

Vote 07
Provincial Treasury

Provincial Treasury	Vote 07
To be appropriated by Vote in 2022/23	R 531 754 000
Direct Charge	Not Applicable
Responsible MEC	MEC for Finance
Administering Department	Provincial Treasury
Accounting Officer	Superintendent General for Provincial Treasury

1. Overview

Vision

We will be the ultimate financial management authority and adviser on fiscal matters to the North West 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 success of any organization rests with inherent qualities of the personnel delegated with the responsibility of undertaking specific activities. The following values, which are derived from the constitution, underpin the activities of the Provincial Treasury:

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

Strategic Objectives

Strategic policy direction: Provincial Treasury 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 set the following Outcomes to achieve the above:-

- Skilled, capable and ethical workforce;
- Improved integrated planning, budgeting and monitoring;
- Improved financial Management in Departments, Public Entities and municipalities;
- Fair, equitable, transparent, competitive and cost-effective Supply Chain Management System.

Core Functions

The core functions of the department include the following:-

- Co-ordination, monitoring and oversight of the Annual MTEF and Adjustments Budgets;
- Province-wide cash management and monitor asset management implementation in provincial departments;
- Provide support to municipalities;
- Provide oversight and support on provincial departments and public entities accounting and risk management;
- Provide a management structure for implementation of the North West Infrastructure Delivery Management System; and
- Monitoring of infrastructure spending of 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 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 Provincial Treasury has identified the following priorities for the (next five years) 2021/22-2025/26 Strategic plan period to ensure that the North West Provincial Government achieve its goals:

National MTSF Priority 1: A Capable, Ethical and Developmental State.

Outcome: Functional and integrated government

Interventions:

- Allocate responsibilities, facilitate cooperation, ensure accountability for performance and ensure consequence management.

Outcome: Honest and capable state with professional and meritocratic public servants

Interventions:

- Conducting of budget assessment to ensure adoption of funded budget within municipalities
- Monitoring of Financial Recovery Plans in Municipalities to address financial crisis
- Monitoring Departments and Public Entities, on irregular, fruitless and wasteful expenditure
- Implementation of Work Skills Plan and monitoring of Financial Disclosure to ensure skilled, capable and ethical workforce

2. Review of the current financial year (2021/22)

This section provides a review of 2021/22 financial year, outlining the main achievements and progress made, as well as providing a brief discussion on challenges and new developments.

General

The Provincial Treasury achieved a clean audit for the 2020/21 financial year as reported by the Auditor-General and this marks the eighth consecutive year that the Provincial Treasury reached this milestone.

Due to the advent of the COVID-19 pandemic, the Department prepared constantly and is in the process of implementing its COVID-19 response plan in line with the Department of Public Service Administration directives and National Treasury prescripts. Therefore, the department set aside funds from within its budget to deal with procurement of COVID-19 related Personal Protective Equipment (PPE).

Sustainable Resource Management

The COVID-19 pandemic continues to impact economic recovery. Debt stabilization remains a priority of government with serious impact on the 2021/22 Provincial Budget. For the 2022 MTEF, changes are being made to the health component resulting from the review of the risk-adjusted index. An adjustment to baseline of R42.294 million has added to the provincial equitable share.

The 2021 budget was tabled with low economic growth against the high levels of historical spending, which led to rising budget deficits and an unsustainable debt burden. Consequently, government took a decision to stabilize the wage bill and change the composition of spending towards investment.

The department managed to achieve the set targets through adapting the business operations to the new norm as a result of the COVID-19 pandemic. Monthly and quarterly expenditure reports were compiled and presented to the North West Coordinating Committee (NWCC) and Executive Council highlighting spending challenges and recommendations for implementation. These reports included the performance of the budget and service delivery achievements of the 12 provincial departments, the Provincial Legislature and Public Entities. Provincial expenditure reports were shared and presented to the Portfolio Committee and the Audit Committee.

The MTEC engagements were held from the 11th – 19th October 2021 in preparation for the 2022 MTEF budget inclusive of assessments of the spending patterns of departments as well as the ability of departments and public entities to reprioritise within the reduced baseline allocations as the current economic and fiscal environment substantially limit the province's option to increase departmental baseline allocations.

The unit 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, were discussed.

Macroeconomic Analysis provided input on the review of the Provincial Equitable Share (PES) formula to ensure horizontal equitable distribution of health budget between provinces. In addition, the unit provided inputs on the Division of Revenue Draft Bill and responses to the Finance and Fiscal Commission (FFC) recommendations with respect to the Draft Bill.

Infrastructure Co-ordination: Provincial Treasury continued to support the provincial departments for sustainable implementation of the Infrastructure Delivery Management System (IDMS).

The Infrastructure Delivery Management System (IDMS) and the Framework for Infrastructure Delivery and Procurement Management (FIDPM) that guide infrastructure planning and implementation (IDMS) have been affected within the 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. The infrastructure improvement initiatives at municipalities are ongoing.

Through the support from National Treasury, departments were assisted to implement the new online Infrastructure Reporting Model, which is also used to extract the MTEF projects and allocations to the Table B5.

Provincial Revenue Enhancement – Provincial departments are still to recover from the previous COVID-19 related underperformances. Fiscal policy unit assisted departments to review unrealistic revenue targets based on the first half yearly performance. Technical support and advice to improve performance was provided to affected departments.

Economic Analysis: The macro-economic analysis unit produced two main economic review reports and economic update reports during the financial year. These reports are:

- Provincial Economic Review and Outlook (PERO) which provides provincial economic review from the production perspective of the economy as well as provincial factor productivity
- Provincial Socio-Economic Review and Outlook (SERO) which analyses socio-economic challenges and provide input on guiding resource allocation by provincial departments and municipalities.
- The unit also produced monthly and quarterly economic updates reviewing the economic situation of the rest of the world, South Africa, Africa and the provincial economy.

Municipal Finance Management (MFM): The Minister of Finance issued a directive, wherein the Premier is directed to implement appropriate intervention to address municipalities in crisis. In his letter the Minister recommended the invocation of the provisions of section 139 (5) of the Constitution read together with section 139 of the MFMA at eight (8) municipalities. The MEC for Finance has

requested the services of the National Treasury Municipal Financial Recovery Services (MFRS) to assist with the implementation. The Provincial Treasury also intensified its resources to support the implementation of the mandatory and discretionary interventions at the affected municipalities. Consultative processes with the affected municipalities are in progress. In addition to the above, the Provincial Treasury provided support in terms of section 154 of the Constitution to municipalities in the Province on the following focus areas:

- Budget Management
- mSCOA GRAP aligned financial management and reporting
- Contract Management
- Internal Control

Provincial Supply Chain Management (SCM): The department continued to monitor COVID-19 related expenditure by provincial departments and entities in line with SCM National Treasury Instruction Note 11 of 2020/21 (SCM Note 11), and to ensure transparency in the procurement outcome of PPE and its related services, the department publishes COVID-19 expenditure monthly on National Treasury website starting from September 2020.

To prevent and combat abuse in Supply Chain Management the department through its Provincial Internal Audit Unit continues to perform audits of COVID-19 expenditure until National State of Disaster lapses or is terminated or SCM Note 11 above is withdrawn. Furthermore, the department continued to monitor compliance to Provincial SCM Circulars on moratorium of appointment of project management unit (PMU); facilitation and arrangement of provincial transversal contracts; deviations from normal bidding processes and variations and extension of contracts.

- **SCM Capacity Building:** To implement the outcome of learning needs assessment, the Provincial Treasury in partnership with National Treasury, sponsored by European Union, has embarked on a program (Improve Supply Chain Management Efficiency in Demand Planning and Acquisition Management By Applying Strategic Procurement Principles In North West) to implement North West Province Supply Chain Management Framework in departments and Provincial Legislature earmarked for clean audit. The advanced demand and acquisition management programme will be implemented by hand holding SCM officials responsible for these functions for a period of twenty-four (24) months.
- In partnership with National Treasury, sponsored by Transport, Education Training Authority (TETA), NWPT facilitated the enrolment of 100 SCM practitioners from provincial departments and entities in a 12- months learnership programme i.e. NQF level 5 targeting to up skill mainly those who do not have any SCM qualification especially post matric qualification.
- Thirty-five (35) SCM Practitioners from different Provincial Departments and Public Entities were registered for both Practitioner and Advanced Practitioner Awards Programme with Chartered Institute for Procurement and Supply (CIPS). Out of the 35 learners five (5) completed the Advanced Practitioner Award Programme, only four (4) attained a SCM professional designation

status of Member of Chartered Institute of Procurement and Supply (MCIPS) and one (1) is finalizing the professional designation application. Fourteen (14) learners successfully completed the Practitioner Award Programme and are currently enrolled for the Advanced Practitioner Award Programme. Fourteen (14) learners were unsuccessful and withdrawn from the programme

SCM Client Support: Even under these trying times of COVID-19 pandemic the programme continued with Community Outreach Programs where 36 workshops were conducted focusing on how to conduct business with the state and 1 530 copies of tender bulletins were distributed in public areas and 215 adverts were placed on e-Portal for exposure to government business opportunities.

