580
4. Forensic Services	-	30 267	33 237	36 932	35 292	30 219	39 478	41 648	43 939
<b>Total</b>	<b>134 604</b>	<b>132 745</b>	<b>133 643</b>	<b>144 555</b>	<b>150 263</b>	<b>142 146</b>	<b>166 345</b>	<b>164 732</b>	<b>173 792</b>

**Table 6.22 : Summary of payments and estimates by economic classification: Internal Audit**

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2015/16	2016/17	2017/18	2018/19			2019/20	2020/21	2021/22
<b>Current payments</b>	<b>133 455</b>	<b>131 683</b>	<b>131 826</b>	<b>143 564</b>	<b>148 319</b>	<b>140 212</b>	<b>164 915</b>	<b>163 229</b>	<b>172 207</b>
Compensation of employees	59 441	67 544	73 099	79 104	81 004	78 744	93 841	100 398	105 920
Goods and services	74 014	64 139	58 727	64 460	67 315	61 468	71 074	62 831	66 287
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies to:</b>	<b>684</b>	<b>101</b>	<b>180</b>	<b>106</b>	<b>1 037</b>	<b>1 044</b>	<b>112</b>	<b>118</b>	<b>124</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	4	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	17	17	-	-	-
Households	680	101	180	106	1 020	1 027	112	118	124
<b>Payments for capital assets</b>	<b>262</b>	<b>960</b>	<b>1 637</b>	<b>885</b>	<b>907</b>	<b>890</b>	<b>1 318</b>	<b>1 385</b>	<b>1 461</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	262	960	1 637	885	907	890	1 318	1 385	1 461
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	<b>203</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>134 604</b>	<b>132 745</b>	<b>133 643</b>	<b>144 555</b>	<b>150 263</b>	<b>142 146</b>	<b>166 345</b>	<b>164 732</b>	<b>173 792</b>

The sub-programme: Programme Support is responsible for providing strategic leadership support to the Internal Audit unit. The steady increase over the 2019/20 MTEF provides for the running costs of the office of the DDG: Internal Audit, Secretary and the Office Manager.

The sub-programme: Assurance Services runs a learnership programme for the Certified Internal Auditors (CIA) learners for a period of three years, per intake. The decrease in 2017/18 was mainly due to late filling of vacant posts. The increase from the 2018/19 Main to Adjusted Appropriation is attributed to pressure arising from the previous year's commitments in relation to performance audits, as well as an increased demand from client departments. The increase from 2018/19 to 2019/20 relates to the once-off allocation of R10 million in respect of finalising performance audits, which is funded through reprioritisation. The growth in 2020/21 and 2021/22 is inflationary and provides for various operational costs of the unit, provision for learners towards the CIA qualification, ongoing audits such as IT, financial and governance audits, provision for the Cluster Audit and Risk Committee (CARC) members, as well as the audit of predetermined objectives of departments and some municipalities.

The sub-programme: Risk Management is responsible for promoting good governance in departments and municipalities, with assessments, workshops and training on risk management and internal audit capacity building. The decrease from 2015/16 to 2016/17 was mainly due to the separation of Forensic Services from the Risk Management sub-programme from 2016/17 onwards and historic figures were not restated. The allocations over the 2019/20 MTEF mainly provide for consultants for various activities such as reviews on risk management maturity, OHS, fraud prevention plans, development of governance frameworks for client departments, training on risk/governance awareness, as well as operational costs including travelling and subsistence.

The sub-programme: Forensic Services has been a stand-alone sub-programme since 2016/17, after being separated from the Risk Management functions. The decrease from the 2018/19 Main to Adjusted Appropriation and the further decrease in the Revised Estimate is largely due to delays in finalising forensic investigations. The 2019/20 MTEF provides for various operational costs, as well as forensic audits and investigations. It must be noted that this function is demand-driven, either through requests from clients or through referrals from Assurance Services.

The significant increase against *Compensation of employees* of 19.2 per cent in 2019/20 relates to the planned filling of 58 critical vacant posts, such as Chief Corporate Investigators, Director: Information Management, Financial and Performance Auditors, Audit Specialists, Risk Management Specialist, as well as the appointment of learners studying towards the CIA qualification. This rate is sufficient to provide for the filling of these posts, and fully caters for existing staff increments. In 2020/21 and 2021/22, though, the growth is 7 per cent and 5.5 per cent, respectively, which is not sufficient in comparison with the National Treasury's guidelines of 8 per cent, including the 1.5 per cent pay progression. Also, the budget increase in the two outer years of the MTEF is not adequate to ensure that all 58 vacant posts in the unit are filled, and will thus have to be reviewed in the next budget process.

*Goods and services* over the seven-year period relates to performance audits, fraud risk assessments, municipal financial capability assessments, capacity building workshops/ training on risk management and internal control, training and development programmes including learnerships, forensic investigations, IT risk assessments on the BAS application system and the development of general forensic guidelines. The increase from the 2018/19 Main to Adjusted Appropriation is due to pressure arising from the previous year's commitments in relation to performance audits, as explained. The increase in 2019/20 is also to cater for performance audits. The decrease in 2020/21 relates to reprioritisation to *Compensation of employees* to cover personnel costs. The increase in 2021/22 is inflationary only.

*Transfers and subsidies to: Non-profit institutions* reflected in the 2018/19 Adjusted Appropriation was due to an unexpected cash donation made for the burial of a trainee.

*Transfers and subsidies to: Households* caters for staff exit costs. The substantial decrease over the MTEF is mainly due to an expected decrease in staff exit costs, but this will be reviewed in-year if necessary.

*Machinery and equipment* is for the purchase of equipment and the replacement and upgrading of equipment. The increase over the 2019/20 MTEF is mainly due to new staff appointments, as well as the reclassification of finance leases, as explained previously.

*Payments for financial assets* pertains to the write-off of irrecoverable staff debts.

### Service delivery measures: Internal Audit

Table 6.23 illustrates the main service delivery measures for Programme 4. The department is largely following the measures used in previous years, with some of the outputs and performance indicator descriptions having been changed to ensure alignment with the department's 2019/20 APP.

**Table 6.23 : Service delivery measures: Internal Audit**

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2018/19	2019/20	2020/21	2021/22	
<b>1. Assurance Services</b>						
1.1. To provide an efficient, effective and economical assurance service	<ul style="list-style-type: none"> <li>No. of IA annual operational plans and a rolling three-year strategic plan developed and approved</li> <li>No. of annual MEC Audit and Risk Committee report on clients' areas of risk management, governance and internal control</li> <li>No. of risk-based audit reports including follow up audit reports and reports on financial, IT, performance and governance audits</li> <li>No. of Audit Committee reports issued to Accounting Officers</li> </ul>	14	14	14	14	
		1	1	1	1	
		148	155	160	165	
		28	28	28	28	
1.2. To build and maintain client relationships	<ul style="list-style-type: none"> <li>No. of meetings held between clients and the CARC</li> </ul>	56	56	56	56	
1.3. To enhance capacity within and outside the unit	<ul style="list-style-type: none"> <li>No. of training and development programmes attended</li> </ul>	8	8	8	8	
<b>2. Risk Management</b>						
2.1. Promote good governance through effective risk management	<ul style="list-style-type: none"> <li>No. of risk assessments conducted for depts</li> <li>No. of reviews on risks management maturity depts</li> <li>No. of reviews of Occupational Health and Safety practices for depts and municipalities</li> <li>No. of reviews of business continuity practices for depts</li> <li>No. of risk-related/forums conferences held for provincial depts</li> <li>No. of reviews of the fraud prevention plans for depts and municipalities</li> <li>No. of risk/governance-related training conducted to depts</li> </ul>	50	50	50	50	
		30	28	28	28	
		30	30	30	30	
		30	28	28	28	
		4	4	4	4	
		30	28	28	28	
		20	25	20	20	
<b>3. Forensic Services</b>						
3.1 To promote a culture of zero tolerance for fraud and corruption	<ul style="list-style-type: none"> <li>No. of approved IA Annual operational plans and a rolling</li> <li>No. of annual MEC Audit and Risk Committee report on clients' areas of risk management, governance and internal control</li> <li>No. of risk based audit conducted</li> <li>No. of meetings held between clients and CARC</li> <li>No. of Audit Committee reports issued to Accounting Officer</li> <li>No. of training and development programmes attended</li> </ul>	14	14	14	14	
		1	1	1	1	
		148	155	160	165	
		56	56	56	56	
		28	28	28	28	
		8	8	8	8	

