

Vote 07

Department of Finance

Department of Finance	Vote 07
To be appropriated by Vote in 2019/20	R 528 722 000
Direct Charge	Not Applicable
Responsible MEC	MEC for Finance, Economy and Enterprise Development
Administering Department	Department of Finance
Accounting Officer	Superintendent General for Finance

1. Overview

Vision

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

Mission

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

Values

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

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

Strategic Objectives

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

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

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

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

Core Functions

The core functions of the department include the following:

- Co-ordination, monitoring and oversight of Annual MTEF and adjustment budgets;
- Province-wide cash management and monitor asset management implementation in provincial departments;
- Provide oversight and support on provincial departments and public entities Risk management;
- Provide a management structure for implementation of North West Infrastructure Delivery Management System (IDMS); and
- Monitoring of infrastructure spending for provincial departments.

Provincial financial management through:

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

Legislative mandate

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

- Public Finance Management Act, 1999 (Act No. 29 as amended);
- Municipal Financial Management Act 56 of 2003;
- Treasury Regulations;
- Division of Revenue Act;

- Supply Chain Management Regulations (Post -Tender Board environment);
- The Constitution of South Africa, 1996;
- The Public Service Act of 1994;
- The Public Service Regulations of 2016;
- The White Paper on the Transformation of the Public Service Delivery, (Batho Pele) 1997;
- The E-Government: A Public Service IT Policy Framework;
- The Promotion of Access to Information Act 2 of 2000;
- The National Minimum Information Security Standard Policy of 1996;
- The Skills Development Act of 1999;
- The Basic Condition of Employment Act of 1997;
- The Labour Relations Act of 1995; and
- The Health and Safety Act of 1993.

1.1 Aligning departmental budgets to achieve government's prescribed outcomes

In contribution towards the attainment of the North West priorities the Department of Finance has identified the following priorities for the (next five years) 2016-2021 Strategic plan period to ensure that the North West Provincial Government achieve their goals:

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

Priority: Sound financial and administration management

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

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

Priority: Efficient and effective Management and Operations systems

- Improving financial management in the North West Province.

Priority: Procurement systems that deliver value for money

- Department will identify areas where transversal contracts can help to reduce the procurement demands on individual departments or entities and deliver economies of scale.
- Ensuring capacity building and professionalising supply chain management in the Province.

- Department of Finance will ensure that regulations and other guidelines differentiate adequately between different forms of procurement.
- Providing real-time operational support to supply chain management matters.

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

2. Review of the current financial year (2018/19)

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

General

The Department has achieved a clean audit for the 2017/18 financial year as reported by the Auditor-General and this marks the fifth consecutive year that the Department has reached this milestone.

Sustainable Resource Management

The monthly and quarterly expenditure reports were presented to the Broader EXTECH and Executive Council highlighting issues of concern with recommendations. These reports included the performance of the budget and service delivery achievements of the 12 provincial departments and the Provincial Legislature. These reports were used for reporting to the National Treasury, briefing of the Portfolio Committee of Premier, Finance, Economy and Enterprise Development and the Audit Committee.

The Budget and Public Finance unit produced reports on the expenditure performance of public entities to ensure that, among others, entities can deliver on expectations, operate within their mandate in an effective, efficient and economical manner, and also that there is governance and regulatory compliance.

Through extensive budget process engagements, the 2019/20 main budget was finalised and tabled within two weeks after the tabling of the National Budget by the Minister of Finance as stipulated by the PFMA. The main budget was accompanied by the tabling of the Budget Speech, 2019/20 Estimates of Provincial Revenue and Expenditure (EPRE) and the 2019/20 Appropriation Bill at the Legislature on the 06 March 2019. This publication provides in-depth analysis of the provincial budget performance per department over the last three years, covers the current financial year and contains plans for the next three years.

The unit also participated in the Provincial Equitable Share (PES) review task teams and provided inputs to inform discussions on the Division of Revenue (DORA) and Provincial Equitable Share

(PES), where both the structure and/or the components of the formula as well as the data informing PES updates, are being discussed.

Support and monitoring for Public Entities was enhanced through the implementation of Budget Database and IYM reporting model. Successfully completed the Database statistics related to Public Entities budget allocation. In line with Treasury Regulations 6.1, the quarterly IYM reports for public entities were submitted to the National Treasury.

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

The Infrastructure Development Improvement Programme (IDIP) has been implemented at infrastructure departments, with the aim to “support Government’s strategy to improve socio-economic growth and development through improved infrastructure delivery”. The programme’s purpose is to “support the national and provincial partners to sustainably implement the Infrastructure Delivery Management System (IDMS) through regular monitoring, technical support and capacity building interventions. Municipalities also adopted the use of the IDMS for efficient infrastructure planning and delivery, this was developed and launched in November 2018.

Through the support from National Treasury, departments have been trained on the Standard for Infrastructure Procurement and Delivery Management (SIPDM) to improve project outcomes. Considering concerns from other stakeholders, the SIPDM was subjected to a review process which was concluded in October 2018 resulting in the release of a Control Framework for Infrastructure Procurement and Delivery Management (CFIPDM) which will be used to enforce compliance to the final reviewed IDMS Version 10. Based on the reviewed IDMS and CFIPDM, provinces are expected to develop their Provincial IDMS Protocols to be approved by the Provincial Executive Committee.

Provincial Revenue Enhancement - Fiscal policy analysis unit continuously provides support to the departments who are lagging behind with revenue collection. To improve revenue collection the unit conducted a non-accredited cashier training where revenue officials from the Department of Education and Sports Development were trained. Three departments were assisted with the preparing of revenue enhancement strategies. Through the Provincial Revenue Forum, the benchmarking and best practices are shared with departments to ensure that the current revenue sources are enhanced, and collection thereto maximized whilst identification of new revenue sources is continuing.

Economic Analysis: The macro-economic analysis unit produces two reports in the main on an annual basis. These reports are:

- Provincial Socio-economic Review and Outlook (SERO) which mainly focuses on the socio-economic factors in the province and is mainly used in the budget book as a guiding framework for resource allocation in the province.
- Municipal Socio-economic Review and Outlook (MSERO); the purpose of these municipal reports is to assess both macroeconomic and socio-economic developments at District Municipality level.
- In addition to the two reports, the unit also produces monthly economic updates covering economic information in South Africa, Africa and the rest of the world.

Municipal Finance Management (MFM): The department, together with the Department of Local Government and Human Settlement signed a memorandum of understanding (MoU) and agreed in collaborating effort to achieve a multi-pronged approach to address financial sustainability of municipalities. This multi-pronged approach requires the two departments to work jointly at improving the execution of their legally mandated responsibilities with respect to local government support, monitoring and oversight in terms of the Constitution, Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA) and Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA).

To this end, twelve (12) financially distressed municipalities have been identified. The two departments developed a joint integrated support plan to address governance and financial management failures.

The integrated support plan for those municipalities on the common list is informed by a holistic assessment of their governance, service delivery performance, revenue and expenditure management practices and audit outcomes. This is integral to ensuring that the integrated support plan addresses the root causes of the financial distress and service delivery failures identified.

The integrated support plan is aligned to the following “game changers” as adopted through the province specific intervention strategy of which the Department takes a lead with the implementation.

- Support municipalities to adopt funded budgets by the municipal councils in terms of Section 18 of the MFMA;
- Support municipalities to improve revenue management framework for municipalities, in collaboration with DLGHS;
- Support municipalities to implement Municipal Standard Chart of Accounts (mSCOA);
- Support municipalities to improve asset management;
- Support municipalities to improved supply chain management system and implementation; and
- Support municipalities to improve audit outcomes.

Provincial Supply Chain Management (SCM): Over and above two (2) National Treasury Instruction Notes disseminated to provincial departments and their entities and three (3) Provincial SCM Circulars were issued to provincial departments with the objective of developing uniform standards,

combating SCM abuse and preventing occurrence of irregular expenditure. Namely moratorium on appointment of project management unit (PMU); Facilitation and arrangement of provincial term contracts; and Deviations from normal bidding process.

The programme continued with North West Provincial SCM Reforms 5-year Implementation Plan which began in 2016/17 financial year with the support of National Treasury. The overall objective of the project was to assist the North West Provincial Treasury (NWPT) in supporting the implementation of effective SCM practices in the North West Provincial Departments and Public Entities, through the implementation of improvement initiatives focusing on the implementation of effective SCM practices and the development of a cadre of SCM practitioners in the North West Province.

- **Capacity Development Model:** the programme is currently busy with the learning needs assessment for all SCM Practitioners in Departments, Entities and Municipalities, with the objective of developing SCM Technical Competency dictionary that outlines all the processes required when procuring, identify learning gaps and developing Education and Training Development (ETD) solutions to close gaps at individual SCM units, provincial institutions and provincial levels. Education and Training Development (ETD) Solutions will inform the costing of Training Plans; SCM recruitment strategy; Cross Departmental Skills transfer; Workplace Skills Plan; Roadmap towards SCM Professionalization; Assist in job description alignment and Personal Development Plan
- Thirty (30) SCM Practitioners from different Provincial Departments and Public Entities will be enrolled for Chartered Institute for Procurement and Supply (CIPS) Corporate Award Programme. This will lead to SCM professionalization and MCIPS international designation. The programme will take a maximum period of eighteen months to complete, expecting first ten MCIPS designated SCM Practitioners in 2020/21 financial year. To date we have registered 129 Heads of SCM and Deputy Directors from Departments, Entities and Municipalities and continue to maintain the membership subscription.
- The Provincial Supply Chain Management 2018/19 approved organizational structure has been elevated to Chief Directorate from the Unit with effect from 1 August 2018. New structure caters for three directorates being:
 - I. Monitoring, Evaluation and Capacity building;
 - II. SCM Client Support and Strategic Procurement; and
 - III. Physical Assets.

All remaining vacancies, after placement of staff on the approved new structure, will be filled in the current financial year.

The Central Supplier Database (CSD) drive to register suppliers per region, with specific focus on developing areas, of our province continued throughout the year to expand the pool of suppliers within the province. As part of the Outreach Programme in Townships and Villages several SMME

workshops were conducted regarding CSD, E-Portal and payment of suppliers within 30 days. The Provincial SCM offices also served as a walk-in centre for suppliers to register on CSD. There was a challenge with the CSD especially in relation to suppliers' on-line bank accounts verification and National Treasury has managed to resolve it and keep to the minimal.

The unit also continued to monitor and report on payments to service providers within 30 days as per the Treasury Regulation 8.2.3

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

A state of readiness was conducted to determine whether Departments and Entities are ready to implement Inventory management except for Department of Health which National Treasury has isolated from this exercise as it was going to be handled on a sectoral basis. Challenges were experienced when a state of readiness was conducted as most Department and Entities do not have adequate systems and human capacity in place to implement the requirements of National Treasury. The implementation of Inventory management was deferred by National Treasury with future date to be advised. It is going to be piloted in some Provinces before being rolled out in the rest of the Country.

Financial Governance

Audit outcomes for 2018 - The audit of the Annual Financial statements for the year ended 31 March 2018 was finalised on 01 August 2018. The audit outcomes of Departments, Provincial Legislature and Public entities were as follows:

- Departments – one (1) received a clean audit (unqualified with no findings), four (4) were unqualified, seven (7) qualified and one (1) is outstanding.
- Entities – Six (6) were unqualified, seven (7) qualified, six (6) disclaimers and one (1) is outstanding. Detailed management letters are with respective Departments and Entities.

Implementation of Post Audit Action Plans - Office of the Accountant General is now in the third year of implementation of the electronic monitoring system (PAAP) for monitoring audit action plans to ensure that audit issues raised by the Auditor General in the previous year are addressed to avoid repeat findings. Departments and Entities are now accustomed to its utilization.