SCM Compliance

- The department issued one (1) Provincial SCM Instruction note on the application of bid validity period by provincial departments and entities;
- Disseminated National Treasury SCM notes on government bulletin and e-tender portal;
- Threshold values for the procurement of goods, works and services by means of petty cash, written price quotation or competitive bids, which effectively moved price quotation threshold from R500 000 to R1 000 000;
- Application of formulae in regulation 6(1) and 7(1) of Preferential Procurement Regulations (PPR);
- 2017 dealing with disposal, leasing and other income generating procurement; and
- Invitation and evaluation of bids based on a stipulated minimum threshold for local production and content for cement sector.

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

Asset Management: Support which includes verification of movable assets and update of the WALKER asset register has been provided to departments. An Accounting Officer's guide on achieving clean audit on capital assets including capital work in progress has been developed. Chief Financial Officer's guide on accounting for immovable assets has been developed. There has been an improvement in the audits of Department of Public Works & Roads and the Department of Health as they received clean audits on assets compared to qualifications in the previous financial year. A clean audit project plan 2021/2022 on capital assets has been developed and implementation of the project plan is ongoing.

Financial Governance

Audit outcomes for 2020/21 - The audit of the Annual Financial Statements for the year ended 31 March 2021 was finalised. The audit outcomes of Departments, Provincial Legislature and Public entities were as follows:

- Departments – one (1) received a clean audit (unqualified with no findings), six (6) were unqualified, five (5) qualified.
- Entities – Six (6) were unqualified, six (6) qualified, three (3) disclaimers and three (3) are outstanding.

Implementation of Post Audit Action Plans - The office of the Accountant General is now in the sixth year of the 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 in order to avoid repeat findings. Departments and Entities are now accustomed to its utilization.

- The overall progress for previous year for Departments were 62 per cent and Entities at 41 per cent. All outstanding items that were not addressed are carried forward to the new financial year;
- Entities have severe capacity challenges and lack of skills within CFO sections to fast track updating of PAAP;
- Departments and Entities PAAP were reviewed by the Office of the Accountant General and PIA for improved implementation plan and loaded in the SharePoint system for monitoring purposes;
- In most of departments and entities there are no dedicated officials who update PAAP, some CFOs leave it to junior officials to update;
- The audits of NTI group have not been finalised, hence the PAAP preparation will be delayed;
- Departments responsible for Public Entities do not give them adequate support in the development and implementation of sound Audit Action plans and leave them to Provincial Treasury to offer support;
- Public Entities still have more serious challenges of capacity and lack of governance structures like audit committees and risk management structures that are not in place.

The advent of COVID-19 has prevented the compliance team to go to Departments. Most work is done virtually and over the phone to minimize exposure of staff. However, the normal operations of reviews of Interim Financial Statements are done in-house and portfolios of evidence are ongoing 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.

- Assistance with PAAP reviews and bilateral meetings to ensure that sound audit action plans are developed and monitored;
- Provision of on-site compliance reviews is done virtually 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 Executive Authorities to act where there is non-compliance;
- Strengthening internal controls by responding to recommendations of Internal Audit Reports in time to clear issues;
- **Irregular Expenditure Project** - Provincial Treasury finalised the appointment of a panel of expert investigators to assist Departments to investigate with complicated Irregular expenditure cases.
 - Phase 1 of the project commenced in September 2020 and completed by March 2021. All investigated reports were handed over to Accounting Officers of respective Departments for implementation of all the recommendations and to submit to the Condoning Committee.
 - Phase 2 of the project roll out started in April 2021 with Eight (8) Departments submitted their cases to Provincial Treasury to submit to the investigators for scoping.
 - All cases were allocated to the service providers and investigation is in progress.
- Extension of Provincial Risk management to Public Entities is done.
- **Tribal and Trust** – The process of finalising an Accounting framework and format for draft Annual Financial Statements is being driven by National Treasury. A new legislation TKLA was enacted by the Parliament to improve accountability in Traditional Councils. This Act is applicable effective from 1 April 2021.

From 01 November 2020 all banks started not accepting cheques which means that all payments from Traditional councils have to be processed on-line. All stakeholders inclusive of Dikgosi had to be briefed on this change. The teams from Provincial Treasury, CoGTA and Traditional Councils were workshopped on the new system. The new system was implemented effectively by the Province.

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 Management System (IFMS) by National Treasury. **Financial Systems Training** - which used to be offered via contact classes has now to be conducted virtually due to the advent of COVID-19.

Provincial Risk Management - The activities of the Provincial Risk management are progressing well. 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, on internal control, risk management and governance, including compliance to laws and regulations, interim financial statements, reporting on pre-determined objectives, effectiveness of operations and the annual update of a comprehensive audit file guideline that would ensure combined assurance and substantiation of annual financial statement.

All draft annual financial statements and annual reports (including the report on pre-determined objectives) were reviewed timely and feedback reports provided to departments. Subsequent to the handover of audit reports to departments' evaluations of post audit action plans were performed and departments advised accordingly. Further audit work on the implementation of post audit action plans was performed.

In order to strengthen Provincial Supply Chain initiatives as well as providing support to Section 100 initiatives, Provincial Internal Audit audited submitted review reports on bids with a value of above R10 million after evaluation/adjudication but before awarding to ensure that all relevant SCM Legislation has been complied with before bids are awarded. This was augmented by a checklist that was issued to all departments on prevalent supply chain management risks and the assessment and implementation of preventative controls to mitigate risk.

Further initiatives include the rollout of a combined assurance framework including key summaries of areas of risk in financial and operational reporting and compliance that has to be mitigated.

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 the Heads of Departments and annual reporting certificates.

3. Outlook for the coming financial year (2022/23)

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

Administration

Implementation of the COVID-19 response plan will continue and the Department will enhance its measures to combat the spread of COVID-19 pandemic.

Sustainable Resource Management

Provincial Treasury will assess that the provincial budgets focuses more on investments, contain consumption expenditure and improve allocation efficiencies. Furthermore, the Provincial Treasury will collaborate with other departments to identify and assess non-core assets for disposal.

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 Provincial Treasury will continue monitoring the spending of provincial departments and public entities through the various reporting mechanisms, including the monthly IYM (In Year Monitoring) and IRM (Infrastructure Reporting Model) and 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.

Economic Analysis: The unit seeks to provide economic analysis in order to inform efficient resource allocation in the province by prioritizing investments. The unit will continue to produce economic analysis reports for the province and the four district municipal areas. In addition, the unit will provide the necessary support to provincial departments by providing them with economic data for their own use. In the case of municipalities, the unit will engage on the economic analysis reports for the respective municipalities.

Fiscal Policy: The unit will provide the necessary support and guidance to provincial departments to meet their revenue targets for 2022/23, review their revenue strategies to increase departmental own revenue, align their strategies to the Provincial Revenue Enhancement Strategy as well as minimizing revenue collection costs. In addition, the department will assist provincial departments to review their revenue tariffs to be cost reflective, wherever it is practically possible. Ensure effective and efficient cashflow management within the provincial departments to prevent bank accounts being overdrawn.

Municipal Financial Management (MFM): The municipal mandatory and discretionary intervention will focus on supporting municipalities to resolve their financial crisis as outlined in chapter 13 of the MFMA. The following key municipal finance functional areas will be the main focus: -

- Support municipalities to prepare an appropriate recovery plan for the municipalities; to recommend appropriate changes to the municipality's budget and revenue-raising measures that will give effect to the recovery plan
- Support municipalities to compile financial recovery plans to improve financial status
- Support municipalities with the implementation of the recovery plans

Capacity Building: Conduct capacity building initiatives within the capacity building framework adopted which entails On Job Training (Handholding) - Individual Capacity Building, Capacity gap filling and Organisational Capacity Building. The focus will be on the following functional areas:

- mSCOA/GRAP aligned financial Reporting
- Internal Controls

- Budget Management
- Data management (credibility of financial Records)
- Unauthorised, Irregular, Fruitless and Wasteful Expenditure/ financial misconduct (Disciplinary Boards)
- Financial management training for Councillors in collaboration with SALGA and COGTA

Provincial Supply Chain Management: The programme will continue with North West Provincial SCM Reform's 5-year Implementation Plan, which began in 2016/17 financial year with the support of National Treasury. The overall objective of the project is 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 SCM professionals in the North West Province: -

- **SCM Capacity Building:** Education and Training Development (ETD) Solutions developed from learning needs assessment conducted to close the learning gaps of SCM practitioners in the provincial departments. In partnership with National Treasury, the department will continue with the program (Improve Supply Chain Management Efficiency in Demand Planning and Acquisition Management By Applying Strategic Procurement Principles In North West) to implement North West Province Supply Chain Management Framework in departments, in six departments and Provincial Legislature earmarked for clean audit.

The programme will continue with professionalization of SCM practitioners in the province in partnership with Chartered Institute of Procurement and Supply (CIPS) by enrolling a new intake of thirty-seven (37) practitioners in Corporate and Advanced Award Programme for the duration of twelve (12) and eighteen months (18) months, respectively.

The programme will embark on upskilling its officials on supplier development and Infrastructure procurement to support government initiatives on infrastructure development, job creation and SMME development.