## 8.5 Programme 5: Municipal Finance Management

Programme 5 was established in 2018/19 in line with the new generic structure for all Treasuries, as mentioned, which makes provision for an integrated structure in respect of the Municipal Finance Management unit.

The Municipal Accounting and Reporting sub-programme is phased in from 2019/20 to assist, support and monitor municipalities with financial management and compliance with the annual reporting framework. The sub-programme also monitors and supports effective fixed asset management, efficient financial assets and liabilities management, as well as compliance with relevant legislation. Note that new sector measures are introduced in respect of this unit in 2019/20.

The generic structure includes the Municipal Revenue and Debt Management sub-programme, which will be phased in from 2020/21 onwards. The overall purpose of this sub-programme is to establish and formulate support strategies to address weaknesses within the revenue and debt management processes of delegated municipalities.

Tables 6.24 and 6.25 illustrate the payments and budgeted estimates pertaining to Programme 5.

**Table 6.24 : Summary of payments and estimates by sub-programme: Municipal Finance Management**

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2015/16	2016/17	2017/18	2018/19			2019/20	2020/21	2021/22
1. Programme Support	-	-	-	3 351	2 400	2 356	3 287	3 411	3 603
2. Municipal Budget	46 037	53 193	53 218	27 813	26 900	25 331	27 714	29 185	30 480
3. Municipal Accounting and Reporting	-	-	-	-	-	-	14 919	19 051	18 373
4. Municipal Support Programme	-	-	-	32 545	34 409	35 380	17 973	14 896	14 284
5. Municipal Revenue and Debt Management	-	-	-	-	-	-	-	10 187	14 206
<b>Total</b>	<b>46 037</b>	<b>53 193</b>	<b>53 218</b>	<b>63 709</b>	<b>63 709</b>	<b>63 067</b>	<b>63 893</b>	<b>76 730</b>	<b>80 946</b>

**Table 6.25 : Summary of payments and estimates by economic classification: Municipal Finance Management**

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2015/16	2016/17	2017/18	2018/19			2019/20	2020/21	2021/22
<b>Current payments</b>	<b>45 792</b>	<b>53 017</b>	<b>52 860</b>	<b>63 564</b>	<b>63 179</b>	<b>62 514</b>	<b>63 174</b>	<b>76 136</b>	<b>80 363</b>
Compensation of employees	25 458	25 757	29 616	33 177	34 993	34 531	44 295	62 889	59 768
Goods and services	20 334	27 260	23 244	30 387	28 186	27 983	18 879	13 247	20 595
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies to:</b>	<b>28</b>	<b>-</b>	<b>28</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	28	-	28	-	-	-	-	-	-
<b>Payments for capital assets</b>	<b>217</b>	<b>176</b>	<b>327</b>	<b>145</b>	<b>530</b>	<b>553</b>	<b>719</b>	<b>594</b>	<b>583</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	217	176	327	145	530	553	719	594	583
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>46 037</b>	<b>53 193</b>	<b>53 218</b>	<b>63 709</b>	<b>63 709</b>	<b>63 067</b>	<b>63 893</b>	<b>76 730</b>	<b>80 946</b>

The low growth of the budget for the programme as a whole in 2019/20 is due to the once-off reprioritisation from this programme to address a shortfall in Programme 3, to assist municipalities and municipal entities to transact in compliance with the mSCOA regulations, as mentioned. This initiative is undertaken by the Accounting Services sub-programme. As a result, a once-off reprioritisation of R8 million was effected from Programme 5 to the Accounting Services sub-programme in Programme 3 in 2019/20 for the appointment of consultants.

The sub-programme: Programme Support is responsible for providing strategic leadership support to the Municipal Finance Management unit. The Programme Manager, the Secretary and the Office Manager are provided for under this sub-programme, as well as their running costs. The sub-programme shows a decrease from the 2018/19 Main to the Adjusted Appropriation as a result of savings on personnel costs which were higher than budgeted for. The increase from 2018/19 to the 2019/20 MTEF is inflationary.

The sub-programme: Municipal Budget reflects a decrease from the 2018/19 Main to Adjusted Appropriation due to savings on *Compensation of employees* as a result of the late filling of vacant posts, as well as delays in the appointment of consultants on projects such as municipal expenditure reviews and quarterly reporting, among others. The low growth in the two outer years of the MTEF is due to part of the budget moved to the Municipal Revenue and Debt Management sub-programme.

The sub-programme: Municipal Accounting and Reporting will be fully functional from the 2019/20 MTEF onwards. The allocation makes provision for assisting, supporting and monitoring municipalities with financial management and compliance with the annual reporting framework. This will be achieved by promoting an understanding of accounting standards, monitoring compliance with reporting requirements, providing accounting services and support, implementing systems and processes to improve sound financial management and audit outcomes, reviewing the quality of AFS, as well as monitoring, evaluating and reporting on compliance with the municipal asset management regulations. The growth in 2020/21 is inflationary and the decrease in 2021/22 relates to the anticipated expiry of some of the contract employees' contracts.

The sub-programme: Municipal Support Programme increased from the 2018/19 Main to Adjusted Appropriation due to pressure in respect of *Compensation of employees* as a result of the above-budget wage adjustment. This sub-programme will continue to assist and provide technical support to delegated municipalities. The MTEF shows a decrease due to the reprioritisation to the Municipal Accounting and Reporting sub-programme. The MTEF caters for VAT and PAYE projects, as well as operational costs.

The sub-programme: Municipal Revenue and Debt Management is a new sub-programme, which will be phased in over the MTEF from 2020/21 onwards, as mentioned. The overall purpose is to establish and formulate support strategies to address weaknesses within the revenue and debt management processes of delegated municipalities. The growth from 2020/21 to 2021/2 is inflationary.