Departments and Entities still have challenges of capacity and planning adequate timeframes on which certain issues must be updated. The Office of the Accountant General conducts bilateral review meetings with Departments and Entities and hosted a fresher PAAP interactive workshop to retrain and orientate new as well as existing officials on new features of the system.

Departments responsible for Public Entities do not provide them with adequate support in the development of sound audit action plans meanwhile they have severe capacity challenges. Provincial Treasury had to step in and assist those with severe capacity challenges to prepare post audit action plans.

Challenges still exist where Departments and Entities use different officials to update PAAP which creates gaps in the learning curve as well as inconsistencies in understanding of the principles. This creates a need for continuous training as opposed to refining the monitoring process.

A compliance team has been established in the Office of the Accountant General to review Interim Financial Statements (IFS) and conduct one on one with Departments and Entities on site reviews of the portfolios of evidence to ensure quarterly actions committed to be taken to address previous year findings are implemented. This will ensure that Departments and Entities take corrective actions before year end.

Financial Technical Management Support Programme – Financial Governance Programme provides the following support to Departments and Entities:

- Execution of Section 100 directives to improve financial management in Departments that are affected;
- Assistance with PAAP reviews and bilateral meetings to ensure that sound audit action plans are developed and monitored;
- Provision of on-site compliance reviews with Departments and Entities to ensure that corrective action is done on time;
- Stringent monitoring of audit action plans coupled with review of Interim Financial Statements (IFS) to ensure that prior year audit findings are considered, which enables reporting to Heads of Departments, Chief Executive Officers and EA's to take action where there is non-compliance;
- Strengthening internal controls by responding to Internal Audit Reports timely to clear issues on time;
- In addition to resolving Provincial irregular expenditure through the Provincial Advisory Committee (PACO), a new strategy has been established to form a multi – disciplinary team comprising of officials from the Office of the Accountant General, Provincial Internal Audit, Provincial Supply Chain, Office of the Premier and National Treasury. The team is going to work together on refining the process of compiling quality submissions, investigations, determination of loss to the state and the final condoning process to deal with irregular expenditure in a comprehensive manner.

- Departments and Entities were trained on the new Irregular Expenditure Framework in October 2018 which was issued by National Treasury with case studies effective from 01 December 2018. This is going to repeal all previous guidelines issued in 2014 and 2015. It provides more mechanisms to deal with irregular expenditure more effectively than the previous issued guidelines.
- Engage National Treasury and Auditor General on issues to focus on for 2018/19 in preparation for the coming audit and
- Extension of Provincial Risk management to Public Entities.

Tribal and Trust – A meeting was held with National Treasury on 08 June 2018 with all Provinces that have Traditional Councils in order to devise an accounting framework that will be utilised by all Traditional Councils in South Africa.

The National Department of Cooperative Governance and Traditional Affairs as the leading Department on Traditional Affairs has tabled a bill in Parliament for comments. The requirements of the Bill will have to be taken into account before finalisation of the Accounting Framework. The process of formulating a uniform accounting framework is spearheaded by National Treasury and proceeding well and it is anticipated that a draft framework will be distributed to Provinces for comments. The process is on-going.

Financial systems – The financial administration systems are operating well. The only challenge is that they are running on old infrastructure which poses a risk in the event of a major breakdown. The Office of the Premier has been presented with all ICT challenges around infrastructure for assistance while awaiting the implementation of the new Information Technology System (IFMS) by National Treasury.

Provincial Risk Management - The activities of the Provincial Risk Management are in progress. A Provincial Risk Dialogue was held on 07 - 09 November 2018 whereby Departments, Entities and Risk Officers were in attendance to share experiences, best practices and strengthen risk management structures in their organisations. Quarterly forums are held and reviews are conducted to monitor effective implementation. Letters are written to Heads of Departments and Entities to take corrective steps where necessary. The unit held Provincial Risk Management Forums and extended it to the Municipalities for peer to peer learning and information sharing with the aim of improving Risk Management in the province.

- **Provincial Internal Audit** During the year under review the Internal Audit issued various advisories and assurance reports to departments including the annual update of a comprehensive audit file guideline that would ensure combined assurance and substantiation of Annual Financial Statements. All Annual Financial Statements and pre-determined objective reports were reviewed timely and feedback reports provided to departments. Subsequent to the handover of audit reports to

department's evaluations, post audit action plans were developed and departments advised accordingly. Further audit work on the implementation of post audit action plans is scheduled.

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

To strengthen provincial supply chain initiatives as well as providing support to Section 100 initiatives Provincial Internal Audit is going to audit all bids above R10 million after evaluation to ensure that all relevant SCM legislation has been complied with before bids are awarded.

3. Outlook for the coming financial year (2019/20)

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

Sustainable Resource Management

Budget Management and Public Finance: The functions of the unit are largely driven and governed by various legislative requirements e.g. Public Finance Management Act (PFMA), Treasury Regulations and the Division of Revenue Act. As such, the work of the unit often remains largely unchanged from the previous year in terms of the processes that need to be followed and undertaken. Accordingly, the unit plans to continue monitoring the spending of provincial departments and public entities through the various reporting mechanisms, including the monthly IYM (In Year Monitoring), and it will strive to ensure that provincial spending remains within the budget and to oversee the implementation of cost-cutting measures on non-core items such as catering, provincial events, etc.

Executive Council will continuously be informed of the province's budget performance. The unit will continue to coordinate preparation of the Estimates of Provincial Revenue and Expenditure (EPRE) for 2020/21 and the Adjustment Estimates of Provincial Revenue and Expenditure (AEPRE) for 2019/20. This will be done after consulting with and receiving approval from the Medium Term Expenditure Committee (MTEC), Ministers' Committee on the Budget (Mincom Bud) and Cabinet.

The unit will provide information to National Treasury to inform discussions on the Division of Revenue (DORA) and Provincial Equitable Share (PES), where both the structure and/or the components of the formula as well as the data informing PES updates, are being debated. The unit will also play a more active oversight role and monitor the performance of Public Entities to ensure that among others, Entities can deliver on expectations, operate within their mandate in an effective, efficient and economical manner; and that there is governance and regulatory compliance. The co-management functions entered into with Departments of Education & Sports Development, Public Works and Roads and Health will continue to improve budget spending and overall financial

management in these critical service delivery departments which will be reported on quarterly basis. Reporting and monitoring on provincial VTSD expenditure will continue as the province strives towards 70 per cent target for 2018/19.

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

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

Economic Analysis: The programme's aim is to provide professional advice and support on provincial economic analysis, fiscal policy and the management of annual budget process, implementation of the provincial budgets as well as monitoring and control of the North West provincial expenditures.

Infrastructure Co-ordination: The unit will continue to assist, monitor and report on the infrastructure planning and delivery performance through the implementation of Infrastructure Delivery Management System (IDMS) and the Control Framework for Infrastructure Procurement and Delivery Management (CFIPDM) throughout the province. The Infrastructure Reporting Model (IRM) and Vulindlela will be used to track infrastructure expenditure supported by conducting of site visits to projects.

Provincial Revenue Maximization: The department will investigate ways on how to increase the provincial own revenue by expanding the revenue base, minimizing revenue collection costs and meeting own revenue targets by sources as identified by the relevant accounting officers. In addition, the department will assist provincial departments to review their revenue tariffs to make them to be cost reflective wherever it is practically possible.

Municipal Financial Management (MFM): The municipal support intervention will focus on improving capacity within the municipal budget and treasury office to implement financial management report. The following key municipal finance functional area will be the main focus

- mSCOA
- Budget Management and Reporting
- Audit Support
- Revenue Management
- Supply Chain Management and

- Assets Management

The department will undertake capacity building sessions for all Municipalities at District level. In addition, the department will support Municipalities by placing resources for a short-term period to provide technical (hand hold) on job support to Municipal officials to implement the financial management reforms.

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

- Revenue protection
- Revenue enhancement
- Revenue maximization
- Exploring new revenue sources (Same as last year)

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

Provincial Supply Chain Management

This programme's aim is to provide policy direction on the following:

- Effective asset management in the Province;
- Implementation and monitoring of Supply Chain Management (SCM) in the Province;
- Implementation and management of the Electronic Tendering System (ETS) in the Province.

Provincial Supply Chain Management: In the current global economic climate, many governments across the world are forced to do more with less. The need to reduce costs, improve efficiencies and compliance are forcing many organisations including public institutions to find better ways of doing things. Furthermore, leading organisations are leveraging digital solutions to create an entirely new way of doing business. Procurement is one area where government can improve efficiencies and ensure they derive value for money from their spent. Digitisation of procurement is a powerful engine for innovation, inspiration and efficiency.

The gCommerce solution has been developed in response to the Supply Chain Management reforms programme initiated by the Office of the Chief Procurement Officer (OCPO) at National Treasury. This was because of a cabinet resolution that instructed the OCPO to accelerate Supply Chain Management (SCM) reforms by modernizing the function through:

- Finalising the legal framework aligned to the proposed reforms;

- Simplifying, standardising and automating procurement activities across all spheres of government; and
- Modernising SCM technology and up-scaling the use thereof. Provincial Supply Chain Management has initiated a process of acquiring the gCommerce system to be fully implemented in the new financial year.

The Provincial Supply Chain Management to establish an independent and impartial tribunal, led by a retired judge, its sole purpose being to:

- Reporting, investigation, determination and treatment of SCM system abuse, disputes, objections, complaints or queries;
- Measuring of performance output of the Departmental SCM Units.

The Blueprint Supply Chain Management System which was first implemented in April 2017 is currently under review and will be rolled out from 15th January to 31 March 2019 for implementation effective 1 April 2019 as the North West Provincial SCM Policy Framework.

Capacity Development Model: Education and Training Development (ETD) Solutions developed from learning needs assessment conducted in 2018/19 to close the learning gaps of SCM practitioners will be implemented over a three-year period starting 2019/2020 financial year.

Professionalization and capacity building of SCM will continue through accredited SCM training sessions aimed at strengthening SCM compliance in the Province. Focus will also be on supporting 30 SCM Practitioners across provincial institutions with registration for Corporate Award programme leading to MCIPS designation to be completed in 2020/21 financial year.

Supplier training is also earmarked on outreach programmes to be conducted in communities with a view to capacitating the supplier(s) with the government procurement processes and expanding the supplier(s) database. The office will continue its support to register suppliers on the CSD. The unit will continue to monitor and report on compliance with 30day payments in line with National Treasury Instruction Notes.

The Unit together with Office of the Chief Procurement Officer will embark on the implementation of Strategic Procurement Framework issued in April 2017 to enable participants to gain insights into and in-depth understanding of its practical implementation. To this end the department will be completing the Provincial Strategic Framework in 2019/20 financial year followed by the Supplier indaba to present business opportunities available in government spend.

The department will continue together with National Treasury to enhance Preferential Procurement Regulation (PPR) 2017 dashboard to cover the Province's Municipalities in reporting on their procurement spend targeting Emerging Micro Enterprise (EME) and Qualifying Small Enterprise (QSE) owned by black people; black people who are youth; black people who are women; black

people with disabilities; black people who are military veterans and black people living in rural or underdeveloped areas or townships. This will give the Provincial Executive and Management an aerial view on the status of the government spend in furthering the NDP goals.

Asset Management: During 2017/18 financial year the main focus was monitoring compliance with Asset Management through the following mechanisms; emphasis will be placed on maintaining reliable asset registers through the Provincial Asset Management System, AFS Disclosures will be reviewed with special focus on Public Entities and Audit Action Plans to reduce the number of capital asset findings in the province.