SCM Compliance: The programme will continue to monitor SCM compliance by Provincial Departments and Entities in line with North West Provincial SCM Policy Framework and SCM prescripts. The programme will also issue SCM complaints guidelines to the Departments, its sole purpose being reporting, investigation, determination and treatment of SCM system abuse, disputes, objections, complaints or queries in line with National Treasury Instruction SCM Note 3 of 2016/17.

SCM Client support: Supplier development is also earmarked for outreach programmes to be conducted in communities to capacitate 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 and encourage on-line self-service. The unit will continue to monitor and report on compliance with 30-day payments in line with National Treasury Instruction Note.

Asset Management: Extensive monitoring of the post audit action plans for departments will be performed in pursuit of sustaining the current clean audits and registering improvements in the qualified department. Extensive support on the performance of asset management activities in public entities will be performed in an attempt to improve the audit outcomes related to property, plant and equipment and the overall management of assets. Capacity will be built on public entities with specific focus to the standards of GRAP used for property, plant and equipment reporting.

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 2022/23:-

- Conduct quarterly accounting updates on Modified Cash Standard (MCS) for Departments and GRAP updates for Public Entities;
- Improve asset management by intensifying training on Asset management for Departments and Public Entities implementing the immovable asset guide in both Departments and Public Entities;
- Facilitate the clearance of prior year unauthorised expenditure through the Legislature process;
- Facilitate the roll out of the new National Treasury Instruction Note and framework on irregular expenditure in Departments and Public Entities;
- Offer support to Departments and Public Entities to improve the quality of reporting on Performance Information with emphasis on accuracy, reliability and usefulness of the information reported in the Portfolio of Evidence. (POE's);
- Regular meetings with Chief Financial Officers to check progress per Department and Public Entity with respect to the Audit Action Plan;
- All CFOs to submit completed audit action plans to Office of the Provincial Accountant General and Provincial Internal Audit for review of the adequacy thereof;
- Provincial Internal Audit to design and provide concept compliance checklists and a compliance framework model to all participants in the workshop for implementation to improve audit outcomes, to assist departments and to monitor compliance with laws and regulations on a timely and continuous basis;
- Provincial Internal Audit to provide scheduled independent assurance reviews on the action plan implementation process as well as the effectiveness of action plans implemented;
- The following four (4) departments and North West Provincial Legislature (NWPL) were identified for clean audit project and make necessary interventions for them to get Clean Audit.
 - Provincial Treasury
 - Social Development

- Economic Development, Environment, Conservation and Tourism
- Arts, Culture, Sports and Recreation
- North West Provincial legislature

Provincial Internal Audit: The aim of this sub-programme is to provide independent, objective assurance and advisory services to departments that add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. As such, the following are additional activities/focus areas planned for 2022/23:-

- Provincial Internal Audit to provide scheduled independent assurance reviews on the action plan implementation process as well as the effectiveness of action plans implemented;
- The implementation of Provincial Treasury Instructions; and
- The enhancement of risk, ethic and compliance management including progress on the implementation of combined assurance.

Economic Outlook

The province is faced with massive socio-economic challenges including high unemployment across all districts which culminates into more than half of the population living in poverty in all districts, as well as, income inequality. Annual unemployment rate is around 31 per cent, which is significantly higher than the frictional unemployment rate of 4 per cent. Provincial population is growing faster than economic growth, suggesting declining per capita income. This culminates into more than half of the provincial population living in poverty and highly dependent on government and other forms of support for daily survivals opportunities

The outbreak of the corona virus, which forced the government to introduce strict lockdown regulations has exacerbated the socio-economic challenges. Provincial Own Revenue as well as Equitable Share on nationally collected revenue have drastically declined. Many businesses may not recover from the negative effects of the corona virus. The province has therefore no other option than to develop and implement appropriate economic turnaround strategy

The Provincial Treasury provides economic analysis on departmental plans to ensure that resources allocation address the above mentioned socio-economic challenges through equitable, effective, economical and efficient utilization of resources across all four districts. The Provincial Treasury, will provide inputs to motivate for service delivery infrastructure investment within rural areas to mitigate against rural/urban migration “push and pull factors”.

The Provincial Treasury stands ready to provide technical support on the implementation of the economic recovery plan outlined by the President and particularly on job creation. This will be demonstrated by the increased recruitment of unemployed persons to participate in the Provincial

Expanded Public Works Programmes, enhancing the competitiveness of unemployed youth in the job market by encouraging departments to intensify internship training opportunities.

4. Reprioritisation

Administration: An amount of R5.7 million was shifted within the programme of which R5 million is from Goods and services and R700 thousand from Machinery and Equipment to augment the shortfall under Compensation of Employees (CoE) that was not anticipated for. An amount of R201 thousand was shifted within the Programme to relieve budget pressure under Training and Development. An amount of R20 million for Forensic Investigation and Life style audit Unit was shifted from Programme 01: Administration to Programme 04: FG under Provincial Internal Audit to enhance effective performance for Forensic/Lifestyle audits, of which R4 million is allocated for CoE, R15.7 million is for Goods and Services and R300 thousand is for Machinery and Equipment.

Sustainable Resource Management: A total saving of R12.5 million from MFMA Consultants under Goods and Services was shifted within and between the programme/s of which R5.5 million is to alleviate the pressures under Compensation of Employees for Economic Analysis and Public Finance that was not anticipated. R7 million was reprioritized to Programme 04: Financial Governance to augment overspending under CoE that was not anticipated for. A saving under MFMA from Goods and services is to reduce the Consultants costs and the funds are redirected to augment overspending under CoE.

Financial Governance: A saving of R7 million were reprioritised from MFMA to reduce the Consultants costs and redirected to augment overspending on CoE. A saving of R2 million was shifted within the programme under Goods and Services from Telephone Account as a result of staff working remotely for COVID-19 Lockdown regulations implementation, to augment overspending under CoE for Provincial Internal Audit unit. An amount of R20 million for Forensic Investigation and Life style audit Unit was moved from Programme 01: Administration to Programme 4: Financial Governance under Provincial Internal Audit to enhance effective performance for forensic/ lifestyle audit, of which R4 million is allocated to CoE, R15.7 million to Goods and Services and R300 thousand is for Machinery and Equipment.

Future plans of the department

Provincial Treasury has planned for the following in the next coming financial years to strengthen their mandated support to departments, public entities and municipalities:

- Dedicated support to all Departments and Public Entities to improve audit outcomes;
- 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;

- 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;
- Improve asset management by intensifying training on Asset management for Departments and Public Entities implementing the immovable asset guide in both Departments and Public Entities;
- Regular meetings with Chief Financial Officers to check progress per Department and Public Entity with respect to the Audit Action Plan;
- Empower Service Providers by holding District Indabas, training them on SCM issues particularly tendering processes, local content and subcontracting.

5. Procurement

The major procurement plans for 2022/23 relate to the following: -

- An amount of R28.3 million is set aside for Municipal Financial Management Support Programme inclusive of mandatory and discretionary financial recovery intervention; of capacity building, mSCOA/GRAP aligned financial Reporting, Internal Controls, Budget Management, Data management (credibility of financial Records), Unauthorised, Irregular, Fruitless and Wasteful Expenditure financial misconduct (Disciplinary Boards), Financial management training for Councillors in collaboration with SALGA and COGTA;
- An amount of R2.5 million is set aside to affiliate members to be enrolled for CIPS Practitioner Corporate Award Programme as the professional body for Supply Chain Management in the province;
- The Financial Governance PFMA support programme has set aside an amount of R4.9 million to assist Departments with implementation of National Treasury Instruction Note 2 of 2019/20: Irregular Expenditure framework in order to reduce the Provincial Irregular Expenditure.

6. Receipts and financing

6.1 Summary of receipts

Table 7.1 below shows the sources of funding over the seven-year period 2018/19 to 2024/25.

Table 7.1 : Summary of receipts

R thousand	Outcome			Main appropriation	Adjusted appropriation 2021/22	Revised estimate	Medium-term estimates		
	2018/19	2019/20	2020/21				2022/23	2023/24	2024/25
Equitable share	344 197	356 542	267 418	341 299	349 514	349 514	355 354	362 529	373 554
Conditional grants	-	-	-	-	-	-	-	-	-
Departmental receipts	249 557	223 112	227 289	168 000	168 000	168 000	176 400	185 000	193 325
Total receipts	593 754	579 654	494 707	509 299	517 514	517 514	531 754	547 529	566 879

The main sources of funding for the department is Equitable Share and Own Revenue. The departmental Equitable Share increased by 4 per cent in 2019/20, then declines by 25 per cent in 2020/21, then increased by 31 per cent in 2021/22, 2 per cent in 2022/23, 2 per cent in 2023/24 and 3 per cent in the final year.

6.2 Departmental receipts collection

Table 7.2 below provides details of the revenue collection by this department from 2018/19 to 2024/25.