*Compensation of employees* reflects an increase from the 2018/19 Main to the Adjusted Appropriation to cater for personnel costs, due to the above-budget wage adjustment. This category grows by 28.3 per cent in 2019/20, 42 per cent in 2020/21 and decreases by 5 per cent in 2021/22. Sufficient provision was made for the inflationary wage adjustment of 7.8, 8 and 8 per cent over the 2019/20 MTEF, including the 1.5 per cent pay progression, with the exception of the outer year which shows negative growth. Due to the uncertainty regarding the approval and implementation of the revised organisational structure, the programme plans to utilise contract employees to supplement capacity in order to meet its objectives. The increase in the *Compensation of employees* costs from 2018/19 to 2019/20 is a result of the appointment of nine contract employees, six of which are to be appointed within the Municipal Accounting and Reporting sub-programme. The budget increases further in 2020/21, due to the implementation of the Municipal Revenue and Debt Management sub-programme, which will result in nine additional contract employees being hired. These posts are part of the 40 posts planned to be filled over the MTEF. Note that the high growth in 2019/20 is despite the reprioritisation of R8 million from this category to Programme 3, as explained above. The reduction in respect of *Compensation of employees* in 2021/22 is a result of the reduction in the use of five contract employees due to their contracts expiring in the middle of 2021/22.

*Goods and services* reflects a decrease from the 2018/19 Main to Adjusted Appropriation as a result of delays in the appointment of service providers on some of the projects, such as delays in conducting technical visits to municipalities and conducting close-out meetings with delegated municipalities, as well as savings on running costs such as stationery, among others. The decrease over the MTEF is due to the budget reprioritisation from consultants to cater for the appointment of contract staff under the Municipal Accounting and Reporting and Municipal Revenue and Debt Management sub-programmes, with the aim of reducing reliance on consultants.

*Transfers and subsidies to: Households* relates to staff exits costs.

*Machinery and equipment* is for the purchase of equipment to provide for the filling of posts and the replacement and upgrading of equipment. The fluctuating trend is due to its cyclical nature and provides for filling posts and the associated equipment requirements.

### Service delivery measures: Municipal Finance Management

Table 6.26 reflects the main service delivery measures pertaining to Programme 5. The department is largely following the measures used in previous years, with some of the outputs and performance indicator descriptions having been changed to ensure alignment with the department's 2019/20 APP. Note that there are new measures under the Municipal Accounting and Reporting sub-programme and this is labelled "New" in the 2018/19 Estimated performance column.

**Table 6.26 : Service delivery measures: Municipal Finance Management**

Table 5.20: Service delivery indicators: municipal finance management						
Outputs		Performance indicators	Estimated performance	Medium-term targets		
			2018/19	2019/20	2020/21	2021/22
5.1	Municipal Budget					
5.1.1	To ensure optimal and sustainable municipal budgets	<ul style="list-style-type: none"><li>No. of tabled budgets evaluated and feedback provided to delegated municipalities</li><li>No. of approved budgets evaluated and feedback provided to delegated municipalities</li></ul>	51 municipal tabled budgets evaluated  51 municipal approved budgets evaluated	51 municipal tabled budgets evaluated  51 municipal approved budgets evaluated	51 municipal tabled budgets evaluated  51 municipal approved budgets evaluated	51 municipal tabled budgets evaluated  51 municipal approved budgets evaluated

Table 6.26 : Service delivery measures: Municipal Finance Management

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2018/19	2019/20	2020/21	2021/22	
5.1.2 To ensure optimal implementation of budgets by municipalities and reporting on related compliance	• No. of budget workshops	1 budget related workshop	1 budget related workshop	1 budget related workshop	1 budget related workshop	
	• No. of Section 71(6) reports (monthly municipal IYM report) within the prescribed time frame	12 Section 71(6) reports	12 Section 71(6) reports	12 Section 71(6) reports	12 Section 71(6) reports	
	• No. of Section 71(7) quarterly budget performance reports	4 Section 71(7) quarterly budget performance reports	4 Section 71(7) quarterly budget performance reports	4 Section 71(7) quarterly budget performance reports	4 Section 71(7) quarterly budget performance reports	
	• No. of Section 72 reports evaluated and feedback provided to delegated municipalities	51 Section 72 municipal reports evaluated	51 Section 72 municipal reports evaluated	51 Section 72 municipal reports evaluated	51 Section 72 municipal reports evaluated	
	• No. of reports on the compliance with the applicable MFMA reporting requirements	2 reports on the compliance with the applicable MFMA reporting requirements	2 reports on the compliance with the applicable MFMA reporting requirements	2 reports on the compliance with the applicable MFMA reporting requirements	2 reports on the compliance with the applicable MFMA reporting requirements	
	• No. of Municipal Finance circulars issued	5 Municipal Finance circulars	5 Municipal Finance circulars	5 Municipal Finance circulars	5 Municipal Finance circulars	
<b>5.2. Municipal Support Programme</b>						
5.2.1 To assist and provide technical support to delegated municipalities to ensure sound financial management and sustainability	• No. of municipalities supported by the MSP	10 municipalities to be supported through the MSP	Reported as no. of projects from 2018/19 (as below)	Reported as no. of projects from 2018/19 (as below)	Reported as no. of projects from 2018/19 (as below)	
	• No. of MSP projects implemented at target municipalities	Previously reported as no. of municipalities supported	10 projects to be implemented	10 projects to be implemented	10 projects to be implemented	
	• No. of municipal support steering committee meetings conducted	4 quarterly meetings to monitor progress on MSP	4 quarterly meetings to monitor progress on MSP	4 quarterly meetings to monitor progress on MSP	4 quarterly meetings to monitor progress on MSP	
	• No. of CFO Forums conducted	4 quarterly CFO Forums	4 quarterly CFO Forums	4 quarterly CFO Forums	4 quarterly CFO Forums	
	• No. of circulars on the grant roll-over process	1 circular by 31 August 2018 on the grant roll over process	1 circular by 31 August 2018 on the grant roll over process	1 circular by 31 August 2019 on the grant roll over process	1 circular by 31 August 2020 on the grant roll over process	
<b>5.3 Municipal Accounting and Reporting</b>						
5.3.1 To assist, support and monitor municipalities with financial management and compliance with the annual reporting framework.	• No of AFS reviews performed	New	1 Pre-audit assessment report in 4 municipalities by 31 August 2019	1 Pre-audit assessment report in 4 municipalities by 31 August 2020	1 Pre-audit assessment report in 4 municipalities by 31 August 2021	
	• No. of Financial Management Support projects implemented	New	Progress reports on intensive on-site financial management support to 6 municipalities within 10 days of every quarter end	Progress reports on intensive on-site financial management support to 6 municipalities within 10 days of every quarter end	Progress reports on intensive on-site financial management support to 6 municipalities within 10 days of every quarter end	
	• No. of municipalities supported with implementation of mSCOA	New	Monitor implementation of MSCOA by municipalities and provide progress reports within 30 days of every quarter end <sup>2</sup>	Monitor implementation of MSCOA by municipalities and provide progress reports within 30 days of every quarter end <sup>2</sup>	N/A	

## 9. Other programme information

### 9.1 Personnel numbers and costs

Table 6.27 provides detail of the department's approved establishment and personnel numbers, per level and programme. The table also gives a breakdown of employee's dispensation classification. The total personnel number for the department is 538 employees in 2018/19, and the total personnel increases to 675 in 2020/21 and increases minimally to 680 in 2021/22. The increase in personnel numbers from 2018/19 over the 2019/20 MTEF relates to a reduction in the use of consultants and an increase in the number of general contract employees. The allocations include provision for salaries for contract personnel that will be working on certain departmental projects, such as TAs working on IDIP, CMP, etc.