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

Financial Governance: The aim of this programme is to facilitate the implementation of financial management in Provincial Departments and Public Entities to ensure improved audit outcomes and manage the transition from modified cash to GRAP accounting in line with PFMA. As such, the following are additional activities/focus areas planned for 2019/20:

- Quarterly monitoring of audit action plans through the PAAP system with firm deadlines for completion by reporting to HoD's and EA's and constant engagement with Chief Financial Officers through the CFO Forums and capacity building interventions;
- Identify more Public Entities and Provincial Departments for clean audit strategy.
- Address qualifications in public entities by strengthening financial management support, including asset management;
- Strengthen compliance to PFMA and Treasury Regulations to address matters of Unauthorised, Irregular and Fruitless and Wasteful expenditure.
- Continue to support the Provincial Advisory Committee (PACO) with regular meetings to guide departments with clearing Irregular and Fruitless expenditure;
- Provincial Risk management will be extended to public entities to streamline risk management processes across provincial departments and public entities;
- Through the Provincial Internal Audit (PIA), appropriate support mechanisms are in place to continue to provide monitoring and oversight sound controls over financial information, performance information and compliance with laws and regulations.

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

One of the roles of the Department of Finance is to ensure effective, economical and efficient utilisation of public financial resources in the Province. The Department of Finance, operating within the national fiscal framework, allocates budgets to provincial departments in a manner that facilitates

equitable distribution of resources to improve the living conditions within the communities. Such a framework provides the treasury with the authority to ensure that provincial departments align their revenue and expenditure plans within the stipulated guidelines. These guidelines require the Provincial Treasury to ensure that Provincial Expenditure and Revenue Management remain within the national guidelines.

To be able to reflect on how Department of Finance responds to the socio-economic overview it is necessary to indicate that the Provincial Treasury has a dual responsibility to fulfill in order to be able to effectively respond to the prevailing socio-economic conditions. The first responsibility relates to Department of Finance as a line department with specific roles and responsibilities as explained above. The responsibility requires of the Department of Finance to provide support and ensure that provincial departments maintain the necessary fiscal discipline. The second responsibility is the expectation that, like any other line function department, the Provincial Treasury must, when utilizing the departmental budget, make sure that it responds to the socio-economic challenges of the Province. The Department is also a key driver behind improving financial management at municipalities, as it is critical for municipalities to progress towards clean administration which will ultimately lead to improved service delivery.

For the department to make a positive change to the socio-economic challenges, plans are put in place in line with the recently pronounced Economic Stimulus Package by the President, to stimulate the economy. During the mid-term budget review processes of the 2018/19 financial year, the Province underwent a process of reprioritising our Provincial budget in line with the current economic climate and aligning the identified departmental programmes and projects cutting across all departments and all economic sectors with the announced Stimulus Package interventions by the State President. As a Province we have as part of broadening participation in the economy for our people, identified most vulnerable areas within our province to inform the 70 per cent targeted spending by Government as a way of redirecting provincial procurement spending to benefit our people that have been previously marginalised.

We will continue to encourage Departments to host their meetings and events in the poorest districts of Ngaka Modiri Molema and Dr Ruth Segomotsi Mompati Districts in order to ensure that SMME's within those areas are afforded an opportunity to participate in the supply of goods and services in relation to those events. It is important for us as a Province to continue to develop our SMME's through assisting them to participate in government procurement programmes through registration on the Centralised Supplier Database (CSD) and going the extra mile to ensure that they are capacitated through collaboration with relevant sector departments. We also need to ensure that the targeted procurement of 70 per cent of budget for SMME's operating within the previously marginalised areas of our Province is reached.

The Department continues to strive to ensure the payment of Service Providers within the targeted 30-day period to improve the sustainability of SMME's providing goods and services to all Provincial

Departments including municipalities. The Department of Finance is constantly involved in publicity campaigns called outreach workshops to educate members of the public and aspirant entrepreneurs on how to access business opportunities availed by the provincial government. In order to assist with addressing unemployment, which is currently about 26.1 per cent, the Department of Finance provides Internships and Learnerships in areas of Economics, Accounting, Supply Chain Management, Internal Audit, Information Technology and Human Resource Management. This has assisted many young graduates to gain the necessary job experience to make them competent in the labour market.

4. Reprioritisation

Administration: The new Organisational Structure was approved with effect from the 1st August 2018 and the staff placement process first had to be concluded before posts can be advertised. Human Resource section is currently busy with a process of filling vacant posts on the approved organisational structure. An amount of R2 million was shifted within the Programme over the MTEF period to cater for the shortfalls in Compensation of Employees (CoE) for implementation of the Revised Organisational Structure and R1.6 million is to relieve budget pressures for Batho Pele Excellence Awards Programme and to meet Occupational Health & Safety (OHS) requirements and other operational services for new officials within the programme.

Sustainable Resource Management

It has been agreed to drop the consultants' fees in line with the letter dated 10/09/2018 that was submitted to DPSA. The shifting of funds for R19.5 million from Consultants to Compensation of Employees to address the budget pressures on Compensation of Employees on the amendments to the organizational structure in relation to CD: Municipal Finance Management Act (MFMA) and CD: Provincial Supply Chain Management (PSCM). R2 million for the transfer of Financial Assets function from Assets and Liability to Sustainable Resource Management (SRM).

Asset and Liabilities Management: The shifting of funds for R3.8 million from Sustainable Resource Management (SRM) - MFMA Consultants to Compensation of Employees (CoE) to address the budget pressures on Compensation of Employees on the amendments made to the Organizational Structure in relation to CD: MFMA and CD: PSCM. A shifting of R16.5 million was centralized to the Chief Director for monitoring purposes within the programme. A decrease in Capital Payments is to relieve budget pressures in goods and services such as Training and Development for Provincial Departments.

Financial Governance: The new Organisational Structure was approved with effect from the 1st August 2018 and the staff placement process first had to be concluded before posts can be advertised. Human Resource section is currently busy with a process of filling vacant posts on the approved Organisational structure. It has been agreed to reduce the consultants' fees in line with the

letter dated 10/09/2018 that was submitted to DPSA. The shifting of funds for R12.6 million from Consultants to Compensation of Employees to address the budget pressures by appointing twenty-five (25) Contractors for PFMA Support Programme to assist with capacity challenges at Provincial Departments and Public Entities in order to improve audit outcomes. The increase in Capital Payment is to purchase of office furniture and equipment for new officials in Norms and Standards Unit.

Future plans of the department

Department of Finance planned for the following in the coming financial years:

- To strengthen their mandated support to Departments, Public Entities and Municipalities;
- Dedicated support to all Departments and Public Entities to achieve clean audit;
- Continued Internal Audit support through the internal audit annual plans;
- Conduct capacity building programmes for all SCM officials in Provincial Government;
- Maintain appropriate systems & controls for safeguarding of assets; and
- Monitoring and oversight provided to Municipalities, inclusive of training municipal officials to ensure full compliance to municipal Standard Charts of Account and other MFMA reforms through a regional organisational structure model.
- Continue with the rollout of the IDMS and CFIPDM to Departments and Municipalities.

5. Procurement

The major procurement plans for 2019/20 relate to the following:

- An amount of R15.2 million is set aside for Municipal Financial Management Support Programme inclusive of mSCOA implementation, contract management, asset management, AFS preparation and audit support and R9.6 million for Municipal Interventions;
- An amount of R2.7 million is set aside for implementation of gCommerce (SCM automated system) and R3.2 million is set aside for Training Corporate Award Programme;
- An amount of R5 million is set aside from National Treasury for Infrastructure Capacity Building for Provincial Treasuries and R15 million over the MTEF period.

6. Receipts and financing

6.1 Summary of receipts

Table 7.1 below shows the sources of funding for Vote 7 over the seven-year period 2015/16 to 2021/22.

Table 7.1 : Summary of receipts

R thousand	Outcome			Main appropriation	Adjusted appropriation 2018/19	Revised estimate	Medium-term estimates		
	2015/16	2016/17	2017/18				2019/20	2020/21	2021/22
Equitable share	344 263	339 770	335 653	348 397	348 397	348 397	386 542	439 473	494 371
Conditional grants	–	–	–	–	–	–	–	–	–
Financing	16 000	–	1 173	1 047	1 847	1 847	–	–	–
Departmental receipts	86 739	124 877	130 179	134 640	134 640	134 640	142 180	150 000	158 100
Total receipts	447 002	464 647	467 005	484 084	484 884	484 884	528 722	589 473	652 471

The main sources of funding for the department is Equitable Share and Own Revenue. The Equitable Share allocation for 2018/19 is 72 per cent or R348.4 million of the total departmental allocation, while Own Revenue is 28 per cent of the total allocation or R134.3 million. The departmental Equitable Share decreased by 1 per cent from 2015/16 to 2017/18, then increased by 4 per cent which amounts to R12.7 million to R348.4 million in 2018/19, then increased by 11 per cent in 2019/20 which amounts to R38.1 million, 14 per cent in 2020/21 and 12 per cent in 2021/22 financial year.

6.2 Departmental receipts collection

Table 7.2 below provides details of the revenue collection by this department from 2015/16 to 2021/22.

Table 7.2 : Summary of departmental receipts collection

R thousand	Outcome			Main appropriation	Adjusted appropriation 2018/19	Revised estimate	Medium-term estimates		
	2015/16	2016/17	2017/18				2019/20	2020/21	2021/22
Tax receipts	–	–	–	–	–	–	–	–	–
Casino taxes	–	–	–	–	–	–	–	–	–
Horse racing taxes	–	–	–	–	–	–	–	–	–
Liquor licences	–	–	–	–	–	–	–	–	–
Motor vehicle licences	–	–	–	–	–	–	–	–	–
Sales of goods and services other than capital assets	207	156	2 339	280	280	280	295	311	328
Transfers received	–	1 047	–	–	–	–	–	–	–
Fines, penalties and forfeits	–	–	–	–	–	–	–	–	–
Interest, dividends and rent on land	120 562	203 018	220 247	134 360	134 360	134 360	141 885	149 689	157 772
Sales of capital assets	1	1	–	–	–	–	–	–	–
Transactions in financial assets and liabilities	120	49	–	–	–	–	–	–	–
Total departmental receipts	120 890	204 271	222 586	134 640	134 640	134 640	142 180	150 000	158 100

The department has factored in a decline of 3 per cent in 2015/16 and a sharp growth of 69 per cent increase in 2016/17 financial years and 9 per cent in 2017/18. A decline of 40 per cent is realised in 2018/19, 6 per cent increase on anticipated revenue in 2019/20, and 6 per cent increase in collection in the 2020/21 and 5 per cent in 2021/22 financial year.

The sources of own revenue for the department are the following:

- **Sale of goods and services other than capital assets:** The revenue is mainly raised through fees charged by the department for tender documents issued. The projected collection shows a steady increase over the MTEF.
- **Interest, dividends and rent on land:** The revenue collected from this source was due to the substantial cash surpluses on the Pay Master General account (PMG) resulting from under spending in the previous financial years. The 68 per cent increase in 2016/17 is attributable on interest receivable because of under spending levels by Provincial departments. The uncertainty

element inherent to this item makes it difficult to forecast future collections. There is an increase of 8 per cent in 2017/18, 39 per cent decrease on anticipated revenue in 2018/19, 6 per cent increase on collection in 2019/20, 6 per cent in 2020/21 and 7 per cent in 2021/22 financial year.

- **Sales of capital assets:** The collection in 2015/16 and 2016/17 is attributed to sales of redundant assets which were auctioned during the year.