Table 7.2 : Summary of departmental receipts collection

R thousand	Outcome			Main appropriation	Adjusted appropriation 2021/22	Revised estimate	Medium-term estimates		
	2018/19	2019/20	2020/21				2022/23	2023/24	2024/25
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sales of goods and services other than capital assets	172	762	179	211	211	211	221	231	241
Transfers received	3 651	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	245 436	222 350	227 002	167 789	167 789	167 789	176 179	184 769	193 084
Sales of capital assets	10	-	2	-	-	-	-	-	-
Transactions in financial assets and liabilities	288	-	106	-	-	-	-	-	-
Total departmental receipts	249 557	223 112	227 289	168 000	168 000	168 000	176 400	185 000	193 325

Total department's own receipts grows above CPI with 5 per cent in 2022/23 and 4.9 per cent in 2023/24 with the outer year being on par at 4.5 per cent. 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 commission insurance & garnishees. The projected collection shows a steady increase over the MTEF.

Interest, dividends and rent on land: The revenue collected from this source was as a result of the substantial cash surpluses on the Pay Master General account (PMG) resulting from under spending in the previous financial years. The uncertainty element inherent to this item makes it difficult to forecast future collections.

Sales of capital assets: The allocation over the MTEF is attributed to sales of redundant assets to be auctioned.

6.3 Donor funding

None

7. Payment summary

7.1 Key assumptions

The budget for the 2022/23 MTEF is based on the department's 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 2021 Medium Term Budget Policy Statement are 4.2 per cent in 2022/23, 4.3 per cent in 2023/24 and 4.5 per cent in 2024/25;

Personnel Inflation assumptions

The revised projections for the personnel budget inflation are zero per cent in 2022/23 and 2023/24 with 4.5 per cent in 2024/25. In finalising the Compensation of Employee budget the following is taken into consideration:

- Provision for Pay progression of 1.5 per cent per cent in each of the 2022 MTEF financial years;
- Housing allowance to be increased by CPI; and
- Medical contributions to be increased by medical price index, estimated at CPI + 4 per cent.

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 2018/19 to 2024/25.

Table 7.3 : Summary of payments and estimates by programme: Provincial Treasury

R thousand	Outcome			Main appropriation	Adjusted appropriation 2021/22	Revised estimate	Medium-term estimates		
	2018/19	2019/20	2020/21				2022/23	2023/24	2024/25
1. Administration	149 773	149 341	128 886	163 265	153 815	153 815	148 975	152 539	159 386
2. Sustainable Resource Management	104 447	141 044	108 342	127 052	154 717	154 717	133 247	139 220	141 699
3. Asset And Liabilities Management	48 193	47 139	40 778	56 468	50 468	50 468	57 913	58 724	61 362
4. Financial Governance	176 605	155 643	131 521	162 514	158 514	158 514	191 619	197 046	204 432
Total payments and estimates	479 018	493 167	409 527	509 299	517 514	517 514	531 754	547 529	566 879

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 R479 million in 2018/19, R493.2 million in 2019/20 and R409.5 million in 2020/21. The Departmental baseline was increased by R108 million in 2021/22 and increased by R14.2 million in 2022/23 and R15.8 million in 2023/24 and R19.4 million in the final year. Inclusive in the baseline is the departmental bursary to officials, learnership programme, legal fees, fleet services, external audit fees, property payments and training and development. Also included is earmarked funds for MFMA Municipal Financial Management Support Programme and Municipal Intervention, Forensic audit Unit /Life Style audit and PFMA Interventions, advertising, traveling and subsistence for outreach to speed up registration process of suppliers on the CSD system, training and development for the provincial officials, Asset Management Software, Provincial Telephone Account, building lease for Internal Audit Unit, audit committee fees, and audit fees for external.

Programmes:

Programme 1 Administration: The programme registered an increase of R24.9 million in 2021/22 for filing of posts and further decrease from R153.8 million to R149 million in 2022/23, increasing in the outer two years to R152.5 million and R159.3 million respectively. Allocation includes the departmental bursary to officials, learnership programme, recruitment, legal fees, fleet services, external audit fees, property payments and training and development.

Programme 2 Sustainable Resource Management: The programme records a sharp increase in 2021/22 to relieve budget pressure in Municipal Finance Support Programme for MSCOA, GRAP, AFS and audit support to municipalities, as well as once-off R15 million to assist departments through appointment of consultants to finalize projects for bidding of funding considerations outside the fiscus (i.e. PPP and Blended funding). The allocation then decrease to R133.2 million in 2022/23 as a result of the once-off allocation received in 2021/22 and further increase to R139.2 million and R141.7 million in 2023/24 and 2024/25 which includes earmarked funds for MFMA Municipal Financial Management Support Programme and Municipal Intervention and Infrastructure Capacitation.

Programme 3 Assets and Liabilities: The programme grow positively with R57.9 million in 2022/23, R58.7 million in 2023/24 to R61.4 million attributed by the lease of building, CIPS System and Asset Management Software Licenses. Embedded within the departmental procurement strategies, the Unit earmarked on outreach programmes to be conducted in communities with a view to capacitating the Supplier(s) with Government Procurement Processes. A budget of R2 million is set aside for advertising and R3 million is for traveling and subsistence for outreach to speed up registration process of suppliers on CSD system with R5 million for training and development for the provincial officials.

Programme 4: Financial Governance: The overall programme budget increases with R27 million in 2021/22 and increase significantly with R33.1 million in 2022/23 with further increases in the outer two years of the MTEF for the Forensic Investigation Unit and Lifestyle as well as PFMA Interventions (Provincial Clean Audit). The 2022/23 allocation is also inclusive of R3.1 million for Audit Committee, R21 million for Provincial Telephone, R3.2 million for training and development, R5.5 million for lease of building and R4.3 million for Audit Fees.

7.3 Summary of economic classification

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2021/22	Revised estimate	Medium-term estimates		
	2018/19	2019/20	2020/21				2022/23	2023/24	2024/25
Current payments	473 671	488 458	402 629	501 082	508 332	508 260	523 655	539 062	558 028
Compensation of employees	296 079	311 711	304 531	320 000	323 805	323 733	340 274	343 517	358 941
Goods and services	177 591	176 747	97 967	181 082	184 527	184 527	183 381	195 545	199 087
Interest and rent on land	1	–	131	–	–	–	–	–	–
Transfers and subsidies to:	1 700	1 420	1 918	733	2 698	2 770	769	802	838
Provinces and municipalities	–	–	–	–	–	–	–	–	–
Departmental agencies and accounts	–	–	–	–	–	–	–	–	–
Higher education institutions	–	–	–	–	–	–	–	–	–
Foreign governments and international organisations	–	–	–	–	–	–	–	–	–
Public corporations and private enterprises	–	–	–	–	–	–	–	–	–
Non-profit institutions	130	170	10	–	–	–	–	–	–
Households	1 570	1 250	1 908	733	2 698	2 770	769	802	838
Payments for capital assets	3 429	3 277	4 980	7 484	6 484	6 484	7 330	7 665	8 013
Buildings and other fixed structures	–	–	–	–	–	–	–	–	–
Machinery and equipment	3 429	3 277	4 980	7 484	6 484	6 484	7 330	7 665	8 013
Heritage Assets	–	–	–	–	–	–	–	–	–
Specialised military assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Land and sub-soil assets	–	–	–	–	–	–	–	–	–
Software and other intangible assets	–	–	–	–	–	–	–	–	–
Payments for financial assets	218	12	–	–	–	–	–	–	–
Total economic classification	479 018	493 167	409 527	509 299	517 514	517 514	531 754	547 529	566 879

Economic Classifications:

Compensation of Employees: On aggregate, Compensation of Employees registered a decline of R7.1 million from 2019/20 to 2020/21 due to wage bill cut. The new Organisational Structure was approved and implemented with effect from the 1st of August 2018. Subsequent to that, the Inter Ministerial Task Team (IMTT) through the implementation of Section 100 of the Constitution in the North West Province recommended the review of the structure for two Chief Directorates: MFM and Provincial Supply Chain Management (PSCM) and was approved on the 23rd November 2019. Human Resource section is busy with the filling of vacant critical posts hence the increase of R35 million over the MTEF.

Goods and Services: Records a decline in 2019/20 – 2020/21 that was reduced and redirected to relieve budget pressure in Compensation of Employees to cater for MFMA experts or HR Capacity challenges. There is a growth in 2021/22 with an increase of R87 million, then declines by R1.1 million in 2022/23 and R15 million in the outer two years.

Inclusive in Goods and Services is an amount of R28.3 million for Municipal Financial Management Support Programme (MFMA) and MFM Intervention in 2022/23, as well as an allocation of R63 million in the two outer years. The allocation further makes provision for the Provincial Telephone Account of R21 million in 2022/23 and R46 million over the two outer years of MTEF period. The PFMA Interventions is allocated R4.7 million in the current year and R15.5 million throughout the MTEF period.

Transfers and Subsidies: An increase in the household in 2020/21 is due the resignations and retirements of officials. The department makes provision for payment of social benefits to employees

who have exited the system, however budget estimates are very difficult to forecast. The item shows a decline over the MTEF period as it depends on as and when officials exit the system.

Capital Assets: The increase over the MTEF is for the replacement of office equipment and procurement of office furniture and equipment as a result of filling the revised organisational structure.