Table 6.27 : Summary of departmental personnel numbers and costs by component

	Audited Outcome						Revised Estimate				Medium-term Estimates						Average annual growth over MTEF 2018/19 - 2021/22		
	2015/16		2016/17		2017/18		2018/19				2019/20		2020/21		2021/22		2018/19 - 2021/22		
	Pers. Nos. <sup>1</sup>	Costs	Pers. Nos. <sup>1</sup>	Costs	Pers. Nos. <sup>1</sup>	Costs	Filled posts	Addit. posts	Pers. Nos. <sup>1</sup>	Costs	Pers. Nos. <sup>1</sup>	Costs	Pers. Nos. <sup>1</sup>	Costs	Pers. Nos. <sup>1</sup>	Costs	Pers. growth rate	Costs growth rate	% of Total
<b>R thousands</b>																			
<b>Salary level</b>																			
1 – 6	166	18 774	165	22 895	136	24 308	5	133	138	26 277	151	27 444	171	39 981	176	42 483	8.4%	17.4%	9.8%
7 – 10	192	51 994	199	63 095	155	67 274	178	7	185	82 717	280	120 773	265	124 111	265	132 176	12.7%	16.9%	30.6%
11 – 12	128	90 363	138	90 343	132	98 179	135	9	144	113 039	152	111 859	154	129 808	154	128 118	2.3%	4.3%	33.5%
13 – 16	73	65 696	73	74 981	70	79 897	60	10	70	76 794	87	98 424	84	101 099	84	107 355	6.3%	11.8%	25.7%
Other	1	1 018	1	1 069	1	1 122	1	-	1	1 229	1	1 512	1	1 595	1	1 683	0.0%	11.0%	0.4%
<b>Total</b>	<b>560</b>	<b>227 845</b>	<b>576</b>	<b>252 383</b>	<b>494</b>	<b>270 780</b>	<b>379</b>	<b>159</b>	<b>538</b>	<b>300 056</b>	<b>671</b>	<b>360 012</b>	<b>675</b>	<b>396 594</b>	<b>680</b>	<b>411 815</b>	<b>8.1%</b>	<b>11.1%</b>	<b>100.0%</b>
<b>Programme</b>																			
1. Administration	159	59 586	179	67 170	166	74 943	119	55	174	86 033	204	96 062	199	101 454	204	107 022	5.4%	7.5%	26.6%
2. Sustainable Resource Management	47	27 951	47	34 957	38	32 667	28	11	39	34 814	40	41 022	40	43 440	40	45 829	0.8%	9.6%	11.2%
3. Financial Governance	179	55 409	142	56 955	118	60 455	100	35	135	65 934	148	84 792	148	88 413	148	93 276	3.1%	12.3%	22.3%
4. Internal Audit	135	59 441	163	67 544	130	73 099	88	58	146	78 744	204	93 841	204	100 398	204	105 920	11.8%	10.4%	25.7%
5. Municipal Finance Management	40	25 458	45	25 757	42	29 616	44	-	44	34 531	75	44 295	84	62 889	84	59 768	24.1%	20.1%	14.2%
<b>Total</b>	<b>560</b>	<b>227 845</b>	<b>576</b>	<b>252 383</b>	<b>494</b>	<b>270 780</b>	<b>379</b>	<b>159</b>	<b>538</b>	<b>300 056</b>	<b>671</b>	<b>360 012</b>	<b>675</b>	<b>396 594</b>	<b>680</b>	<b>411 815</b>	<b>8.1%</b>	<b>11.1%</b>	<b>100.0%</b>
<b>Employee dispensation classification</b>																			
PSA appointees not covered by OSDs	559	226 827	575	251 314	493	269 658	378	159	537	298 893	670	358 500	674	394 999	679	410 132	8.1%	11.1%	99.6%
Legal Professionals	1	1 018	1	1 069	1	1 122	1	-	1	1 163	1	1 512	1	1 595	1	1 683	0.0%	13.1%	0.4%
<b>Total</b>	<b>560</b>	<b>227 845</b>	<b>576</b>	<b>252 383</b>	<b>494</b>	<b>270 780</b>	<b>379</b>	<b>159</b>	<b>538</b>	<b>300 056</b>	<b>671</b>	<b>360 012</b>	<b>675</b>	<b>396 594</b>	<b>680</b>	<b>411 815</b>	<b>8.1%</b>	<b>11.1%</b>	<b>100.0%</b>

1. Personnel numbers includes all filled posts together with those posts additional to the approved establishment

The employees reflected as contract workers are interns employed by the department and are provided for under Programme 1. The number of personnel reflects a steady increase, and the budget shows a steady growth from 2015/16 to 2021/22. The year-on-year growth of 20 per cent in 2019/20, 10.2 per cent in 2020/21 and 3.8 per cent in 2021/22 is largely in line with National Treasury's guidelines only for the first two years of the 2019/20 MTEF. Provision has not been adequately made for the carry-through costs of the above-budget 2018 wage agreement and the inflationary wage adjustment over the 2019/20 MTEF, as well as the 1.5 per cent pay progression. This will be reviewed by the department in the next budget process, and is dependent on whether or not the 133 vacant posts are filled in 2019/20 as anticipated.

## 9.2 Training

Table 6.28 shows the department's actual spending and estimates on training per programme. The department complies largely with the Skills Development Act – i.e. it budgets for approximately 1 per cent of its salary expense going toward staff training. The allocation toward training aligns with the allocation under *Training and development* item under *Goods and services*.

Table 6.28 : Information on training: Provincial Treasury

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2015/16	2016/17	2017/18				2019/20	2020/21	2021/22
<b>R thousand</b>									
Number of staff	560	576	494	538	538	538	671	675	680
Number of personnel trained	373	373	385	385	385	385	385	406	406
of which									
Male	150	150	160	160	160	160	160	169	169
Female	223	223	225	225	225	225	225	237	237
Number of training opportunities	600	615	621	621	621	621	621	655	655
of which									
Tertiary	3	5	6	6	6	6	6	6	6
Workshops	197	160	165	165	165	165	165	174	174
Seminars	100	100	100	100	100	100	100	106	106
Other	300	350	350	350	350	350	350	369	369
Number of bursaries offered	11	11	30	12	12	12	12	30	30
Number of interns appointed	14	14	25	14	14	14	14	30	30
Number of learnerships appointed	30	-	20	-	-	-	-	20	20
Number of days spent on training	115	120	120	120	120	120	120	127	127
<b>Payments on training by programme</b>									
1. Administration	606	642	534	985	985	741	1 007	1 075	1 134
2. Sustainable Resource Management	115	55	96	178	78	157	308	318	335
3. Financial Governance	395	362	517	459	879	1 104	669	581	613
4. Internal Audit	816	815	903	1 022	1 047	1 005	1 079	1 136	1 199
5. Municipal Finance Management	133	150	112	110	91	123	143	173	191
<b>Total</b>	<b>2 065</b>	<b>2 024</b>	<b>2 162</b>	<b>2 754</b>	<b>3 080</b>	<b>3 130</b>	<b>3 206</b>	<b>3 283</b>	<b>3 472</b>