6.3 Donor Funding

None

7. Payment summary

7.1 Key Assumptions

The budget for the 2019/20 MTEF is based on the departments Strategic Plan and APP which are reflective of the service delivery requirements and improvements of the department. Some of the main assumptions underpinning the MTEF budget are as follows:

- Inflation projections (CPI) as published in the 2019 Medium Term Budget Policy Statement are 5.4 per cent in 2019/20, 5.6 per cent in 2020/21 and 5.4 per cent in 2021/22;
- Provision for Improvement in Conditions of Service (ICS) is Cost of living adjustments and are as follows;
- The revised projections for the personnel budget inflation are 6.4 per cent in 2019/20, 6.6 per cent in 2020/21 and 6.4 per cent in 2021/22 financial year;
- A 1.5 per cent pay progression is included in the budget provision for personnel costs; and
- Funds are allocated to support all four (4) programmes in the Department of Finance to achieve their goals as stipulated in the Strategic Plan and 2018-2019 Annual Performance Plan.

7.2 Programme summary

Tables 7.3 and 7.4 below contain information by programme and economic classification for the department over the seven-year period from 2015/16 to 2021/22.

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

R thousand	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	136 358	129 702	141 735	143 037	152 809	152 809	153 470	161 866	170 766
2. Sustainable Resource Management	126 137	136 441	117 749	131 940	114 553	114 553	140 880	166 948	206 708
3. Asset And Liabilities Management	42 958	42 651	43 090	52 448	52 448	52 448	59 383	68 551	72 324
4. Financial Governance	120 145	143 207	161 211	156 659	165 074	165 074	174 989	192 108	202 673
Total payments and estimates	425 598	452 001	463 785	484 084	484 884	484 884	528 722	589 473	652 471

The department comprises of four programmes, namely, Administration, Sustainable Resource Management, Asset and Liabilities Management, and Financial Governance. The department does not conform to the generic sub-programme structure for the sector due to the inclusion of Municipal

Finance in Programme 2. However, discussions are underway on the review of Provincial Treasuries Generic Structures.

The departmental spending over the past financial years was R425.6 million in 2015/16, R452 million in 2016/17 and R463.8 million in 2017/18. There is an increase of R26.4 million from 2015/16 to 2016/17 and R11.8 million from 2016/17 to 2017/18 and R21 million in 2018/19 financial year. The departmental baseline is increased with R43.8 million in 2019/20, and further increase with R123.7 million cumulative in the two outer years.

7.3 Summary of economic classification

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2018/19	Revised estimate	Medium-term estimates		
	2015/16	2016/17	2017/18				2019/20	2020/21	2021/22
Current payments	414 234	439 166	459 757	478 046	476 827	476 649	521 766	581 917	644 504
Compensation of employees	216 255	236 449	268 116	324 465	297 744	297 619	380 925	405 685	431 638
Goods and services	197 978	202 716	191 641	153 581	179 083	179 030	140 841	176 232	212 866
Interest and rent on land	1	1	-	-	-	-	-	-	-
Transfers and subsidies to:	3 439	2 329	695	227	1 281	1 459	658	694	733
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	3 439	2 329	695	227	1 281	1 459	658	694	733
Payments for capital assets	7 922	10 506	3 333	5 811	6 776	6 776	6 298	6 862	7 234
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	7 922	10 506	3 333	5 811	6 776	6 776	6 298	6 862	7 234
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	3	-	-	-	-	-	-	-	-
Total economic classification	425 598	452 001	463 785	484 084	484 884	484 884	528 722	589 473	652 471

Economic Classifications:

Compensation of employees: On aggregate, compensation of employees registered a significant growth from 2015/16 to 2017/18 due to filling of posts in line with the new organisational structure and thereafter a gradual increase to compensation of employees is anticipated in line with annual salary adjustments. The Department decided to fill its revised organisational structure from 2017/18 and in 2018/19 the new organisational structure was approved and implemented with effect from the 1st August 2018. The staff placement process first had to be concluded before posts can be advertised. Human Resource section is currently busy with a process of filling vacant posts on the approved Organisational structure hence a sharp increase of 21 per cent and adjusted by 17 per cent due to the delay in filling of vacant posts, 28 per cent in 2019/20, 6.5 per cent in 2020/21 and 6.4 per cent in the final year, as most of the posts that were filled in 2016/17 were internal promotions.

Goods and Services: There is an increase of 2.4 per cent in 2016/17 and a decline of 5.5 per cent in 2017/18. A drop of 6.6 per cent is realised in 2018/19 and further declines with 21.3 per cent in 2019/20. A sharp increase is recorded of 25.1 per cent in 2020/21 and 20.8 per cent in the final year.

A reduction of R28 million was made from compensation of employees to cater for MFMA Experts or HR Capacity challenges.

Inclusive in goods and services is an amount of R33 million for MFMA Municipal Financial Management Support Programme, as well as an allocation of R15 million in 2019/20, R34 million in 2020/21 and R37 million in 2021/22 respectively.

The allocation further makes provision for the Provincial Telephone Account amount of R17 million in 2018/19, which makes R37 million throughout the MTEF period. The Provincial Turn-Around Clean Audit is allocated R16 million in the current year and R62 million over the 2019 MTEF period.

Transfers and Subsidies: Allocated R658 thousand in 2019/20 which is a decrease compared to 2018/19 financial year. The allocation the further grows to R694 thousand and R733 thousand respectively over the two outer years. In the main, the department makes provision for bursaries because of the centralization from the Office of the Premier to provincial departments and payment of social benefits to employees who have exited the system, however budget estimates are very difficult to forecast.

Capital Assets: The sharp decline of 6 per cent in 2017/18 was for the replacement of office equipment and the significant increase of 74 per cent in 2018/19 was for appointment of new officials. Machinery and equipment further grows with R6.3 million in 2019/20, R6.9 million in 2020/21 and R7.2 million in 2021/22.

7.4 Infrastructure payments

7.4.1 Departmental infrastructure payments

None

7.4.2 Maintenance (Table B5)

None

7.4.3 Non-infrastructure items (Table B5)

None

7.5 Departmental Public-Private Partnership (PPP) projects

None

7.6 Transfers

7.6.1 Transfers to public entities

None

7.6.2 Transfers to other entities

None

7.6.3 Transfers to local government

None

8. Receipts and retentions

Not applicable to this department.

9. Programme description

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

Programme 1: Administration

Description and objectives

This programme provides human resource support, strategic management, communication and departmental financial management services. Communication focuses on projecting the corporate image of the Department to internal and external stakeholders. The Minimum-Security Information Services (MISS) focuses on issues of departmental security as defined in the Provincial Security Strategy. Special programmes focus mainly on youth, women, disability and gender related matters.

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

Administration consists of the following Sub-programmes:

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

- Departmental Financial Management (CFO).

Tables 7.5 and 7.6 below provide a summary of payments and budget estimates for Programme 1: Administration.

Table 7.5 : Summary of payments and estimates by sub-programme: Programme 1: Administration

R thousand	Outcome			Main appropriation	Adjusted appropriation 2018/19	Revised estimate	Medium-term estimates		
	2015/16	2016/17	2017/18				2019/20	2020/21	2021/22
1. Office Of The Mec	7 850	7 815	8 894	8 962	10 022	10 022	9 487	10 007	10 557
2. Management Services	6 239	9 441	9 956	10 578	8 191	8 191	9 211	9 826	10 365
3. Corporate Services	80 747	65 253	76 352	74 529	83 937	83 937	82 416	86 801	91 574
4. Financial Management (Office Of The Cfo)	41 522	47 193	46 533	48 968	50 659	50 659	52 356	55 232	58 270
Total payments and estimates	136 358	129 702	141 735	143 037	152 809	152 809	153 470	161 866	170 766

Table 7.6 : Summary of payments and estimates by economic classification: Programme 1: Administration

R thousand	Outcome			Main appropriation	Adjusted appropriation 2018/19	Revised estimate	Medium-term estimates		
	2015/16	2016/17	2017/18				2019/20	2020/21	2021/22
Current payments	129 443	122 817	140 338	140 933	149 870	149 817	151 119	159 384	168 149
Compensation of employees	69 329	82 407	90 507	101 229	98 152	98 152	110 884	118 104	125 658
Goods and services	60 114	40 410	49 831	39 704	51 718	51 665	40 235	41 280	42 491
Interest and rent on land	–	–	–	–	–	–	–	–	–
Transfers and subsidies to:	1 974	1 662	295	100	400	453	184	194	205
Provinces and municipalities	–	–	–	–	–	–	–	–	–
Departmental agencies and accounts	–	–	–	–	–	–	–	–	–
Higher education institutions	–	–	–	–	–	–	–	–	–
Foreign governments and international organisations	–	–	–	–	–	–	–	–	–
Public corporations and private enterprises	–	–	–	–	–	–	–	–	–
Non-profit institutions	–	–	–	–	–	–	–	–	–
Households	1 974	1 662	295	100	400	453	184	194	205
Payments for capital assets	4 938	5 223	1 102	2 004	2 539	2 539	2 167	2 288	2 412
Buildings and other fixed structures	–	–	–	–	–	–	–	–	–
Machinery and equipment	4 938	5 223	1 102	2 004	2 539	2 539	2 167	2 288	2 412
Heritage Assets	–	–	–	–	–	–	–	–	–
Specialised military assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Land and sub-soil assets	–	–	–	–	–	–	–	–	–
Software and other intangible assets	–	–	–	–	–	–	–	–	–
Payments for financial assets	3	–	–	–	–	–	–	–	–
Total economic classification	136 358	129 702	141 735	143 037	152 809	152 809	153 470	161 866	170 766

Budget Growth Trends

The programme budget grows with 0.4 per cent in 2019/20 due to the budget reduction on goods and services and it stabilizes to 5.5 per cent respectively in 2020/21 and 2021/22. The sub-programmes which show a fluctuating trend over the seven-year period are:

Office of the MEC: The declines by 5.3 per cent in 2019/20 and increases further to 5.5 per cent in the outer two years of the MTEF.

Management Services: There is an increased growth in 2017/18 due to reduction of catering and other goods and services due to Cost Containment Policy, then decreases to R8.2 million in 2018/19. The allocation grows to R9.2 million in 2019/20, R9.8 million in 2020/21 and R10.4 million in 2021/22.

Corporate Services: The consistent increase over the MTEF is driven by continued recruitment plus an additional once-off allocation of R27 million in 2015/16 financial year for the appointment of Forensic Auditors which register a decline of 19 per cent in 2016/17 and a growth of 17 per cent in

2017/18. There is an increase of R8.2 million in 2018/19 and further grows with R82.4 million in 2019/20, R86.8 million and R91.6 million respectively over the two outer years.

Financial Management (CFO's office): The 2018/19 year realized an increase with the budget of R50.7 million from R46.5 million in 2017/18, and furthermore increases to R52.4 million in 2019/20, R55.2 million in 2020/21 and R58.3 million in the 2021/22 financial year.

Compensation of Employees: The CoE allocation grew from R69.3 million in 2015/16 to R82.4 million in 2016/17, R90.5 million in 2017/18; R98.2 million in 2018/19; R110.9 million in 2019/20 and R243.8 million over the 2 outer years cumulative, which translates to 13 per cent increase as the Programme anticipate filling the vacant posts in 2019/20.

Goods and Services: There is a sharp decline of R19.7 million between 2015/16 and 2016/17 due to the reduction of payments for Forensic Auditors. On aggregate the budget growth fluctuates over the MTEF with R40.2 million in 2019/20 and increase to R41.2 per cent and R42.5 million in 2020/21 and 2021/22 respectively.

Transfers and Subsidies: There is a decline of 48 per cent in 2015/16 due to leave gratuities for retired officials, resignations and death that are not budgeted for and a decrease for centralisation of bursary funding from the office of the Premier. A declined growth is registered in 2019/20 as a result of the anticipated retirements and normalised in the outer two years.