7.4 Infrastructure payments

7.4.1 Departmental infrastructure payments

None

7.4.2 Maintenance

None

7.4.3 Non infrastructure items

None

7.5 Departmental Public-Private Partnership (PPP) projects

None

7.6 Transfers

7.6.1 Transfers to public entities

None

7.6.2 Transfers to other entities

None

7.6.3 Transfers to local government

None

8. Receipts and retentions: Provincial legislatures

Not applicable to this department.

9. Programme description

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

9.1 Description and Outputs

Programme 1: Administration

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 Information Security Services (MISS) focuses on issues of departmental security as defined in the Provincial Security Strategy. Special programmes focus mainly on youth, women, disability and gender related matters.

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

Administration consists of the following Sub-programmes:

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

Tables 7.5 and 7.6 below provide a summary of payments and budget estimates pertaining to Programme 1: Administration over the seven-year period from 2018/19 to 2024/25.

9.2 Programme expenditure analysis

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2021/22	Revised estimate	Medium-term estimates		
	2018/19	2019/20	2020/21				2022/23	2023/24	2024/25
1. Office Of The Mec	9 831	9 025	7 945	8 650	11 550	11 550	10 880	11 051	11 547
2. Management Services	6 917	8 303	8 056	30 005	9 655	9 655	9 119	10 149	10 603
3. Corporate Services	82 607	80 081	68 084	74 584	81 084	81 084	74 213	75 589	78 983
4. Financial Management (Office Of The Cfo)	50 418	51 932	44 801	50 026	51 526	51 526	54 763	55 750	58 253
Total payments and estimates	149 773	149 341	128 886	163 265	153 815	153 815	148 975	152 539	159 386

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

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2018/19	2019/20	2020/21				2022/23	2023/24	2024/25
Current payments	147 518	147 636	124 748	160 398	151 499	151 450	146 788	150 232	156 973
Compensation of employees	99 114	105 222	102 097	101 153	110 674	110 625	102 036	102 672	107 282
Goods and services	48 403	42 414	22 520	59 245	40 825	40 825	44 752	47 560	49 691
Interest and rent on land	1	-	131	-	-	-	-	-	-
Transfers and subsidies to:	451	697	1 185	205	419	468	215	224	234
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	130	120	10	-	-	-	-	-	-
Households	321	577	1 175	205	419	468	215	224	234
Payments for capital assets	1 609	1 008	2 953	2 662	1 897	1 897	1 972	2 083	2 179
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	1 609	1 008	2 953	2 662	1 897	1 897	1 972	2 083	2 179
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	195	-	-	-	-	-	-	-	-
Total economic classification	149 773	149 341	128 886	163 265	153 815	153 815	148 975	152 539	159 386

The budget for the programme increases from R128.9 million in 2020/21 to R153.8 million in 2021/2022 due to the new Forensic and Investigation Unit and Lifestyle Audit and it declines by R4.8 million in 2022/23 as the Forensic Unit function has been moved to Financial Governance. The increase of R10.4 million in the two outer years includes the departmental bursary to officials, learnership programme, legal fees, fleet services, Risk Management Awareness Workshops and forums, recruitment, budget speech, external audit fees, property payments and training and development.

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

Office of the MEC: The MTEF period shows a decline by R670 thousand in 2022/23 then increased by R667 thousand cumulative in the two outer years to cater for day-to day operations in the MEC's office.

Management Services: The decrease in budget in 2022/23 is primarily due to the R20 million for Forensic Investigation and Life style audit function that was moved to Financial Governance. The Unit shows an increase of R1.5 million in the last two outer years for HOD's Office and Risk Management Awareness Workshops and forums.

Corporate Services: A decrease of R7 million is evident in 2022/23 mainly on Compensation of Employees with a cumulative increase of R4.8 million in the two outer years. Inclusive is budget set aside to cater for the departmental bursary to officials, learnership programme, software license fees, budget speech, recruitment and legal fees payments.

Financial Management (CFO's office): The sub-programme records an increase of R6.7 million cumulative over the MTEF to cater for fleet services, external audit fees and property payments.

Economic Classification

Compensation of Employees: The programme show a decline in 2022/23 due the National Wage Bill cut. It further slightly increase in 2023/24 and grows with R5 million in the final year as the programme anticipates filling the vacant funded posts.

Goods and Services: An increase of R18.3 million is recorded for 2021/22. There is an increase of R9 million over the MTEF period which is set aside to cater for the departmental bursary to officials, learnership programme, legal fees, and fleet services, external audit fees property payments and training and development.

Transfers and Subsidies: The increase of R246 thousand in 2019/20 is due to leave gratuities for retired officials, resignations and death. The budget shows a decreased of R707 thousand in 2021/22 which was not anticipated for. The item continue to record a decrease over the MTEF due to the nature of uncertainty.

Capital Assets: There is a decrease of R601 thousand 2019/20, then an increase of R3 million registered in 2020/21 for transfers to Department of Community Safety and Transport for the purchase of Pool Vehicles and a specialised vehicle for Communication Unit. The allocation then shows a decline to R1.8 million 2021/22 due to the impact of COVID-19 Pandemic. The item shows a steady increase over the MTEF period for the replacement of IT equipment, as well as for procurement of assets for new appointments.

9.3 Service delivery measures

Table 7.7 : Service delivery measures - Programme 1: Administration

Programme performance measures	Estimated performance	Medium-term estimates		
	2021/22	2022/23	2023/24	2024/25
Number of officials trained in line with Work Skills Plan	70	70	80	80
Number of Annual financial statements without material misstatements	1	1	1	1

Programme 2: Sustainable Resource Management

Description and Outputs

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 2018/19 to 2024/25.

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2021/22	Revised estimate	Medium-term estimates		
	2018/19	2019/20	2020/21				2022/23	2023/24	2024/25
1. Programme Support	–	325	1 179	2 937	44	44	2 988	3 037	3 175
2. Economic Analysis	5 979	6 373	5 738	6 807	8 200	8 200	8 426	8 540	8 924
3. Fiscal Policy	7 281	8 285	7 930	8 700	8 500	8 500	8 766	8 830	9 226
4. Budget Management	23 630	22 133	19 686	25 187	24 887	24 887	25 464	25 735	26 891
5. Public Finance	17 248	18 173	17 917	19 079	34 079	34 079	23 239	23 395	24 444
6. Municipal Finance	50 309	85 755	55 892	64 342	79 007	79 007	64 364	69 683	69 039
Total payments and estimates	104 447	141 044	108 342	127 052	154 717	154 717	133 247	139 220	141 699

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2021/22	Revised estimate	Medium-term estimates		
	2018/19	2019/20	2020/21				2022/23	2023/24	2024/25
Current payments	103 533	139 839	107 261	125 588	153 198	153 198	131 711	137 613	140 020
Compensation of employees	66 681	68 949	68 325	82 350	77 595	77 595	88 206	89 145	93 147
Goods and services	36 852	70 890	38 936	43 238	75 603	75 603	43 505	48 468	46 873
Interest and rent on land	–	–	–	–	–	–	–	–	–
Transfers and subsidies to:	415	289	48	–	254	254	–	–	–
Provinces and municipalities	–	–	–	–	–	–	–	–	–
Departmental agencies and accounts	–	–	–	–	–	–	–	–	–
Higher education institutions	–	–	–	–	–	–	–	–	–
Foreign governments and international organisations	–	–	–	–	–	–	–	–	–
Public corporations and private enterprises	–	–	–	–	–	–	–	–	–
Non-profit institutions	–	50	–	–	–	–	–	–	–
Households	415	239	48	–	254	254	–	–	–
Payments for capital assets	499	916	1 033	1 464	1 265	1 265	1 536	1 607	1 679
Buildings and other fixed structures	–	–	–	–	–	–	–	–	–
Machinery and equipment	499	916	1 033	1 464	1 265	1 265	1 536	1 607	1 679
Heritage Assets	–	–	–	–	–	–	–	–	–
Specialised military assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Land and sub-soil assets	–	–	–	–	–	–	–	–	–
Software and other intangible assets	–	–	–	–	–	–	–	–	–
Payments for financial assets	–	–	–	–	–	–	–	–	–
Total economic classification	104 447	141 044	108 342	127 052	154 717	154 717	133 247	139 220	141 699

Programme expenditure analysis

The projections for the programme shows an increase of R36.6 million in 2019/20, however, a decrease of R32.7 million is realized in 2020/21. A sharp increase of R46.3 million is noted between the outcome of the 2020/21 financial year and the 2021/22 Adjustment Budget from once-off

allocations. The 2022/23 allocation decrease by R21.4 million and then allocation records a significant growth of R 8.5 million in the two outer years for Infrastructure Capacitation and MFMA Interventions.

Economic Classification

Compensation of Employees: The increase of R2.2 million in 2019/20 was due to the filling of vacant posts for MFM experts and MFM HR Capacity. The programme continues to realise an increase in 2020/21 of R14 million to fund retired experts, unemployed graduates and MFMA reforms. The programme shows a growth in R15.1 million over the 2022/23 MTEF that make a provision for filling of vacant funded posts especially in MFM unit and Infrastructure Capacitation (R5 million) to improve the capacity challenges.