## ANNEXURE – VOTE 6: PROVINCIAL TREASURY

Table 6.A : Details of departmental receipts: Provincial Treasury

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2015/16	2016/17	2017/18	2018/19			2019/20	2020/21	2021/22
<b>Tax receipts</b>	-	-	-	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-	-	-	-
<b>Sale of goods and services other than capital assets</b>	<b>345</b>	<b>352</b>	<b>446</b>	<b>227</b>	<b>227</b>	<b>277</b>	<b>228</b>	<b>235</b>	<b>247</b>
Sale of goods and services produced by department (excluding capital assets)	340	352	427	224	224	274	223	230	242
Sale by market establishments	102	106	105	108	108	108	109	112	118
Administrative fees	90	41	34	21	21	71	23	24	25
Other sales	148	205	288	95	95	95	91	94	99
Of which									
Commission	63	69	68	48	48	48	48	51	54
Tender documents	80	134	198	39	39	39	39	41	43
Sales of scrap, waste, arms and other used current goods (excluding capital assets)	5	-	19	3	3	3	5	5	5
<b>Transfers received from:</b>	-	-	-	-	-	-	-	-	-
Other governmental units	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments	-	-	-	-	-	-	-	-	-
International organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Households and non-profit institutions	-	-	-	-	-	-	-	-	-
<b>Fines, penalties and forfeits</b>	-	1	-	-	-	-	-	-	-
<b>Interest, dividends and rent on land</b>	<b>391 253</b>	<b>284 822</b>	<b>338 296</b>	<b>295 219</b>	<b>295 219</b>	<b>444 491</b>	<b>365 000</b>	<b>387 995</b>	<b>413 345</b>
Interest	391 253	284 822	338 296	295 219	295 219	444 491	365 000	387 995	413 345
Dividends	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
<b>Sale of capital assets</b>	<b>790</b>	<b>119</b>	<b>356</b>	<b>203</b>	<b>203</b>	<b>-</b>	<b>204</b>	<b>210</b>	<b>222</b>
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Other capital assets	790	119	356	203	203	-	204	210	222
<b>Transactions in financial assets and liabilities</b>	<b>4 027</b>	<b>3 594</b>	<b>715</b>	<b>407</b>	<b>407</b>	<b>698</b>	<b>410</b>	<b>422</b>	<b>445</b>
<b>Total</b>	<b>396 415</b>	<b>288 888</b>	<b>339 813</b>	<b>296 056</b>	<b>296 056</b>	<b>445 466</b>	<b>365 842</b>	<b>388 862</b>	<b>414 259</b>

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

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2015/16	2016/17	2017/18	2018/19			2019/20	2020/21	2021/22
<b>Current payments</b>	<b>569 228</b>	<b>583 277</b>	<b>571 510</b>	<b>628 832</b>	<b>655 812</b>	<b>631 052</b>	<b>700 363</b>	<b>703 559</b>	<b>742 015</b>
Compensation of employees	227 845	252 383	270 780	308 148	314 333	300 056	360 012	396 594	411 815
Salaries and wages	205 107	227 157	242 945	276 774	281 676	269 557	322 422	357 075	370 132
Social contributions	22 738	25 226	27 835	31 374	32 657	30 499	37 590	39 519	41 683
Goods and services	341 383	330 300	300 730	317 184	341 473	330 982	338 851	305 365	328 512
Administrative fees	9 325	10 175	11 964	9 843	10 516	10 879	8 075	8 766	9 250
Advertising	1 764	3 186	4 273	2 869	3 095	3 489	3 593	4 270	4 505
Minor assets	9 430	7 511	241	541	607	477	738	711	797
Audit cost: External	3 813	4 448	5 225	3 926	3 926	3 565	5 826	6 147	6 485
Bursaries: Employees	320	582	839	500	750	341	614	629	664
Catering: Departmental activities	455	1 690	1 763	1 445	2 234	2 542	1 451	1 560	1 645
Communication (G&S)	3 056	2 791	2 046	3 145	2 497	2 100	2 859	3 358	3 547
Computer services	110 604	115 405	108 611	87 981	87 981	87 416	98 238	103 733	109 439
Cons & prof serv: Business and advisory services	132 588	124 868	22 485	44 223	11 777	16 655	50 273	23 575	24 606
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	2 305	3 150	2 166	2 147	2 993	4 216	2 603	2 268	2 393
Contractors	20 421	10 123	940	1 661	1 541	1 884	1 178	3 389	3 568
Agency and support / outsourced services	182	81	89 142	109 827	147 957	137 059	101 540	80 577	90 655
Entertainment	-	-	-	4	4	-	5	5	5
Fleet services (including government motor transport)	1 416	1 632	1 740	1 166	2 282	2 142	2 027	2 094	2 209
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	3	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	165	-	618	95	10	10	11
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	3	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	85	67	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	581	-	1 386	1 124	1 338	1 526	1 610
Consumable supplies	427	524	612	682	1 010	2 471	2 540	610	642
Consumable: Stationery, printing and office supplies	2 255	1 830	1 812	2 536	2 197	1 975	2 845	3 189	3 420
Operating leases	17 366	14 170	16 570	15 072	21 858	17 344	17 223	18 725	19 755
Property payments	7 815	8 852	9 335	6 530	12 316	12 530	10 123	10 567	11 148
Transport provided: Departmental activity	26	115	199	165	440	479	166	209	220
Travel and subsistence	13 405	13 707	14 065	16 814	16 784	15 397	18 519	22 303	24 378
Training and development	2 065	2 024	2 162	2 754	3 080	3 130	3 206	3 283	3 472
Operating payments	2 101	2 579	3 163	2 558	2 734	2 594	3 129	3 088	3 273
Venues and facilities	184	85	628	795	805	1 000	729	773	815
Rental and hiring	60	772	-	-	-	11	-	-	-
Interest and rent on land	-	594	-	3 500	6	14	1 500	1 600	1 688
Interest	-	594	-	3 500	6	14	1 500	1 600	1 688
Rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>21 041</b>	<b>8 077</b>	<b>5 419</b>	<b>3 095</b>	<b>6 077</b>	<b>5 959</b>	<b>2 201</b>	<b>2 140</b>	<b>2 256</b>
Provinces and municipalities	10 301	24	26	23	23	31	26	27	28
Provinces	21	24	26	23	23	31	26	27	28
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	21	24	26	23	23	31	26	27	28
Municipalities	10 280	-	-	-	-	-	-	-	-
Municipalities	10 280	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	2	-	1 025	3	3	3	3	3	3
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	2	-	1 025	3	3	3	3	3	3
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	4	7	-	-	-	-	-	-	-
Public corporations	4	7	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	4	7	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	4 340	3 857	3 264	896	694	705	213	279	294
Households	6 394	4 189	1 104	2 173	5 357	5 220	1 959	1 831	1 931
Social benefits	2 297	856	731	1 145	2 125	2 081	416	478	504
Other transfers to households	4 097	3 333	373	1 028	3 232	3 139	1 543	1 353	1 427
<b>Payments for capital assets</b>	<b>14 037</b>	<b>4 740</b>	<b>11 941</b>	<b>18 973</b>	<b>20 011</b>	<b>22 656</b>	<b>19 065</b>	<b>20 027</b>	<b>21 122</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	14 037	4 740	11 941	18 823	19 861	22 656	18 807	19 755	20 835
Transport equipment	1 393	1 379	4 642	7 223	7 073	7 073	7 262	7 782	8 211
Other machinery and equipment	12 644	3 361	7 299	11 600	12 788	15 583	11 545	11 973	12 624
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	150	150	-	258	272	287
<b>Payments for financial assets</b>	<b>344</b>	<b>21</b>	<b>6</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>604 650</b>	<b>596 115</b>	<b>588 876</b>	<b>650 900</b>	<b>681 900</b>	<b>659 667</b>	<b>721 629</b>	<b>725 726</b>	<b>765 393</b>