Capital Assets: A sharp decrease in 2017/18 financial year is because of R3 million that was transferred to the Department of Community Safety and Transport for the purchase of pool vehicles and a specialised vehicle for Communication Unit and an increase with 130.4 per cent in 2018/19 due to the appointments as per approved Organisational Structure. The MTEF period reflect a sharp decrease by 14.7 per cent in 2019/20, and normalise to 5.6 and 5.4 per cent in the two outer years.

Service Delivery Measures

Table 7.7 : Service delivery measures - Programme 1: Administration

Programme performance measures	Estimated performance	Medium-term estimates		
	2018/19	2019/20	2020/21	2021/22
Number of Annual Estimate of Provincial Revenue and Expenditure tabled not later than two weeks after the tabling of the national budget	1	1	1	1
Number of Annual Reports submitted to Provincial Legislature for tabling	1	1	1	1
Number of Annual Financial Statements submitted to Provincial Treasury	1	1	1	1

Programme 2: Sustainable Resource Management

Description and objectives

The programme's aim is to provide professional advice and support on provincial economic analysis, fiscal policy and the management of annual budget process, implementation of the provincial budgets as well as monitoring and control the North West provincial expenditures.

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

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

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

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

Tables 7.8 and 7.9 below provide a summary of payments and budget estimates pertaining to Programme 2: Sustainable Resource Management over the seven-year period from 2015/16 to 2021/22 financial years.

Table 7.8 : Summary of payments and estimates by sub-programme: Programme 2: Sustainable Resource Management

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2015/16	2016/17	2017/18				2019/20	2020/21	2021/22
1. Programme Support	1 786	50	–	3 222	–	–	2 902	3 091	33 785
2. Economic Analysis	5 197	4 456	4 351	5 165	5 996	5 996	6 703	7 023	7 409
3. Fiscal Policy	4 158	3 857	4 841	6 448	7 171	7 171	9 249	9 626	10 156
4. Budget Management	15 753	17 338	17 059	23 423	21 108	21 108	25 800	27 201	28 696
5. Public Finance	12 087	13 849	16 897	18 515	18 457	18 457	28 126	29 204	30 811
6. Municipal Finance	87 156	96 891	74 601	75 167	61 821	61 821	68 100	90 803	95 851
Total payments and estimates	126 137	136 441	117 749	131 940	114 553	114 553	140 880	166 948	206 708

Table 7.9 : Summary of payments and estimates by economic classification: Programme 2: Sustainable Resource Management

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2015/16	2016/17	2017/18				2019/20	2020/21	2021/22
Current payments	124 825	135 361	116 499	130 621	112 764	112 764	139 566	165 559	205 244
Compensation of employees	48 282	53 114	61 629	87 806	68 466	68 466	104 911	111 700	118 844
Goods and services	76 543	82 247	54 870	42 815	44 298	44 298	34 655	53 859	86 400
Interest and rent on land	–	–	–	–	–	–	–	–	–
Transfers and subsidies to:	363	58	378	75	465	465	–	–	–
Provinces and municipalities	–	–	–	–	–	–	–	–	–
Departmental agencies and accounts	–	–	–	–	–	–	–	–	–
Higher education institutions	–	–	–	–	–	–	–	–	–
Foreign governments and international organisations	–	–	–	–	–	–	–	–	–
Public corporations and private enterprises	–	–	–	–	–	–	–	–	–
Non-profit institutions	–	–	–	–	–	–	–	–	–
Households	363	58	378	75	465	465	–	–	–
Payments for capital assets	949	1 022	872	1 244	1 324	1 324	1 314	1 389	1 464
Buildings and other fixed structures	–	–	–	–	–	–	–	–	–
Machinery and equipment	949	1 022	872	1 244	1 324	1 324	1 314	1 389	1 464
Heritage Assets	–	–	–	–	–	–	–	–	–
Specialised military assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Land and sub-soil assets	–	–	–	–	–	–	–	–	–
Software and other intangible assets	–	–	–	–	–	–	–	–	–
Payments for financial assets	–	–	–	–	–	–	–	–	–
Total economic classification	126 137	136 441	117 749	131 940	114 553	114 553	140 880	166 948	206 708

Budget Growth Trend

There is a decline in 2015/16 as a reflection of the completion of phase 2 and finalization of GRAP 17 implementation that is due to the reduction of consultants in the MFMA sub-programme.

The projections for all sub-programmes except municipal finance increase at a rate below 1 per cent from 2015/16. Municipal Finance decline in 2015/16 due to the reduction of consultant's costs, then increased in 2016/17, and sharply decline in 2017/18. Furthermore, 2018/19 registers a growth of R114.6 million with significant growths of R140.9 million, R166.9 million and R206.7 million over the MTEF period.

Compensation of employees: There is an increase in 2015/16 due to the filling of vacant posts within the Programme. The programme continues to realize an increase between the years 2016/17 and 2018/19 to fund retired experts, unemployed graduates and MFMA reforms. The minimal budget growth over the MTEF makes provision for cost of living adjustments as well as filling of vacant funded posts especially in MFMA unit to improve the capacity challenges. There is a sharp increase of R104.9 million in 2019/20 from R68.5 million in 2018/19 due to Infrastructure and MFMA HR Capacity building.

Goods and Services: The Programme realised a sharp increase in 2015/16 due to the reduction in consultants' fees to comply with cost containment policy. The increase in 2016/17 was to address budgetary pressures relating to the Municipal Financial Management Improvement Programme (MFMIIP) capacity challenges while 2017/18 realised a slight decline. Furthermore 2018/19 decline to R44.3 million with a further reduction to R34.7 million in 2019/20. The outer year reflect a significant growth of R86.4 million mainly on business and advisory services.

Transfers and Subsidies: The budget outcome for 2015/16 of R363 thousand was allocated for retirements and resignations of officials within the Programme, whereas R378 thousand were projected for retirements in 2017/18, with an increase to R465 thousand in 2018/19. No allocation has been set aside for social benefits as forecasting for this item remains a challenge, owing to its uncertainty.

Capital Assets: A decreased growth is registered in 2019/20 of R1.3 million, with an increase of R1.4 million and R1.5 million respectively over the outer two years for the filling of posts for the programme.

Service Delivery Measures

Table 7.10 : Service delivery measures - Programme 2: Sustainable Resource Management

Programme performance measures	Estimated performance	Medium-term estimates			
	2018/19	2019/20	2020/21	2021/22	
Number of consolidated reports produced on the implementation of revenue enhancement strategy	4	4	4	4	
Number of consolidated quarterly In-Year Monitoring (IYM) reports of departments including Provincial Legislature compiled	12	12	12	12	
Number of monthly consolidated expenditure reports produced against infrastructural projects	12	12	12	12	
Number of capacity building sessions (e.g. MSCOA, GRAP, SCM etc.) conducted to support municipalities to implement MFMA Reforms.	4	4	4	4	
Number of reports compiled on the socio-economic review and outlook (SERO) for the province	2	2	2	2	
Number of Quarterly assessment reports produced on actual revenue and expenditure of Public Entities	4	4	4	4	
Number of gazettes on indicative allocations per school, hospital, public entity and municipality compiled.	2	2	2	2	
Number of consolidated assessment reports compiled based on MTEC hearing sessions for each department including the Provincial Legislature.	1	1	1	1	
Number of Quarterly Financial reports of departments compiled (Section 32 Report)	4	4	4	4	
Number of audited provincial expenditure reports compiled	1	1	1	1	
Number of training sessions conducted to ensure the Sustainability of the IDMS/ SIPDM by provincial departments and municipalities within the North West	12	12	12	12	
Number of assessment reports produced on department's infrastructure plans	16	16	16	16	
Number of assessments reports produced on department's performance on Infrastructure conditional grants	2	2	2	2	

Programme 3: Asset and Liabilities Management

Description and objectives

This programme's aim is to provide policy direction on the following:

- Effective asset management in the Province;
- Implementation and monitoring of Supply Chain Management (SCM) in the Province;
- Implementation and management of the Electronic Tendering System (ETS) in the Province.

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

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

- Programme Support: Senior Manager - Provincial Supply Chain;
- Asset Management; and
- Supporting and Interlinked Financial Systems.

Tables 7.11 and 7.12 below provide a summary of payments and budget estimates pertaining to Programme 3: Asset and Liabilities Management over a seven-year period from 2015/16 to 2021/22.

Table 7.11 : Summary of payments and estimates by sub-programme: Programme 3: Asset And Liabilities Management

R thousand	Outcome			Main appropriation	Adjusted appropriation 2018/19	Revised estimate	Medium-term estimates		
	2015/16	2016/17	2017/18				2019/20	2020/21	2021/22
1. Programme Support	2 501	2 458	2 133	2 426	20 962	20 962	17 344	25 617	27 027
2. Asset Management	9 414	8 967	10 826	12 601	12 478	12 478	11 106	11 848	12 498
3. Support And Interlinked Financial System	31 043	31 226	30 131	37 421	19 008	19 008	30 933	31 086	32 799
Total payments and estimates	42 958	42 651	43 090	52 448	52 448	52 448	59 383	68 551	72 324

Table 7.12 : Summary of payments and estimates by economic classification: Programme 3: Asset And Liabilities Management

R thousand	Outcome			Main appropriation	Adjusted appropriation 2018/19	Revised estimate	Medium-term estimates		
	2015/16	2016/17	2017/18				2019/20	2020/21	2021/22
Current payments	41 573	41 508	42 692	51 453	51 353	51 353	58 257	67 069	70 761
Compensation of employees	27 910	24 107	26 868	35 751	30 284	30 284	41 513	44 212	47 042
Goods and services	13 663	17 401	15 824	15 702	21 069	21 069	16 744	22 857	23 719
Interest and rent on land	—	—	—	—	—	—	—	—	—
Transfers and subsidies to:	878	97	—	—	100	100	181	191	202
Provinces and municipalities	—	—	—	—	—	—	—	—	—
Departmental agencies and accounts	—	—	—	—	—	—	—	—	—
Higher education institutions	—	—	—	—	—	—	—	—	—
Foreign governments and international organisations	—	—	—	—	—	—	—	—	—
Public corporations and private enterprises	—	—	—	—	—	—	—	—	—
Non-profit institutions	—	—	—	—	—	—	—	—	—
Households	878	97	—	—	100	100	181	191	202
Payments for capital assets	507	1 046	398	995	995	995	945	1 291	1 361
Buildings and other fixed structures	—	—	—	—	—	—	—	—	—
Machinery and equipment	507	1 046	398	995	995	995	945	1 291	1 361
Heritage Assets	—	—	—	—	—	—	—	—	—
Specialised military assets	—	—	—	—	—	—	—	—	—
Biological assets	—	—	—	—	—	—	—	—	—
Land and sub-soil assets	—	—	—	—	—	—	—	—	—
Software and other intangible assets	—	—	—	—	—	—	—	—	—
Payments for financial assets	—	—	—	—	—	—	—	—	—
Total economic classification	42 958	42 651	43 090	52 448	52 448	52 448	59 383	68 551	72 324

Budget Growth Trend

The programme realised a decreased growth of R42.7 million in 2016/17 and R43.1 million in 2017/18. R10.3 million is for the implementation of gCommerce solution that was developed in response to the Supply Chain Management reforms programme initiated by the Office of the Chief Procurement Officer (OCPO) at National Treasury. A cabinet resolution instructed the OCPO to accelerate Supply Chain and purchase of computers for officials and for the training and registration of supplier's database.

The increase in 2017/18 was due to the payment of Invoice Tracking System software license. In 2018/19 the programme implemented a resolution instructed by the (OCPO) to use gCommerce with an amount of R4.2 million in 2018/19, R2.7 million in 2019/20 and R24.6 million over the MTEF.