Goods and Services: The Programme registers a sharp increase of R34 million in 2019/20 for Municipal Financial Management Support Programme (MFMA) and MFM Intervention, then a sharp decrease of R32 million in 2020/21 and a sharp increase of R37 million in 2021/22. There is a deep decrease of R32 million in 2022/23 due to once-off allocation of R15 million in 2021/22 to assist departments through appointment of consultants to finalize and package projects for bidding of funding considerations outside the fiscus, a significant increase of R5 million in 2023/24 and a decline of R1.6 million in 2024/25 due to the reduction of MFMA Consultants as the structure is being filled. These amounts include R28.3 million set aside for Municipal Financial Management Support Programme inclusive of capacity building, mSCOA implementation, contract management, asset management, Annual Financial Statements (AFS) preparation and audit support. This budget is inclusive of R10.8 million earmarked for Municipal Financial Management Interventions.

Transfers and Subsidies: In the 2020/21 financial year the budget decreased to R48 thousand then increased to R254 thousand in 2021/22 financial year for retirement/resigned officials. The item does not record any budget over the MTEF as the department is uncertain of the terminations, retirements and resignations.

Capital Assets: The decline in 2018/19 was due to the delay in filling of vacant posts. The budget increases in 2019/20 to R916 thousand, R1 million in 2020/21 and R1.3 million in 2021/22 for the purchase of furniture for the new officials. The increase over the MTEF is anticipated for the replacement of office equipment due to the filling of posts.

Service delivery measures

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

Programme performance measures	Estimated performance	Medium-term estimates			
	2021/22	2022/23	2023/24	2024/25	
Estimates of Provincial Revenue and Expenditure (EPRE)	1	1	1	1	1
Number of financial reports published	4	4	4	4	4
Number of municipal capacity building interventions conducted	4	4	4	4	4

Programme 3: Asset and Liabilities Management

Description and Outputs

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 as well as facilitation of the formation and linkages with PPP projects. A key priority of this programme is to ensure roll out of the electronic tendering and quotation system to all Provincial Departments 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 the seven-year period from 2018/19 to 2024/25

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2021/22	Revised estimate	Medium-term estimates		
	2018/19	2019/20	2020/21				2022/23	2023/24	2024/25
1. Programme Support	17 881	13 570	7 193	18 377	13 377	13 377	19 524	20 083	20 985
2. Asset Management	10 576	10 243	9 054	11 569	10 569	10 569	11 734	11 893	12 427
3. Support And Interlinked Financial System	19 736	23 326	24 531	26 522	26 522	26 522	26 655	26 748	27 950
Total payments and estimates	48 193	47 139	40 778	56 468	50 468	50 468	57 913	58 724	61 362

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

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2018/19	2019/20	2020/21				2022/23	2023/24	2024/25
Current payments	47 744	46 495	39 977	54 905	48 898	48 898	56 273	57 011	59 572
Compensation of employees	30 073	34 102	34 831	35 790	36 283	36 283	35 933	36 076	37 697
Goods and services	17 671	12 393	5 146	19 115	12 615	12 615	20 340	20 935	21 875
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	214	84	60	202	245	245	212	221	231
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	214	84	60	202	245	245	212	221	231
Payments for capital assets	212	548	741	1 361	1 325	1 325	1 428	1 492	1 559
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	212	548	741	1 361	1 325	1 325	1 428	1 492	1 559
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	23	12	-	-	-	-	-	-	-
Total economic classification	48 193	47 139	40 778	56 468	50 468	50 468	57 913	58 724	61 362

Programme expenditure analysis

The programme realized an increase of R10 million in 2021/22 for outreach programmes conducted in communities with a view to capacitating the supplier(s) with the government procurement processes as well as training and development for the Supply Chain Officials within Provincial departments as embedded within the departmental procurement strategies. Allocation grows by R7.4 million to R57.9 million in 2022/23 and further grows to R58.7 million and R61.4 million in the two outer years respectively.

Economic Classification

Compensation of Employees: There is steady growth within the programme of R959 thousand in 2021/22. The total budget of R110 million for the next three years is to fund the revised proposed organisational structure.

Goods and Services: A decline of R5.2 million is registered in 2019/20 due to the impact of COVID-19 and R7.2 million in 2020/21. The budget for 2021/22 increases with R7.4 million. The budget allocation over the MTEF period increases with R9.3 million to cater for lease of building, CIPS SCM Capacity Building Programme and for Asset Management Software Licenses and forum. R2.2 million is set aside for advertising and R3.1 million is for traveling and subsistence for outreach to speed up registration process of suppliers on CSD system and R5 million for training and development for the Provincial officials.

Transfers and Subsidies: The item is allocated an amount of R212 thousand, R221 thousand and R231 thousand, respectively over the MTEF for retirement of officials.

Capital Assets: The substantial budget outcome registered in 2019/20 relates to the purchase of desktops and laptops. In 2020/21, the allocation is at R741 thousand and R1.3 million in 2021/22. The allocation for 2022/23 is R1.4 million, R1.5 million in 2023/24 and R1.6 million in 2024/25 for the replacement of office equipment and furniture for the new officials.

Service delivery measures

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

Programme performance measures	Estimated performance	Medium-term estimates			
	2021/22	2022/23	2023/24	2024/25	
Number of Departments and Public Entities supported to improve audit outcomes on SCM	6	6	7	7	
Number of Departments and Public Entities supported to improve audit outcomes on asset management	6	6	7	7	

Programme 4: Financial Governance

Description and Outputs

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 Tribal and Trust 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 over the seven-year period from 2018/19 to 2024/25.

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2021/22	Revised estimate	Medium-term estimates		
	2018/19	2019/20	2020/21				2022/23	2023/24	2024/25
1. Programme Support	22 286	6 374	3 326	8 343	6 343	6 343	8 653	8 945	9 346
2. Accounting Services	83 028	72 551	53 723	67 347	64 347	64 347	71 892	74 769	76 440
3. Norms And Standards	1 406	2 306	4 144	9 681	9 481	9 481	9 735	9 917	10 363
4. Risk Management	4 127	4 608	4 296	5 203	5 203	5 203	5 273	5 341	5 579
5. Provincial Internal Audit	65 758	69 804	66 032	71 940	73 140	73 140	96 066	98 074	102 704
Total payments and estimates	176 605	155 643	131 521	162 514	158 514	158 514	191 619	197 046	204 432

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		
	2018/19	2019/20	2020/21				2022/23	2023/24	2024/25
Current payments	174 876	154 488	130 643	160 191	154 737	154 714	188 883	194 206	201 463
Compensation of employees	100 211	103 438	99 278	100 707	99 253	99 230	114 099	115 624	120 815
Goods and services	74 665	51 050	31 365	59 484	55 484	55 484	74 784	78 582	80 648
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	620	350	625	326	1 780	1 803	342	357	373
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	620	350	625	326	1 780	1 803	342	357	373
Payments for capital assets	1 109	805	253	1 997	1 997	1 997	2 394	2 483	2 596
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	1 109	805	253	1 997	1 997	1 997	2 394	2 483	2 596
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total economic classification	176 605	155 643	131 521	162 514	158 514	158 514	191 619	197 046	204 432

Programme expenditure analysis

The 2020/21 budget allocation decreased from R155.6 million to R131.5 million. The allocation increased from R158.5 million in 2021/22 Adjustment Budget to R191.6 million in 2022/23 and further increase to R401.5 million, cumulative for the two outer years. The increase in the programme is to cater for the Provincial Telephone Account, and building lease for Internal Audit Unit, Audit Committee fees, Audit fees for AGSA. Other increase includes earmarked funds of R10 million for a new Unit within the programme for Forensic Audit /Lifestyle Audit and R5 million for PFMA Interventions.

Accounting Services:

The budget registered a decline of R10.5 million in 2019/20 and a further decline of R18.8 million 2020/21 due to the reduction in consultant fees. The sub-programme records a cumulative increase of R12 million over the MTEF which includes funding for PFMA Interventions and to cater for the Provincial Telephone Account.

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 an increase throughout the MTEF to alleviate the capacity challenges within the sub-programme, including the R5.5 million for the lease of building, R3.1 million for audit committee, and R11.3 million for Forensic Audit /Lifestyle Audit.

Norms and Standards: This sub-programme is intending to capacitate itself through filling of vacant positions, to service the Provincial Departments. The substantial budget outcome is R1.4 million in 2018/19, 2019/20 the budget is R2.3 million, R4.1 million in 2020/21 and R9.5 million in 2021/22 to alleviate capacity challenges as well as employment for the unemployed Auditing and Accounting Graduates. The sub-programme budgeted in aggregate R30 million over the MTEF to fill the vacant posts.

Provincial Risk Management: Currently the sub-programme structure is filled by the Director, Secretary, Deputy Director and two Assistant Directors and the programme envisaged to operate at its optimal capacity from 2019/20 to assist departments in areas of risk management as well as to coordinate risk committees of the departments. There is a significant increase throughout the MTEF period and inclusive in the unit is an allocation of R574 thousand for Annual Provincial Risk Dialogue in 2022/23 and R1.2 million cumulative in the two outer years.