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

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2015/16	2016/17	2017/18	2018/19			2019/20	2020/21	2021/22
<b>Current payments</b>	<b>124 094</b>	<b>148 999</b>	<b>150 022</b>	<b>178 049</b>	<b>213 935</b>	<b>208 685</b>	<b>202 456</b>	<b>187 673</b>	<b>197 717</b>
Compensation of employees	59 586	67 170	74 943	87 152	89 152	86 033	96 062	101 454	107 022
Salaries and wages	52 713	59 506	66 352	76 550	78 150	76 359	85 030	89 814	94 742
Social contributions	6 873	7 664	8 591	10 602	11 002	9 674	11 032	11 640	12 280
Goods and services	64 508	81 829	75 079	90 897	124 777	122 638	106 394	86 219	90 695
Administrative fees	215	427	369	311	391	318	498	447	472
Advertising	1 501	2 002	2 276	2 204	3 000	3 168	2 753	2 858	3 015
Minor assets	79	326	144	371	361	226	328	358	378
Audit cost: External	3 813	4 448	5 225	3 926	3 926	3 542	5 826	6 147	6 485
Bursaries: Employees	320	582	839	500	750	341	614	629	664
Catering: Departmental activities	204	1 235	1 220	1 177	1 907	2 216	1 003	1 123	1 184
Communication (G&S)	1 759	1 392	1 165	1 586	1 431	1 569	1 536	1 669	1 761
Computer services	54	16 228	15 067	10 054	10 054	9 473	9 913	10 459	11 034
Cons & prof serv: Business and advisory services	2 027	10 300	7 889	35 143	208	3 263	40 242	14 290	14 810
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	2 305	3 150	2 025	1 946	2 646	3 785	2 403	1 983	2 092
Contractors	20 321	10 036	778	1 635	1 479	1 732	1 122	3 328	3 511
Agency and support / outsourced services	182	81	2 009	327	50 829	49 246	-	-	-
Entertainment	-	-	-	4	4	-	5	5	5
Fleet services (including government motor transport)	1 416	1 632	1 740	1 166	2 282	2 142	2 027	2 094	2 209
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	3	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	165	-	618	95	10	10	11
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	3	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	85	67	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	581	-	1 386	1 124	1 338	1 526	1 610
Consumable supplies	332	364	435	478	809	2 326	341	406	429
Consumable: Stationery, printing and office supplies	687	936	958	1 453	1 002	876	1 531	1 638	1 728
Operating leases	17 322	14 151	16 518	15 058	21 788	17 275	17 207	18 708	19 737
Property payments	7 815	8 852	9 332	6 530	12 316	12 530	10 123	10 567	11 148
Transport provided: Departmental activity	26	115	199	165	440	451	166	209	220
Travel and subsistence	2 928	3 459	3 946	4 369	4 311	4 394	4 637	4 842	5 109
Training and development	606	642	534	985	985	741	1 007	1 075	1 134
Operating payments	509	683	1 038	795	1 055	766	1 053	1 097	1 157
Venues and facilities	27	16	624	714	714	961	708	751	792
Rental and hiring	60	772	-	-	-	11	-	-	-
Interest and rent on land	-	-	-	-	6	14	-	-	-
Interest	-	-	-	-	6	14	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>19 304</b>	<b>7 484</b>	<b>3 940</b>	<b>2 050</b>	<b>4 066</b>	<b>3 907</b>	<b>1 891</b>	<b>1 774</b>	<b>1 870</b>
Provinces and municipalities	10 301	24	26	23	23	31	26	27	28
Provinces	21	24	26	23	23	31	26	27	28
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	21	24	26	23	23	31	26	27	28
Municipalities	10 280	-	-	-	-	-	-	-	-
Municipalities	10 280	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	2	-	-	3	3	3	3	3	3
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	2	-	-	3	3	3	3	3	3
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	7	-	-	-	-	-	-	-
Public corporations	-	7	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	7	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	4 340	3 857	3 264	896	677	674	213	279	294
Households	4 661	3 596	650	1 128	3 363	3 199	1 649	1 465	1 545
Social benefits	564	263	277	100	135	64	106	112	118
Other transfers to households	4 097	3 333	373	1 028	3 228	3 135	1 543	1 353	1 427
<b>Payments for capital assets</b>	<b>2 113</b>	<b>2 598</b>	<b>8 997</b>	<b>12 278</b>	<b>12 668</b>	<b>14 936</b>	<b>15 862</b>	<b>17 146</b>	<b>18 128</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	2 113	2 598	8 997	12 128	12 518	14 936	15 604	16 874	17 841
Transport equipment	1 393	1 379	4 642	7 223	7 073	7 073	7 262	7 782	8 211
Other machinery and equipment	720	1 219	4 355	4 905	5 445	7 863	8 342	9 092	9 630
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	150	150	-	258	272	287
<b>Payments for financial assets</b>	<b>78</b>	<b>20</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>145 589</b>	<b>159 101</b>	<b>162 962</b>	<b>192 377</b>	<b>230 669</b>	<b>227 528</b>	<b>220 209</b>	<b>206 593</b>	<b>217 715</b>

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

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2015/16	2016/17	2017/18	2018/19			2019/20	2020/21	2021/22
<b>Current payments</b>	<b>37 997</b>	<b>43 567</b>	<b>38 794</b>	<b>40 499</b>	<b>40 938</b>	<b>38 997</b>	<b>47 325</b>	<b>49 784</b>	<b>52 522</b>
Compensation of employees	27 951	34 957	32 667	34 259	34 759	34 814	41 022	43 440	45 829
Salaries and wages	25 553	32 232	29 744	31 386	31 816	31 733	37 967	40 176	42 386
Social contributions	2 398	2 725	2 923	2 873	2 943	3 081	3 055	3 264	3 443
Goods and services	10 046	8 016	6 127	6 240	6 179	4 183	6 303	6 344	6 693
Administrative fees	48	67	49	56	76	54	58	61	64
Advertising	168	-	11	90	70	42	98	103	109
Minor assets	49	59	9	22	27	19	73	24	25
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	81	84	50	80	107	95	114	88	93
Communication (G&S)	224	214	99	186	125	71	195	206	217
Computer services	-	98	181	100	100	100	100	106	112
Cons & prof serv: Business and advisory services	6 537	5 191	3 422	500	3 623	1 536	10	11	12
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	-	-
Contractors	45	17	26	11	11	13	5	5	5
Agency and support / outsourced services	-	-	-	3 123	-	-	2 933	3 093	3 263
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	7	15	28	13	15	15	34	15	16
Consumable: Stationery, printing and office supplies	232	133	141	200	171	101	212	225	237
Operating leases	-	-	-	-	-	-	-	-	-
Property payments	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	1 253	1 303	1 341	944	1 239	1 341	1 361	1 452	1 532
Training and development	115	55	96	178	78	157	308	318	335
Operating payments	1 131	780	674	737	537	639	802	637	673
Venues and facilities	156	-	-	-	-	-	-	-	-
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	594	-	-	-	-	-	-	-
Interest	-	594	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>50</b>	<b>-</b>	<b>67</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
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	50	-	67	-	-	-	-	-	-
Social benefits	50	-	67	-	-	-	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
<b>Payments for capital assets</b>	<b>208</b>	<b>299</b>	<b>238</b>	<b>158</b>	<b>219</b>	<b>341</b>	<b>316</b>	<b>200</b>	<b>210</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	208	299	238	158	219	341	316	200	210
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	208	299	238	158	219	341	316	200	210
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>38 257</b>	<b>43 866</b>	<b>39 099</b>	<b>40 657</b>	<b>41 157</b>	<b>39 338</b>	<b>47 641</b>	<b>49 984</b>	<b>52 732</b>