The Unit earmarked on outreach programmes to be conducted in communities with a view to capacitating the supplier(s) with the government procurement processes. The budget for 2019/20 of R1.6 million is set aside for advertising and R1.6 million is for traveling and subsistence for outreach to speed up registration process of suppliers on CSD system. R4.9 million for Training and Development for the provincial officials and R2.3 million for Operating leases.

Compensation of Employees: The spending over the seven-year period reflects a substantial increase in 2015/16, with a decrease in 2016/17, increase in 2017/18 and 2018/19. The MTEF period record a steady growth of R41.5 million in 2019/20, R44.2 million in 2020/21 and R47 million in 2021/22 to fund the revised proposed organisational structure.

Goods and Services: The 2018/19 increase is due to the implementation of Provincial Invoice Tracking System which caused the declined growth in 2019/20 with a steady growth over the two outer years.

Capital Assets: The substantial budget growth in 2020/21 and 2021/22 relates to the purchase of desktops and laptops including the systems for the programme.

Service Delivery Measures

Table 7.13 : Service delivery measures - Programme 3: Asset And Liabilities Management

Programme performance measures	Estimated performance	Medium-term estimates		
	2018/19	2019/20	2020/21	2021/22
Number of asset management capacity building interventions provided for Departments and Public Entities	4	4	4	4
Number of consolidated reports produced on provincial departments' and public entities' compliance to asset management prescripts	4	4	4	4
Number of monitoring reports produced on departments implementation of procurement plans	4	4	4	4
Number of compliance reports related to invoices paid after 30 days produced and submitted to National Treasury	12	12	12	12

Programme 4: Financial Governance

Description and objectives

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

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

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

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

Tables 7.14 and 7.15 below provide a summary of payments and budget estimates pertaining to Programme 4: Financial Governance.

Table 7.14 : Summary of payments and estimates by sub-programme: Programme 4: Financial Governance

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2015/16	2016/17	2017/18				2019/20	2020/21	2021/22
1. Programme Support	8 648	8 551	8 442	7 634	8 379	7 894	7 673	8 117	8 562
2. Accounting Services	55 325	72 140	84 469	73 570	84 462	84 956	77 699	89 571	94 499
3. Norms And Standards	1 285	1 551	2 334	2 706	1 493	1 493	4 633	4 815	5 079
4. Risk Management	2 838	3 438	3 810	4 070	4 203	4 231	5 056	5 312	5 604
5. Provincial Internal Audit	52 049	57 527	62 156	68 679	66 537	66 500	79 928	84 293	88 929
Total payments and estimates	120 145	143 207	161 211	156 659	165 074	165 074	174 989	192 108	202 673

Table 7.15 : Summary of payments and estimates by economic classification: Programme 4: Financial Governance

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2015/16	2016/17	2017/18				2019/20	2020/21	2021/22
Current payments	118 393	139 480	160 228	155 039	162 840	162 715	172 824	189 905	200 350
Compensation of employees	70 734	76 821	89 112	99 679	100 842	100 717	123 617	131 669	140 094
Goods and services	47 658	62 658	71 116	55 360	61 998	61 998	49 207	58 236	60 256
Interest and rent on land	1	1	-	-	-	-	-	-	-
Transfers and subsidies to:	224	512	22	52	316	441	293	309	326
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	224	512	22	52	316	441	293	309	326
Payments for capital assets	1 528	3 215	961	1 568	1 918	1 918	1 872	1 894	1 997
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	1 528	3 215	961	1 568	1 918	1 918	1 872	1 894	1 997
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total economic classification	120 145	143 207	161 211	156 659	165 074	165 074	174 989	192 108	202 673

Budget Growth Trend

The programme registered a decline of R120.1 million in 2015/16 due to a reduction in earmarked funds for PFMA support to departments. The allocation increased to R143.2 million in 2016/17, R161.2 million in 2017/18 and R165.1 million in 2018/19. The MTEF grows to R175 million, R192.1 million and R202.7 million respectively due to the provisions made and the anticipated filling of vacant funded posts for Accounting Services, Norms and Standards and Provincial Internal Audit.

Accounting Services: An increased growth is recorded in 2018/19 due to the reduction of consultants and decline to R77.7 million in 2019/20. An increase of R89.6 million and R94.5 million is evident in the two outer years. Inclusive funding for Provincial PFMA Clean Audit; Provincial Telephone; Training and Development; and Audit fees.

Provincial internal Audit: The increase in the budget relates mainly to filling of vacancies in Internal Audit in line with their plans for increased audit coverage. There is a sharp increase throughout the MTEF to alleviate the capacity challenges within the sub-programme, inclusive of lease of building and for the audit committee.

Norms and Standards: This sub-programme is intending to be capacitated through filling of vacant positions to service the provincial departments and the increase over the MTEF is mainly to fill the vacant posts.

Provincial Risk Management: Currently the sub-programme is filled by the Director, Secretary, DD and an AD and the programme envisaged to operate at its optimal capacity from 2015/16 to assist departments in areas of risk management as well as to coordinate risk committees of the departments. There is a steady increase throughout the MTEF period and inclusive in the Unit is a budget for an annual Provincial Risk Dialogue.

Compensation of employees: The MTEF records a growth of R123.6 million, R131.7 million and R140.1 million respectively for filling of vacant posts especially in Internal Audit and 25 Contractors for PFMA Support Programme to assist with capacity challenges to the Provincial Departments and Public Entities to improve audit outcomes.

Goods and Services: A decline in the budget is registered in 2019/20 because of the reduction in consultant's fees with an increased growth of R58.2 million and R60.3 million in the outer two years of the MTEF period. Training and development shows a steady increase over the MTEF period to capacitate Public Entities as they always have new reforms with different Accounting Frameworks.

Capital Assets: A decrease of R1.9 million is recorded in 2019/20 and further increase over the outer two years for the replacement of office equipment and furniture for the training rooms.

Service Delivery Measures

Table 7.16 : Service delivery measures - Programme 4: Financial Governance

Programme performance measures	Estimated performance	Medium-term estimates			
	2018/19	2019/20	2020/21	2021/22	
Number of capacity building workshops conducted for Departmental CFO's and Public Entities on Accounting updates and Reforms	4	4	4	4	4
Number of monitoring reports produced on a plan of action on AFS audit outcomes for departments and Public Entities.	3	3	3	3	3
Number of monitoring reports produced on Departments and Public Entities, on irregular, fruitless and wasteful expenditure	1	1	1	1	1
Number of Financial Systems training sessions conducted	100	100	100	100	100
Number of progress reports produced on Departments' and Public Entities' compliance to Public Sector Risk Management Framework	8	8	8	8	8
Number of departmental post audit action plan strategies and processes reviewed	11	11	11	11	11
Number of departmental risk management strategies and processes reviewed	11	11	11	11	11
Number of departmental ICT Governance systems reviewed	11	11	11	11	11
Number of departmental financial statement systems reviewed	11	11	11	11	11
Number of departmental performance information systems and processes reviewed	11	11	11	11	11

10. Other Programme Information

10.1 Personnel numbers and costs

Table 7.17 illustrate the personnel numbers and estimates pertaining to the department.

Table 7.17 : Summary of departmental personnel numbers and costs by component

R thousands	Actual				Revised estimate				Medium-term expenditure estimate						Average annual growth over MTEF		
	2015/16		2016/17		2017/18		2018/19		2019/20		2020/21		2021/22		2018/19 - 2021/22		
	Personnel numbers ¹	Costs	Personnel numbers ¹	Costs	Personnel numbers ¹	Costs	Filled posts	Additional posts	Personnel numbers ¹	Costs	Personnel numbers ¹	Costs	Personnel numbers ¹	Costs	Personnel growth rate	Costs growth rate	% Costs of Total
Salary level																	
1 – 6	166	24 101	209	31 357	202	26 695	110	12	122	24 024	130	27 688	130	30 779	2.1%	8.6%	7.4%
7 – 10	261	86 140	285	97 178	332	115 715	294	24	318	142 109	375	191 215	375	218 951	5.6%	15.5%	49.9%
11 – 12	78	56 629	87	66 510	87	79 176	81	3	84	66 738	102	89 554	102	101 339	6.7%	14.9%	23.2%
13 – 16	33	35 699	33	38 950	32	38 737	43	–	43	45 549	43	53 462	43	59 392	–	9.2%	14.2%
Other	27	13 686	1	2 454	17	7 793	113	–	113	19 199	113	19 006	113	21 177	–	3.3%	5.3%
Total	565	216 255	615	236 449	670	268 116	641	39	680	297 619	763	380 925	763	451 638	3.9%	13.2%	100.0%
Programme																	
1. Administration	195	69 329	237	82 407	258	90 507	268	–	268	98 120	268	110 884	268	125 658	–	8.6%	30.1%
2. Sustainable Resource Management	105	48 282	123	53 114	137	61 620	123	–	123	68 405	168	104 911	168	118 844	11.0%	20.2%	26.3%
3. Asset And Liabilities Management	78	27 910	55	24 107	59	28 868	27	39	66	30 284	74	41 513	74	47 042	3.9%	15.8%	10.7%
4. Financial Governance	187	70 734	200	76 821	216	89 112	223	–	223	100 717	253	123 617	253	140 094	4.3%	11.6%	32.8%
Direct charges	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total	565	216 255	615	236 449	670	268 116	641	39	680	297 619	763	380 925	763	451 638	3.9%	13.2%	100.0%
Employee dispensation classification																	
Public Service Act appointees not covered by OSDs	–	211 751	501	231 948	577	263 673	524	39	563	276 869	650	359 966	650	383 594	4.9%	13.8%	94.2%
Public Service Act appointees still to be covered by OSDs	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Professional Nurses, Staff Nurses and Nursing Assistants	–	482	1	409	1	535	1	–	1	712	1	665	1	701	–	1.2%	0.2%
Legal Professionals	–	1 025	1	739	1	698	1	–	1	934	2	1 288	2	1 432	26.0%	15.3%	0.3%
Social Services Professions	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Engineering Professions and related occupations	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Medical and related professionals	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Therapeutic, Diagnostic and other related Allied Health Professionals	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Educators and related professionals	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Others such as interns, EPWP, learnerships, etc	–	2 997	112	3 353	91	3 210	115	–	115	19 104	110	19 006	110	21 134	-1.5%	3.4%	5.3%
Total	–	216 255	615	236 449	670	268 116	641	39	680	297 619	763	380 925	763	451 638	3.9%	13.2%	100.0%

Consultative processes have been finalised and the organisational structure has recently been approved by the DPSA and approved by the MEC for implementation. The new Organisational Structure was approved with effect from the 1st August 2018 and the staff placement process first had to be concluded before posts can be advertised. Human Resource section is currently busy with the process of filling vacant posts on the approved Organisational Structure. The filling of vacant posts process is continuing, and the Department's Compensation of Employees is improving. For Programme 3: Assets and Liabilities there was a decrease in personnel in 2016/17 and throughout the MTEF period due to the contract workers that were terminated by the end of May/July 2016/17 financial year.

The other Departmental growth is for the annual increases in improvement in condition of services (ICS) and pay. To realise the Department's objectives, the organisational structure has undergone a review with significant changes being made under Provincial SCM and Municipal Finance Support unit. The Department is currently busy with the filling of the vacant funded posts and most of the promotions were internal.

10.2 Training

Tables 7.18 illustrate the training costs and estimates pertaining to the department.