Economic Classification

Compensation of Employees: The budget shows a steady growth from 2020/21 to 2021/22 with an increase of R22 million over the MTEF. This is attributed to the earmarked funds for the filling of vacant posts especially in Internal Audit and Contractors for PFMA Support Programme to assist with capacity challenges to the Provincial Departments and Public Entities to improve audit outcomes and to alleviate capacity challenges as well as employment for unemployed Auditing and Accounting Graduates.

Goods and Services: The budget allocation registered a sharp decrease of R19.7 million in 2020/21, mainly due to the reduction in consultant's fees and substantial savings experienced on the provincial telephone costs. Growth over the MTEF is mainly attributed by communications, audit costs and consultancy services. The growth within the Goods and services is for the capacitation of Provincial Departments and Public entities as they always have new reforms with different Accounting Frameworks. Inclusive in the Programme is R3.1 million for Audit Committee; earmarked funds of R5 million for Provincial PFMA Clean Audit; R21 million for Provincial Telephone; R3.2 million for training and development; R11.3 million for Provincial Forensic Audit and Lifestyle Audit, R5.5 million for Lease of Building, R4.3 million for External Audit Fees.

Transfers and Subsidies: The item is allocated an amount of R1 million over the MTEF for retirement of officials.

Capital Assets: The minimal increase of R599 thousand over the MTEF period is for the replacement of office equipment and furniture for the new officials.

Service delivery measures

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

Programme performance measures	Estimated performance	Medium-term estimates		
	2021/22	2022/23	2023/24	2024/25
Number of capacity Building Interventions for Departments and Public Entities	9	9	10	11
Number of Identified departments and entities for focused interventions on clean audits	6	6	6	6
Number of departmental post audit action plans assessed.	11	11	11	11
Number of departmental risk management systems assessed	11	11	11	11

9.4 Other programme information

9.4.1 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		
	2018/19		2019/20		2020/21		2021/22		2022/23		2023/24		2024/25		2021/22 - 2024/25		
	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 – 7	178	24 024	177	56 881	161	47 547	144	27	171	43 296	168	44 581	168	46 821	-0.6%	2.7%	13.1%
8 – 10	239	140 568	257	138 485	260	137 512	247	9	256	126 160	259	136 277	259	143 537	0.4%	4.4%	39.7%
11 – 12	78	66 738	76	70 913	76	69 389	95	3	98	82 813	96	90 046	96	95 639	-0.7%	4.9%	26.3%
13 – 16	37	45 549	36	40 243	34	44 847	44	–	44	52 637	42	58 916	42	61 976	-1.5%	5.6%	16.9%
Other	87	19 199	105	5 189	64	5 236	87	–	87	18 837	73	10 454	73	10 968	-5.7%	-16.5%	3.9%
Total	619	296 079	651	311 711	595	304 531	617	39	656	323 733	638	340 274	638	343 517	-6.9%	3.5%	100.0%
Programme																	
1. Administration	254	99 114	257	105 222	241	102 097	258	–	258	110 625	250	102 036	250	107 262	-1.0%	-1.0%	31.2%
2. Sustainable Resource Management	122	66 681	117	68 940	120	68 325	135	–	135	77 595	127	89 145	127	93 147	-2.0%	6.3%	25.2%
3. Asset And Liabilities Management	55	30 073	65	34 102	59	34 831	29	39	68	36 283	68	35 933	68	37 697	–	1.3%	10.7%
4. Financial Governance	188	100 211	212	103 438	175	99 278	195	–	195	99 230	193	114 009	193	120 815	-0.3%	6.8%	32.7%
Direct charges	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total	619	296 079	651	311 711	595	304 531	617	39	656	323 733	638	340 274	638	343 517	-6.9%	3.5%	100.0%
Employee dispensation classification																	
Public Service Act appointees not covered by OSDs	528	275 329	538	304 932	535	293 030	528	39	567	311 953	563	328 447	563	331 643	-0.2%	3.6%	96.5%
Public Service Act appointees still to be covered by OSDs	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Professional Nurses, Staff Nurses and Nursing Assistants	1	712	1	636	1	665	1	–	1	604	1	606	1	606	–	1.7%	0.2%
Legal Professionals	1	934	2	954	–	763	1	–	1	763	1	768	1	769	–	1.8%	0.2%
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.	89	19 104	110	5 189	59	10 073	87	–	87	10 413	73	10 455	73	10 970	-5.7%	1.8%	3.1%
Total	619	296 079	651	311 711	595	304 531	617	39	656	323 733	638	340 274	638	343 517	-6.9%	3.5%	100.0%

The consultative processes have been finalized and the organizational structure has recently been approved by the DPSA and approved by the MEC for implementation. The Organizational Structure was approved and implemented with effect from the 1st August 2018. Subsequent to that, the Inter Ministerial Task Team (IMTT) through the implementation of Section 100 of the constitution in the North West Province recommended to review of the structure of both Chief Directorate: MFM and Provincial Supply Chain Management (PSCM) and was approved on the 23 November 2019. Human Resource section is currently busy with a 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.

9.4.2 Training

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

Table 7.18 : Information on training: Provincial Treasury

R thousand	Outcome			Main appropriation	Adjusted appropriation 2021/22	Revised estimate	Medium-term estimates		
	2018/19	2019/20	2020/21				2022/23	2023/24	2024/25
Number of staff	619	651	595	656	656	656	638	638	638
Number of personnel trained	651	161	42	653	653	653	655	657	657
of which									
Male	289	75	19	289	289	289	290	291	291
Female	362	86	23	364	364	364	365	366	366
Number of training opportunities	714	669	626	653	653	653	655	657	657
of which									
Tertiary	35	36	35	36	36	36	36	36	36
Workshops	-	-	-	-	-	-	-	-	-
Seminars	-	-	-	-	-	-	-	-	-
Other	679	633	591	617	617	617	619	621	621
Number of bursaries offered	35	42	19	40	40	40	40	40	40
Number of interns appointed	60	69	71	80	80	80	80	80	80
Number of learnerships appointed	20	38	16	20	20	20	20	20	20
Number of days spent on training	-	-	-	-	-	-	-	-	-
Payments on training by programme									
1. Administration	1 632	1 580	1 224	1 231	1 231	1 231	1 286	1 326	1 386
2. Sustainable Resource Management	1 141	720	596	681	681	681	734	771	806
3. Asset And Liabilities Management	627	400	338	354	354	354	405	438	458
4. Financial Governance	1 780	1 304	1 067	934	934	934	988	1 022	1 067
Total payments on training	5 180	4 004	3 225	3 200	3 200	3 200	3 413	3 557	3 717

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 was 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 and Covid-19 restrictions for social distancing.

Internal Bursaries

There is an increase to R740 thousand in 2019/20, a decrease of R685 thousand in 2020/21 and R982 thousand in the current year. There is an overall amount of R3.2 million over the MTEF period for departmental official's development. Any shortfall will be catered for by the funds that the Department receive every year from FASSET for training purposes.

9.4.3 Reconciliation of structural changes

Table 7.19 : Reconciliation of structural changes: Provincial Treasury

2021/22		2022/23	
Programmes	R'000	Programmes	R'000
		1. Administration	148 975
		1. Office Of The Mec	10 880
		2. Management Services	9 119
		3. Corporate Services	74 213
		4. Financial Management (Office Of The Cfo)	54 763
		2. Sustainable Resource Management	133 247
		1. Programme Support	2 988
		2. Economic Analysis	8 426
		3. Fiscal Policy	8 766
		4. Budget Management	25 464
		5. Public Finance	23 239
		6. Municipal Finance	64 364
		3. Asset And Liabilities Management	57 913
		1. Programme Support	19 524
		2. Asset Management	11 734
		3. Support And Interlinked Financial System	26 655
		4. Financial Governance	191 619
		1. Programme Support	8 653
		2. Accounting Services	71 892
		3. Norms And Standards	9 735
		4. Risk Management	5 273
		5. Provincial Internal Audit	96 066
	-		531 754

Annexure to the
Estimates of Provincial Revenue and Expenditure

Table B.1: Specification of receipts: Provincial Treasury

R thousand	Outcome			Main appropriation	Adjusted appropriation 2021/22	Revised estimate	Medium-term estimates		
	2018/19	2019/20	2020/21				2022/23	2023/24	2024/25
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sales of goods and services other than capital assets	172	762	179	211	211	211	221	231	241
Sale of goods and services produced by department (excluding capital assets)	172	762	179	211	211	211	221	231	241
Sales by market establishments	-	-	-	-	-	-	-	-	-
Administrative fees	172	177	179	210	210	210	220	230	240
Other sales	-	585	-	1	1	1	1	1	1
Of which									
Health patient fees	-	-	-	1	1	1	1	1	1
Other (Specify)	3 651	-	-	-	-	-	-	-	-
Other (Specify)	-	585	-	-	-	-	-	-	-
Other (Specify)	-	-	-	-	-	-	-	-	-
Sales of scrap, waste, arms and other used current goods (excluding capital assets)	-	-	-	-	-	-	-	-	-
Transfers received from:	3 651	-	-	-	-	-	-	-	-
Other governmental units	3 651	-	-	-	-	-	-	-	-
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	245 436	222 350	227 002	167 789	167 789	167 789	176 179	184 769	193 084
Interest	245 275	222 350	227 002	167 789	167 789	167 789	176 179	184 769	193 084
Dividends	161	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Sales of capital assets	10	-	2	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Other capital assets	10	-	2	-	-	-	-	-	-
Transactions in financial assets and liabilities	288	-	106	-	-	-	-	-	-
Total departmental receipts	249 557	223 112	227 289	168 000	168 000	168 000	176 400	185 000	193 325