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

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2015/16	2016/17	2017/18				2019/20	2020/21	2021/22
<b>Current payments</b>	<b>227 890</b>	<b>206 011</b>	<b>198 008</b>	<b>203 156</b>	<b>189 441</b>	<b>180 644</b>	<b>222 493</b>	<b>226 737</b>	<b>239 206</b>
Compensation of employees	55 409	56 955	60 455	74 456	74 425	65 934	84 792	88 413	93 276
Salaries and wages	50 051	51 053	54 108	66 926	66 895	58 871	75 537	78 956	83 299
Social contributions	5 358	5 902	6 347	7 530	7 530	7 063	9 255	9 457	9 977
Goods and services	172 481	149 056	137 553	125 200	115 016	114 710	136 201	136 724	144 242
Administrative fees	8 864	9 436	11 306	9 210	9 719	10 275	7 236	7 950	8 388
Advertising	60	1 145	1 986	525	25	277	742	1 309	1 381
Minor assets	9 272	7 009	60	103	107	94	173	147	154
Audit cost: External	-	-	-	-	-	23	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	101	281	372	83	73	96	137	146	154
Communication (G&S)	589	722	435	735	355	209	597	799	843
Computer services	110 057	98 324	92 446	77 467	77 467	77 465	86 993	91 897	96 951
Cons & prof serv: Business and advisory services	37 257	26 748	8 603	2 265	4 575	7 411	2 226	1 945	2 052
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	-	-	141	201	347	431	200	285	301
Contractors	48	50	105	9	15	93	20	21	23
Agency and support / outsourced services	-	-	16 832	27 675	16 415	12 838	31 672	24 720	26 079
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	73	124	97	124	134	89	123	146	154
Consumable: Stationery, printing and office supplies	503	297	324	409	319	456	419	499	525
Operating leases	44	9	52	14	70	69	16	17	18
Property payments	-	-	3	-	-	-	-	-	-
Transport provided: Departmental activity	-	-	-	-	-	28	-	-	-
Travel and subsistence	5 115	4 225	3 941	5 599	4 181	3 456	4 633	5 924	6 249
Training and development	395	362	517	459	879	1 104	669	581	613
Operating payments	103	255	329	302	305	286	324	316	334
Venues and facilities	-	69	4	20	30	10	21	22	23
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	3 500	-	-	1 500	1 600	1 688
Interest	-	-	-	3 500	-	-	1 500	1 600	1 688
Rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>975</b>	<b>492</b>	<b>1 204</b>	<b>939</b>	<b>974</b>	<b>1 008</b>	<b>198</b>	<b>248</b>	<b>262</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	1 025	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	-	-	1 025	-	-	-	-	-	-
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	-	-	-	-	-	14	-	-	-
Households	975	492	179	939	974	994	198	248	262
Social benefits	975	492	179	939	970	990	198	248	262
Other transfers to households	-	-	-	-	4	4	-	-	-
<b>Payments for capital assets</b>	<b>11 237</b>	<b>707</b>	<b>742</b>	<b>5 507</b>	<b>5 687</b>	<b>5 936</b>	<b>850</b>	<b>702</b>	<b>740</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	11 237	707	742	5 507	5 687	5 936	850	702	740
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	11 237	707	742	5 507	5 687	5 936	850	702	740
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	<b>61</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>240 163</b>	<b>207 210</b>	<b>199 954</b>	<b>209 602</b>	<b>196 102</b>	<b>187 588</b>	<b>223 541</b>	<b>227 687</b>	<b>240 208</b>

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

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2015/16	2016/17	2017/18	2018/19			2019/20	2020/21	2021/22
<b>Current payments</b>	<b>133 455</b>	<b>131 683</b>	<b>131 826</b>	<b>143 564</b>	<b>148 319</b>	<b>140 212</b>	<b>164 915</b>	<b>163 229</b>	<b>172 207</b>
Compensation of employees	59 441	67 544	73 099	79 104	81 004	78 744	93 841	100 398	105 920
Salaries and wages	53 711	61 020	65 921	71 785	72 720	71 061	83 070	90 296	95 261
Social contributions	5 730	6 524	7 178	7 319	8 284	7 683	10 771	10 102	10 659
Goods and services	74 014	64 139	58 727	64 460	67 315	61 468	71 074	62 831	66 287
Administrative fees	161	217	214	231	281	186	233	247	261
Advertising	9	-	-	-	-	-	-	-	-
Minor assets	14	77	8	40	48	82	84	86	91
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	67	64	71	30	57	62	91	91	95
Communication (G&S)	389	373	240	527	505	179	435	549	579
Computer services	493	755	917	360	360	300	1 150	1 184	1 250
Cons & prof serv: Business and advisory services	68 318	57 089	2 571	6 315	3 371	4 445	7 795	7 329	7 732
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	-	-
Contractors	-	8	-	-	-	5	-	-	-
Agency and support / outsourced services	-	-	49 056	50 405	55 518	49 780	53 896	45 535	48 038
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	7	18	45	35	40	33	31	34	36
Consumable: Stationery, printing and office supplies	600	265	212	313	343	297	268	299	317
Operating leases	-	-	-	-	-	-	-	-	-
Property payments	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	3 028	3 903	3 947	4 693	5 156	4 492	5 454	5 739	6 054
Training and development	816	815	903	1 022	1 047	1 005	1 079	1 136	1 199
Operating payments	111	555	543	428	528	602	558	602	635
Venues and facilities	1	-	-	61	61	-	-	-	-
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>684</b>	<b>101</b>	<b>180</b>	<b>106</b>	<b>1 037</b>	<b>1 044</b>	<b>112</b>	<b>118</b>	<b>124</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	4	-	-	-	-	-	-	-	-
Public corporations	4	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	4	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	17	17	-	-	-
Households	680	101	180	106	1 020	1 027	112	118	124
Social benefits	680	101	180	106	1 020	1 027	112	118	124
Other transfers to households	-	-	-	-	-	-	-	-	-
<b>Payments for capital assets</b>	<b>262</b>	<b>960</b>	<b>1 637</b>	<b>885</b>	<b>907</b>	<b>890</b>	<b>1 318</b>	<b>1 385</b>	<b>1 461</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	262	960	1 637	885	907	890	1 318	1 385	1 461
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	262	960	1 637	885	907	890	1 318	1 385	1 461
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	<b>203</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>134 604</b>	<b>132 745</b>	<b>133 643</b>	<b>144 555</b>	<b>150 263</b>	<b>142 146</b>	<b>166 345</b>	<b>164 732</b>	<b>173 792</b>



Table 6.G : Payments and estimates by economic classification: Municipal Finance Management