Table 7.18 : Information on training: Finance

R thousand	Outcome			Main appropriation	Adjusted appropriation 2018/19	Revised estimate	Medium-term estimates		
	2015/16	2016/17	2017/18				2019/20	2020/21	2021/22
Number of staff	565	615	670	680	680	680	763	763	763
Number of personnel trained	357	587	356	651	651	651	653	653	653
of which									
Male	116	285	187	289	289	289	289	289	289
Female	241	302	169	362	362	362	364	364	364
Number of training opportunities	397	337	714	714	714	714	653	653	653
of which									
Tertiary	40	37	40	35	35	35	36	36	36
Workshops	–	–	–	–	–	–	–	–	–
Seminars	–	–	–	–	–	–	–	–	–
Other	357	300	674	679	679	679	617	617	617
Number of bursaries offered	40	37	51	35	35	35	–	–	–
Number of interns appointed	35	90	73	60	60	60	68	68	68
Number of learnerships appointed	14	16	33	20	20	20	20	20	20
Number of days spent on training	–	–	–	–	–	–	–	–	–
Payments on training by programme									
1. Administration	1 195	3 193	1 474	1 739	1 739	1 632	1 554	1 643	1 733
2. Sustainable Resource Management	643	1 752	651	1 248	1 248	1 141	1 043	1 099	1 160
3. Asset And Liabilities Management	478	716	349	734	734	627	500	527	556
4. Financial Governance	1 148	1 800	1 118	1 885	1 885	1 780	1 717	1 810	1 909
Total payments on training	3 464	7 461	3 592	5 606	5 606	5 180	4 814	5 079	5 358

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

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

Internal Bursaries

The awarding of Bursaries for studies in 2015/16 was approved in 2014/15 as per approved Departmental Bursary Policy. Funding for internal staff was sourced from Departmental Training and Development budget which amounted to R800 thousand in 2017/18. The shortfalls will be catered for by the funds that the Department receive every year from FASSET for training purposes.

External Bursaries

There is a decrease of bursaries for non-employees over the MTEF to the Office of the Premier from the Department due to the centralisation of the function.

10.3 Reconciliation of structural changes

Table 7.19 : Reconciliation of structural changes: Finance

2018/19		2019/20	
Programmes	R'000	Programmes	R'000
		1. Administration	153 470
		1. Office Of The Mec	9 487
		2. Management Services	9 211
		3. Corporate Services	82 416
		4. Financial Management (Office Of The Cfo)	52 356
		2. Sustainable Resource Management	140 880
		1. Programme Support	2 902
		2. Economic Analysis	6 703
		3. Fiscal Policy	9 249
		4. Budget Management	25 800
		5. Public Finance	28 126
		6. Municipal Finance	68 100
		3. Asset And Liabilities Management	59 383
		1. Programme Support	17 344
		2. Asset Management	11 106
		3. Support And Interlinked Financial System	30 933
		4. Financial Governance	174 989
		1. Programme Support	7 673
		2. Accounting Services	77 699
		3. Norms And Standards	4 633
		4. Risk Management	5 056
		5. Provincial Internal Audit	79 928
	-		528 722

Annexure to the Estimates of Provincial Revenue and Expenditure

Table B.1: Specification of receipts: Finance

R thousand	Outcome			Main appropriation	Adjusted appropriation 2018/19	Revised estimate	Medium-term estimates		
	2015/16	2016/17	2017/18				2019/20	2020/21	2021/22
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sales of goods and services other than capital assets	207	156	2 339	280	280	280	295	311	328
Sale of goods and services produced by department (excluding capital assets)	207	156	2 332	280	280	280	295	311	328
Sales by market establishments	-	-	-	-	-	-	-	-	-
Administrative fees	142	-	165	-	-	-	-	-	-
Other sales	65	156	2 167	280	280	280	295	311	328
Of which									
Health patient fees	11	7	32	58	58	58	61	64	68
Other (Specify)	-	149	1 420	-	-	-	-	-	-
Other (Specify)	-	-	715	-	-	-	-	-	-
Other (Specify)	-	-	-	-	-	-	-	-	-
Sales of scrap, waste, arms and other used current goods (excluding capital assets)	-	-	7	-	-	-	-	-	-
Transfers received from:	-	1 047	-	-	-	-	-	-	-
Other governmental units	-	1 047	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments	-	-	-	-	-	-	-	-	-
International organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Households and non-profit institutions	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	120 562	203 018	220 247	134 360	134 360	134 360	141 885	149 689	157 772
Interest	120 562	203 018	220 098	134 360	134 360	134 360	141 885	149 689	157 772
Dividends	-	-	149	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Sales of capital assets	1	1	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Other capital assets	1	1	-	-	-	-	-	-	-
Transactions in financial assets and liabilities	120	49	-	-	-	-	-	-	-
Total departmental receipts	120 890	204 271	222 586	134 640	134 640	134 640	142 180	150 000	158 100

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

R thousand	Outcome			Main	Adjusted	Revised	Medium-term estimates		
	2015/16	2016/17	2017/18	appropriation	appropriation	estimate	2019/20	2020/21	2021/22
Current payments	414 234	439 166	459 757	478 046	476 827	476 649	521 766	581 917	644 504
Compensation of employees	216 255	236 449	268 116	324 465	297 744	297 619	380 925	405 685	431 638
Salaries and wages	190 916	208 118	235 085	262 950	260 468	260 343	326 304	345 319	367 768
Social contributions	25 339	28 331	33 031	61 515	37 276	37 276	54 621	60 366	63 870
Goods and services	197 978	202 716	191 641	153 581	179 083	179 030	140 841	176 232	212 866
Administrative fees	1 739	2 513	3 028	2 775	2 781	2 781	2 925	3 086	3 256
Advertising	3 966	3 842	9 852	3 956	4 551	4 551	3 999	4 219	3 891
Minor assets	765	1 228	506	1 316	1 604	1 604	1 397	1 482	1 563
Audit cost: External	35 585	8 158	10 829	7 716	12 516	12 031	8 170	8 619	9 093
Bursaries: Employees	390	320	541	864	864	864	612	646	682
Catering: Departmental activities	1 855	2 717	3 131	2 271	3 670	3 665	2 641	2 779	2 932
Communication (G&S)	16 141	15 581	21 400	17 504	23 750	23 750	19 426	25 641	25 868
Computer services	8 354	11 221	13 935	13 404	13 828	13 828	7 840	15 784	16 254
Consultants and professional services: Business and advisory services	81 976	102 258	61 417	46 368	42 361	42 361	23 642	43 328	75 291
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	516	390	282	833	633	633	741	793	837
Contractors	476	445	587	1 051	543	543	1 387	1 293	1 364
Agency and support / outsourced services	180	73	-	-	9	9	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including government motor transport)	2 907	3 416	3 997	4 247	3 760	3 760	4 346	4 593	4 846
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medias inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	1 336	1 993	2 234	2 096	2 769	2 788	2 276	2 396	2 527
Consumable: Stationery, printing and office supplies	7 360	8 984	10 573	8 955	13 599	13 554	10 161	10 954	11 557
Operating leases	7 242	8 406	8 374	8 486	8 230	8 230	8 875	9 374	9 890
Property payments	3 829	5 455	5 982	2 752	4 570	4 570	2 898	3 057	3 226
Transport provided: Departmental activity	64	211	295	138	266	266	396	404	426
Travel and subsistence	12 590	12 904	17 049	12 175	13 869	13 836	12 650	13 360	14 097
Training and development	6 497	6 484	11 537	12 476	15 020	15 505	20 836	18 453	18 968
Operating payments	1 671	2 133	2 133	1 277	2 645	2 645	1 460	1 534	1 618
Venues and facilities	2 411	3 911	3 773	2 887	7 211	7 222	4 127	4 399	4 640
Rental and hiring	128	73	186	34	34	34	36	38	40
Interest and rent on land	1	1	-	-	-	-	-	-	-
Interest	1	1	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	3 439	2 329	695	227	1 281	1 459	658	694	733
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Provide list of entities receiving transfers	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	3 439	2 329	695	227	1 281	1 459	658	694	733
Social benefits	1 432	1 187	526	227	1 204	1 329	658	694	733
Other transfers to households	2 007	1 142	169	-	77	130	-	-	-
Payments for capital assets	7 922	10 506	3 333	5 811	6 776	6 776	6 298	6 862	7 234
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	7 922	10 506	3 333	5 811	6 776	6 776	6 298	6 862	7 234
Transport equipment	-	2 822	-	-	-	-	-	-	-
Other machinery and equipment	7 922	7 684	3 333	5 811	6 776	6 776	6 298	6 862	7 234
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	3	-	-	-	-	-	-	-	-
Total economic classification	425 598	452 001	463 785	484 084	484 884	484 884	528 722	589 473	652 471

Table B.2: Payments and estimates by economic classification: Programme 1: Administration

R thousand	Outcome			Main	Adjusted	Revised	Medium-term estimates		
	2015/16	2016/17	2017/18	appropriation	appropriation	estimate	2019/20	2020/21	2021/22
Current payments	129 443	122 817	140 338	140 933	149 870	149 817	151 119	159 384	168 149
Compensation of employees	69 329	82 407	90 507	101 229	98 152	98 152	110 884	118 104	125 658
Salaries and wages	60 677	72 046	78 956	88 442	85 385	85 385	96 788	103 113	109 843
Social contributions	8 652	10 361	11 551	12 787	12 767	12 767	14 096	14 991	15 815
Goods and services	60 114	40 410	49 831	39 704	51 718	51 665	40 235	41 280	42 491
Administrative fees	–	–	518	–	6	6	–	–	–
Advertising	3 275	3 132	8 455	2 551	2 765	2 765	2 447	2 582	2 164
Minor assets	408	679	126	472	438	438	502	529	557
Audit cost: External	31 315	4 412	7 205	4 170	9 370	9 370	4 409	4 651	4 907
Bursaries: Employees	390	320	541	864	864	864	612	646	682
Catering: Departmental activities	269	594	930	804	1 209	1 209	1 000	1 054	1 112
Communication (G&S)	943	937	940	875	957	957	876	926	977
Computer services	1 261	2 616	1 689	2 274	2 121	2 121	2 001	2 133	2 250
Consultants and professional services: Business and advisory services	22	309	401	1 218	504	504	1 286	1 357	1 432
Infrastructure and planning	–	–	–	–	–	–	–	–	–
Laboratory services	–	–	–	–	–	–	–	–	–
Scientific and technological services	–	–	–	–	–	–	–	–	–
Legal services	516	390	282	833	633	633	741	793	837
Contractors	381	433	573	990	543	543	1 346	1 250	1 318
Agency and support / outsourced services	180	73	–	–	–	–	–	–	–
Entertainment	–	–	–	–	–	–	–	–	–
Fleet services (including government motor transport)	2 907	3 416	3 997	4 247	3 760	3 760	4 346	4 593	4 846
Housing	–	–	–	–	–	–	–	–	–
Inventory: Clothing material and accessories	–	–	–	–	–	–	–	–	–
Inventory: Farming supplies	–	–	–	–	–	–	–	–	–
Inventory: Food and food supplies	–	–	–	–	–	–	–	–	–
Inventory: Fuel, oil and gas	–	–	–	–	–	–	–	–	–
Inventory: Learner and teacher support material	–	–	–	–	–	–	–	–	–
Inventory: Materials and supplies	–	–	–	–	–	–	–	–	–
Inventory: Medical supplies	–	–	–	–	–	–	–	–	–
Inventory: Medicine	–	–	–	–	–	–	–	–	–
Medias inventory interface	–	–	–	–	–	–	–	–	–
Inventory: Other supplies	–	–	–	–	–	–	–	–	–
Consumable supplies	922	1 558	1 769	1 392	2 201	2 201	1 465	1 545	1 630
Consumable: Stationery, printing and office supplies	3 011	3 250	3 246	3 210	4 650	4 597	3 487	3 673	3 875
Operating leases	626	1 470	608	1 279	1 509	1 509	1 267	1 347	1 422
Property payments	3 073	4 706	5 043	2 023	3 418	3 418	2 136	2 253	2 377
Transport provided: Departmental activity	64	211	224	138	168	168	396	404	426
Travel and subsistence	4 622	4 410	5 787	4 443	5 264	5 264	4 634	4 900	5 170
Training and development	3 464	3 729	4 454	6 085	6 700	6 700	4 857	4 105	3 831
Operating payments	1 395	1 968	1 660	1 019	2 251	2 251	984	1 043	1 100
Venues and facilities	945	1 724	1 197	783	2 353	2 353	1 407	1 458	1 538
Rental and hiring	125	73	186	34	34	34	36	38	40
Interest and rent on land	–	–	–	–	–	–	–	–	–
Interest	–	–	–	–	–	–	–	–	–
Rent on land	–	–	–	–	–	–	–	–	–
Transfers and subsidies	1 974	1 662	295	100	400	453	184	194	205
Provinces and municipalities	–	–	–	–	–	–	–	–	–
Provinces	–	–	–	–	–	–	–	–	–
Provincial Revenue Funds	–	–	–	–	–	–	–	–	–
Provincial agencies and funds	–	–	–	–	–	–	–	–	–
Municipalities	–	–	–	–	–	–	–	–	–
Municipalities	–	–	–	–	–	–	–	–	–
Municipal agencies and funds	–	–	–	–	–	–	–	–	–
Departmental agencies and accounts	–	–	–	–	–	–	–	–	–
Social security funds	–	–	–	–	–	–	–	–	–
Provide list of entities receiving transfers	–	–	–	–	–	–	–	–	–
Higher education institutions	–	–	–	–	–	–	–	–	–
Foreign governments and international organisations	–	–	–	–	–	–	–	–	–
Public corporations and private enterprises	–	–	–	–	–	–	–	–	–
Public corporations	–	–	–	–	–	–	–	–	–
Subsidies on production	–	–	–	–	–	–	–	–	–
Other transfers	–	–	–	–	–	–	–	–	–
Private enterprises	–	–	–	–	–	–	–	–	–
Subsidies on production	–	–	–	–	–	–	–	–	–
Other transfers	–	–	–	–	–	–	–	–	–
Non-profit institutions	–	–	–	–	–	–	–	–	–
Households	1 974	1 662	295	100	400	453	184	194	205
Social benefits	446	520	126	100	323	323	184	194	205
Other transfers to households	1 528	1 142	169	–	77	130	–	–	–
Payments for capital assets	4 938	5 223	1 102	2 004	2 539	2 539	2 167	2 288	2 412
Buildings and other fixed structures	–	–	–	–	–	–	–	–	–
Buildings	–	–	–	–	–	–	–	–	–
Other fixed structures	–	–	–	–	–	–	–	–	–
Machinery and equipment	4 938	5 223	1 102	2 004	2 539	2 539	2 167	2 288	2 412
Transport equipment	–	2 822	–	–	–	–	–	–	–
Other machinery and equipment	4 938	2 401	1 102	2 004	2 539	2 539	2 167	2 288	2 412
Heritage Assets	–	–	–	–	–	–	–	–	–
Specialised military assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Land and sub-soil assets	–	–	–	–	–	–	–	–	–
Software and other intangible assets	–	–	–	–	–	–	–	–	–
Payments for financial assets	3	–	–	–	–	–	–	–	–
Total economic classification	136 358	129 702	141 735	143 037	152 809	152 809	153 470	161 866	170 766

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

R thousand	Outcome			Main	Adjusted	Revised	Medium-term estimates		
	2015/16	2016/17	2017/18	appropriation	appropriation	estimate	2019/20	2020/21	2021/22
Current payments	124 825	135 361	116 499	130 621	112 764	112 764	139 566	165 559	205 244
Compensation of employees	48 282	53 114	61 629	87 806	68 466	68 466	104 911	111 700	118 844
Salaries and wages	43 032	47 090	54 394	58 856	60 576	60 576	86 046	89 794	95 733
Social contributions	5 250	6 024	7 235	28 950	7 890	7 890	18 865	21 906	23 111
Goods and services	76 543	82 247	54 870	42 815	44 298	44 298	34 655	53 859	86 400
Administrative fees	-	-	-	-	-	-	-	-	-
Advertising	-	-	-	-	-	-	-	-	-
Minor assets	95	160	199	487	459	459	499	527	557
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	557	995	536	360	576	576	477	498	525
Communication (G&S)	328	362	377	431	415	415	460	485	511
Computer services	1 897	194	332	5 320	5 331	5 331	332	350	369
Consultants and professional services: Business and advisory services	68 283	73 566	40 420	28 000	28 000	28 000	15 205	33 321	64 733
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	-	-
Contractors	18	-	-	27	-	-	-	-	-
Agency and support / outsourced services	-	-	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including government motor transport)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medias inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	141	114	201	435	243	243	472	498	526
Consumable: Stationery, printing and office supplies	1 259	1 427	2 750	2 051	3 305	3 305	2 723	3 118	3 290
Operating leases	218	319	580	286	445	445	301	318	335
Property payments	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	3 379	3 920	5 662	3 816	3 756	3 756	3 910	4 130	4 356
Training and development	75	661	2 956	545	360	360	9 170	9 448	9 968
Operating payments	18	2	3	67	23	23	74	78	82
Venues and facilities	275	527	854	990	1 385	1 385	1 032	1 088	1 148
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	363	58	378	75	465	465	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Provide list of entities receiving transfers	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	363	58	378	75	465	465	-	-	-
Social benefits	363	58	378	75	465	465	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	949	1 022	872	1 244	1 324	1 324	1 314	1 389	1 464
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	949	1 022	872	1 244	1 324	1 324	1 314	1 389	1 464
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	949	1 022	872	1 244	1 324	1 324	1 314	1 389	1 464
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total economic classification	126 137	136 441	117 749	131 940	114 553	114 553	140 880	166 948	206 708

Table B.2: Payments and estimates by economic classification: Programme 3: Asset And Liabilities Management

R thousand	Outcome			Main	Adjusted	Revised	Medium-term estimates		
	2015/16	2016/17	2017/18	appropriation	appropriation	estimate	2019/20	2020/21	2021/22
Current payments	41 573	41 508	42 692	51 453	51 353	51 353	58 257	67 069	70 761
Compensation of employees	27 910	24 107	26 868	35 751	30 284	30 284	41 513	44 212	47 042
Salaries and wages	25 315	21 463	23 454	30 036	25 743	25 743	35 360	37 759	40 234
Social contributions	2 595	2 644	3 414	5 715	4 541	4 541	6 153	6 453	6 808
Goods and services	13 663	17 401	15 824	15 702	21 069	21 069	16 744	22 857	23 719
Administrative fees	-	-	-	-	-	-	-	-	-
Advertising	691	710	1 397	1 405	1 786	1 786	1 552	1 637	1 727
Minor assets	52	130	73	55	55	55	71	84	89
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	488	388	419	362	388	388	369	389	410
Communication (G&S)	248	199	221	337	317	317	358	378	399
Computer services	3 837	6 839	4 428	4 628	3 449	3 449	2 756	10 481	10 659
Consultants and professional services: Business and advisory services	490	794	278	435	1 435	1 435	432	456	481
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	-	-
Contractors	15	-	-	-	-	-	-	-	-
Agency and support / outsourced services	-	-	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including government motor transport)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	21	31	36	59	59	59	113	116	122
Consumable: Stationery, printing and office supplies	929	1 440	1 295	1 203	1 853	1 853	1 332	1 400	1 477
Operating leases	2 834	2 424	2 479	2 177	1 902	1 902	2 321	2 449	2 584
Property payments	334	143	167	200	200	200	200	211	223
Transport provided: Departmental activity	-	-	30	-	-	-	-	-	-
Travel and subsistence	1 623	2 342	2 107	1 676	1 843	1 843	1 625	1 721	1 818
Training and development	1 909	1 439	2 376	2 855	6 548	6 548	4 883	2 785	2 938
Operating payments	19	62	120	110	310	310	313	319	337
Venues and facilities	170	460	398	200	924	924	419	431	455
Rental and hiring	3	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	878	97	-	-	100	100	181	191	202
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Provide list of entities receiving transfers	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	878	97	-	-	100	100	181	191	202
Social benefits	399	97	-	-	100	100	181	191	202
Other transfers to households	479	-	-	-	-	-	-	-	-
Payments for capital assets	507	1 046	398	995	995	995	945	1 291	1 361
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	507	1 046	398	995	995	995	945	1 291	1 361
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	507	1 046	398	995	995	995	945	1 291	1 361
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total economic classification	42 958	42 651	43 090	52 448	52 448	52 448	59 383	68 551	72 324

Table B.2: Payments and estimates by economic classification: Programme 4: Financial Governance

R thousand	Outcome			Main	Adjusted	Revised	Medium-term estimates		
	2015/16	2016/17	2017/18	appropriation	appropriation	estimate	2019/20	2020/21	2021/22
Current payments	118 393	139 480	160 228	155 039	162 840	162 715	172 824	189 905	200 350
Compensation of employees	70 734	76 821	89 112	99 679	100 842	100 717	123 617	131 669	140 094
Salaries and wages	61 892	67 519	78 281	85 616	88 764	88 639	108 110	114 653	121 958
Social contributions	8 842	9 302	10 831	14 063	12 078	12 078	15 507	17 016	18 136
Goods and services	47 658	62 658	71 116	55 360	61 998	61 998	49 207	58 236	60 256
Administrative fees	1 739	2 513	2 510	2 775	2 775	2 775	2 925	3 086	3 256
Advertising	-	-	-	-	-	-	-	-	-
Minor assets	210	259	108	302	652	652	325	342	360
Audit cost: External	4 270	3 746	3 624	3 546	3 146	2 661	3 761	3 968	4 186
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	541	740	1 246	745	1 497	1 492	795	838	885
Communication (G&S)	14 622	14 083	19 862	15 861	22 061	22 061	17 732	23 852	23 981
Computer services	1 359	1 572	7 486	1 182	2 927	2 927	2 751	2 820	2 976
Consultants and professional services: Business and advisory services	13 181	27 589	20 318	16 715	12 422	12 422	6 719	8 194	8 645
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	-	-
Contractors	62	12	14	34	-	-	41	43	46
Agency and support / outsourced services	-	-	-	-	9	9	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including government motor transport)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medias inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	252	290	228	210	266	285	226	237	249
Consumable: Stationery, printing and office supplies	2 161	2 867	3 282	2 491	3 791	3 799	2 619	2 763	2 915
Operating leases	3 564	4 193	4 707	4 744	4 374	4 374	4 986	5 260	5 549
Property payments	422	606	772	529	952	952	562	593	626
Transport provided: Departmental activity	-	-	41	-	98	98	-	-	-
Travel and subsistence	2 966	2 232	3 493	2 240	3 006	2 973	2 481	2 609	2 753
Training and development	1 049	655	1 751	2 991	1 412	1 897	1 926	2 115	2 231
Operating payments	239	101	350	81	61	61	89	94	99
Venues and facilities	1 021	1 200	1 324	914	2 549	2 560	1 269	1 422	1 499
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	1	1	-	-	-	-	-	-	-
Interest	1	1	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	224	512	22	52	316	441	293	309	326
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Provide list of entities receiving transfers	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	224	512	22	52	316	441	293	309	326
Social benefits	224	512	22	52	316	441	293	309	326
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	1 528	3 215	961	1 568	1 918	1 918	1 872	1 894	1 997
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	1 528	3 215	961	1 568	1 918	1 918	1 872	1 894	1 997
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	1 528	3 215	961	1 568	1 918	1 918	1 872	1 894	1 997
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total economic classification	120 145	143 207	161 211	156 659	165 074	165 074	174 989	192 108	202 673