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2015/16	2016/17	2017/18	2018/19			2019/20	2020/21	2021/22
<b>Current payments</b>	<b>45 792</b>	<b>53 017</b>	<b>52 860</b>	<b>63 564</b>	<b>63 179</b>	<b>62 514</b>	<b>63 174</b>	<b>76 136</b>	<b>80 363</b>
Compensation of employees	25 458	25 757	29 616	33 177	34 993	34 531	44 295	62 889	59 768
Salaries and wages	23 079	23 346	26 820	30 127	32 095	31 533	40 818	57 833	54 444
Social contributions	2 379	2 411	2 796	3 050	2 898	2 998	3 477	5 056	5 324
Goods and services	20 334	27 260	23 244	30 387	28 186	27 983	18 879	13 247	20 595
Administrative fees	37	28	26	35	49	46	50	61	65
Advertising	26	39	-	50	-	2	-	-	-
Minor assets	16	40	20	5	64	56	80	96	149
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	2	26	50	75	90	73	106	112	119
Communication (G&S)	95	90	107	111	81	72	96	135	147
Computer services	-	-	-	-	-	78	82	87	92
Cons & prof serv: Business and advisory services	18 449	25 540	-	-	-	-	-	-	-
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	-	-
Contractors	7	12	31	6	36	41	31	35	29
Agency and support / outsourced services	-	-	21 245	28 297	25 195	25 195	13 039	7 229	13 275
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	8	3	7	32	12	8	2 011	9	7
Consumable: Stationery, printing and office supplies	233	199	177	161	362	245	415	528	613
Operating leases	-	10	-	-	-	-	-	-	-
Property payments	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	1 081	817	890	1 209	1 897	1 714	2 434	4 346	5 434
Training and development	133	150	112	110	91	123	143	173	191
Operating payments	247	306	579	296	309	301	392	436	474
Venues and facilities	-	-	-	-	-	29	-	-	-
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>28</b>	<b>-</b>	<b>28</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
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	28	-	28	-	-	-	-	-	-
Social benefits	28	-	28	-	-	-	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
<b>Payments for capital assets</b>	<b>217</b>	<b>176</b>	<b>327</b>	<b>145</b>	<b>530</b>	<b>553</b>	<b>719</b>	<b>594</b>	<b>583</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	217	176	327	145	530	553	719	594	583
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	217	176	327	145	530	553	719	594	583
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>46 037</b>	<b>53 193</b>	<b>53 218</b>	<b>63 709</b>	<b>63 709</b>	<b>63 067</b>	<b>63 893</b>	<b>76 730</b>	<b>80 946</b>

Table 6.H : Summary of transfers to local government

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2015/16	2016/17	2017/18	2018/19			2019/20	2021/22	2021/22
<b>A KZN2000 eThekweni</b>	-	-	-	-	-	-	-	-	-
<b>Total: Ugu Municipalities</b>	-	-	-	-	-	-	-	-	-
B KZN212 uMdoni	-	-	-	-	-	-	-	-	-
B KZN213 uMzumbe	-	-	-	-	-	-	-	-	-
B KZN214 uMuziwabantu	-	-	-	-	-	-	-	-	-
B KZN216 Ray Nkonyeni	-	-	-	-	-	-	-	-	-
C DC21 Ugu District Municipality	-	-	-	-	-	-	-	-	-
<b>Total: uMgungundlovu Municipalities</b>	<b>218</b>	-	-	-	-	-	-	-	-
B KZN221 uMshwathi	-	-	-	-	-	-	-	-	-
B KZN222 uMngeni	-	-	-	-	-	-	-	-	-
B KZN223 Mpofana	-	-	-	-	-	-	-	-	-
B KZN224 iMpendle	-	-	-	-	-	-	-	-	-
B KZN225 Msunduzi	<b>218</b>	-	-	-	-	-	-	-	-
B KZN226 Mkhambathini	-	-	-	-	-	-	-	-	-
B KZN227 Richmond	-	-	-	-	-	-	-	-	-
C DC22 uMgungundlovu District Municipality	-	-	-	-	-	-	-	-	-
<b>Total: uThukela Municipalities</b>	-	-	-	-	-	-	-	-	-
B KZN235 Okhahlamba	-	-	-	-	-	-	-	-	-
B KZN237 iNkosi Langalibalele	-	-	-	-	-	-	-	-	-
B KZN238 Alfred Duma	-	-	-	-	-	-	-	-	-
C DC23 uThukela District Municipality	-	-	-	-	-	-	-	-	-
<b>Total: uMzinyathi Municipalities</b>	-	-	-	-	-	-	-	-	-
B KZN241 eNdumeni	-	-	-	-	-	-	-	-	-
B KZN242 Nquthu	-	-	-	-	-	-	-	-	-
B KZN244 uMsinga	-	-	-	-	-	-	-	-	-
B KZN245 uMvoti	-	-	-	-	-	-	-	-	-
C DC24 uMzinyathi District Municipality	-	-	-	-	-	-	-	-	-
<b>Total: Amajuba Municipalities</b>	-	-	-	-	-	-	-	-	-
B KZN252 Newcastle	-	-	-	-	-	-	-	-	-
B KZN253 eMadlangeni	-	-	-	-	-	-	-	-	-
B KZN254 Dannhauser	-	-	-	-	-	-	-	-	-
C DC25 Amajuba District Municipality	-	-	-	-	-	-	-	-	-
<b>Total: Zululand Municipalities</b>	-	-	-	-	-	-	-	-	-
B KZN261 eDumbe	-	-	-	-	-	-	-	-	-
B KZN262 uPhongolo	-	-	-	-	-	-	-	-	-
B KZN263 AbaQulusi	-	-	-	-	-	-	-	-	-
B KZN265 Nongoma	-	-	-	-	-	-	-	-	-
B KZN266 Ulundi	-	-	-	-	-	-	-	-	-
C DC26 Zululand District Municipality	-	-	-	-	-	-	-	-	-
<b>Total: uMkhanyakude Municipalities</b>	-	-	-	-	-	-	-	-	-
B KZN271 uMhlabyalingana	-	-	-	-	-	-	-	-	-
B KZN272 Jozini	-	-	-	-	-	-	-	-	-
B KZN275 Mtubatuba	-	-	-	-	-	-	-	-	-
B KZN276 Big Five Hlabisa	-	-	-	-	-	-	-	-	-
C DC27 uMkhanyakude District Municipality	-	-	-	-	-	-	-	-	-
<b>Total: King Cetshwayo Municipalities</b>	-	-	-	-	-	-	-	-	-
B KZN281 uMfolozi	-	-	-	-	-	-	-	-	-
B KZN282 uMhlathuze	-	-	-	-	-	-	-	-	-
B KZN284 uMlalazi	-	-	-	-	-	-	-	-	-
B KZN285 Mthonjaneni	-	-	-	-	-	-	-	-	-
B KZN286 Nkandla	-	-	-	-	-	-	-	-	-
C DC28 King Cetshwayo District Municipality	-	-	-	-	-	-	-	-	-
<b>Total: iLembe Municipalities</b>	-	-	-	-	-	-	-	-	-
B KZN291 Mandeni	-	-	-	-	-	-	-	-	-
B KZN292 KwaDukuza	-	-	-	-	-	-	-	-	-
B KZN293 Ndwedwe	-	-	-	-	-	-	-	-	-
B KZN294 Maphumulo	-	-	-	-	-	-	-	-	-
C DC29 iLembe District Municipality	-	-	-	-	-	-	-	-	-
<b>Total: Harry Gwala Municipalities</b>	<b>10 062</b>	-	-	-	-	-	-	-	-
B KZN433 Greater Kokstad	<b>10 062</b>	-	-	-	-	-	-	-	-
B KZN434 uBuhlebezwe	-	-	-	-	-	-	-	-	-
B KZN435 uMzimkhulu	-	-	-	-	-	-	-	-	-
B KZN436 Dr Nkosazana Dlamini Zuma	-	-	-	-	-	-	-	-	-
C DC43 Harry Gwala District Municipality	-	-	-	-	-	-	-	-	-
<b>Unallocated</b>	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>10 280</b>	-	-	-	-	-	-	-	-