Table B.2: Payments and estimates by economic classification: Provincial Treasury

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2018/19	2019/20	2020/21				2022/23	2023/24	2024/25
Current payments	473 671	468 456	402 629	501 082	508 332	508 260	523 655	539 062	558 028
Compensation of employees	296 079	311 711	304 531	320 000	323 805	323 733	340 274	343 517	358 941
Salaries and wages	259 448	272 740	265 731	269 915	269 380	269 308	291 541	293 210	306 375
Social contributions	36 631	38 971	38 800	50 085	54 425	54 425	48 733	50 307	52 566
Goods and services	177 591	176 747	97 967	181 082	184 527	184 527	183 381	195 545	199 087
Administrative fees	2 704	2 373	1 268	3 256	3 256	3 256	3 412	3 562	3 722
Advertising	4 551	2 453	1 984	4 891	5 520	5 520	4 291	4 523	4 726
Minor assets	119	275	2 360	1 643	1 524	1 524	1 720	1 800	1 880
Audit cost: External	28 984	9 634	6 549	25 343	8 193	8 193	19 756	20 845	21 782
Bursaries: Employees	916	740	685	982	632	632	1 029	1 074	1 122
Catering: Departmental activities	3 409	3 037	722	3 733	3 622	3 622	4 058	4 239	4 428
Communication (G&S)	23 974	23 295	12 823	19 367	17 109	17 109	23 998	25 990	26 158
Computer services	6 397	6 773	5 695	7 074	6 094	6 094	7 224	7 541	7 879
Consultants and professional services: Business and advisory services	38 843	62 291	40 032	39 492	74 615	74 615	39 473	43 935	42 133
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	375	577	305	637	637	637	668	697	728
Contractors	678	758	332	1 064	939	939	1 129	1 179	1 232
Agency and support / outsourced services	8	-	7	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including government motor transport)	3 724	3 655	2 470	3 500	3 504	3 504	3 733	3 897	4 072
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Chemicals, fuel, oil, gas, wood and coal	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medias inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	3 177	2 208	2 700	6 514	5 006	5 006	5 653	5 944	6 209
Consumable: Stationery, printing and office supplies	12 912	11 726	4 344	12 297	10 819	10 819	12 892	13 463	14 066
Operating leases	7 854	9 514	8 750	10 190	11 755	11 755	10 714	11 185	11 688
Property payments	3 971	3 255	2 782	2 326	3 645	3 645	4 457	4 698	4 910
Transport provided: Departmental activity	376	157	-	426	190	190	447	466	487
Travel and subsistence	14 454	18 483	1 970	15 260	11 868	11 868	15 719	16 444	17 407
Training and development	13 952	10 833	1 181	14 513	8 538	8 538	14 758	15 415	15 423
Operating payments	1 714	1 147	761	2 329	1 976	1 976	1 716	1 819	1 901
Venues and facilities	4 464	3 559	184	6 205	5 045	5 045	6 492	6 785	7 089
Rental and hiring	35	4	63	40	40	40	42	44	45
Interest and rent on land	1	-	131	-	-	-	-	-	-
Interest	1	-	131	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	1 700	1 420	1 918	733	2 698	2 770	769	802	838
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	130	170	10	-	-	-	-	-	-
Households	1 570	1 250	1 908	733	2 698	2 770	769	802	838
Social benefits	1 570	1 250	1 908	733	2 665	2 707	769	802	838
Other transfers to households	-	-	-	-	33	63	-	-	-
Payments for capital assets	3 429	3 277	4 980	7 484	6 484	6 484	7 330	7 665	8 013
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	3 429	3 277	4 980	7 484	6 484	6 484	7 330	7 665	8 013
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	3 429	3 277	4 980	7 484	6 484	6 484	7 330	7 665	8 013
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	218	12	-	-	-	-	-	-	-
Total economic classification	479 018	493 167	409 527	509 299	517 514	517 514	531 754	547 529	566 879

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2021/22	Revised estimate	Medium-term estimates		
	2018/19	2019/20	2020/21				2022/23	2023/24	2024/25
Current payments	147 518	147 636	124 748	160 398	151 499	151 450	146 788	150 232	156 973
Compensation of employees	99 114	105 222	102 097	101 153	110 674	110 625	102 036	102 672	107 282
Salaries and wages	86 283	91 656	88 747	89 645	94 161	94 112	91 912	92 640	96 799
Social contributions	12 831	13 566	13 350	11 508	16 513	16 513	10 124	10 032	10 483
Goods and services	48 403	42 414	22 520	59 245	40 825	40 825	44 752	47 560	49 691
Administrative fees	5	—	1	—	—	—	—	—	—
Advertising	2 380	1 526	1 398	2 864	3 493	3 493	2 122	2 259	2 360
Minor assets	75	189	510	657	662	662	584	615	642
Audit cost: External	10 775	7 513	4 141	18 657	3 507	3 507	4 119	4 949	5 171
Bursaries: Employees	916	740	685	982	632	632	1 029	1 074	1 122
Catering: Departmental activities	1 066	603	209	1 833	996	996	2 061	2 153	2 249
Communication (G&S)	847	886	909	1 027	1 100	1 100	1 024	1 071	1 119
Computer services	1 797	2 137	2 408	2 150	2 320	2 320	2 253	2 352	2 458
Consultants and professional services: Business and advisory services	321	979	1 021	1 495	1 353	1 353	1 545	1 613	1 686
Infrastructure and planning	—	—	—	—	—	—	—	—	—
Laboratory services	—	—	—	—	—	—	—	—	—
Scientific and technological services	—	—	—	—	—	—	—	—	—
Legal services	375	577	305	637	637	637	668	697	728
Contractors	678	753	332	1 018	871	871	1 081	1 129	1 180
Agency and support / outsourced services	—	—	7	—	—	—	—	—	—
Entertainment	—	—	—	—	—	—	—	—	—
Fleet services (including government motor transport)	3 724	3 655	2 470	3 500	3 504	3 504	3 733	3 897	4 072
Housing	—	—	—	—	—	—	—	—	—
Inventory: Clothing material and accessories	—	—	—	—	—	—	—	—	—
Inventory: Farming supplies	—	—	—	—	—	—	—	—	—
Inventory: Food and food supplies	—	—	—	—	—	—	—	—	—
Inventory: Chemicals, fuel, oil, gas, wood and coal	—	—	—	—	—	—	—	—	—
Inventory: Learner and teacher support material	—	—	—	—	—	—	—	—	—
Inventory: Materials and supplies	—	—	—	—	—	—	—	—	—
Inventory: Medical supplies	—	—	—	—	—	—	—	—	—
Inventory: Medicine	—	—	—	—	—	—	—	—	—
Medicines inventory interface	—	—	—	—	—	—	—	—	—
Inventory: Other supplies	—	—	—	—	—	—	—	—	—
Consumable supplies	2 799	1 799	2 330	5 417	3 796	3 796	4 404	4 646	4 853
Consumable: Stationery, printing and office supplies	4 197	2 850	1 247	3 575	3 200	3 200	3 551	3 716	3 882
Operating leases	1 434	1 333	1 084	1 422	1 662	1 662	1 490	1 556	1 626
Property payments	2 976	2 074	1 707	1 377	2 277	2 277	3 467	3 664	3 829
Transport provided: Departmental activity	322	157	—	426	151	151	447	466	487
Travel and subsistence	5 376	6 914	765	4 246	4 219	4 219	3 493	3 689	3 854
Training and development	5 189	5 519	522	4 359	3 605	3 605	4 618	4 782	4 997
Operating payments	1 507	518	406	1 100	747	747	452	499	521
Venues and facilities	1 609	1 688	—	2 463	2 053	2 053	2 569	2 689	2 810
Rental and hiring	35	4	63	40	40	40	42	44	45
Interest and rent on land	1	—	131	—	—	—	—	—	—
Interest	1	—	131	—	—	—	—	—	—
Rent on land	—	—	—	—	—	—	—	—	—
Transfers and subsidies	451	697	1 185	205	419	468	215	224	234
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	130	120	10	—	—	—	—	—	—
Households	321	577	1 175	205	419	468	215	224	234
Social benefits	321	577	1 175	205	419	438	215	224	234
Other transfers to households	—	—	—	—	—	30	—	—	—
Payments for capital assets	1 609	1 008	2 953	2 662	1 897	1 897	1 972	2 083	2 179
Buildings and other fixed structures	—	—	—	—	—	—	—	—	—
Buildings	—	—	—	—	—	—	—	—	—
Other fixed structures	—	—	—	—	—	—	—	—	—
Machinery and equipment	1 609	1 008	2 953	2 662	1 897	1 897	1 972	2 083	2 179
Transport equipment	—	—	684	—	—	—	—	—	—
Other machinery and equipment	1 609	1 008	2 269	2 662	1 897	1 897	1 972	2 083	2 179
Heritage Assets	—	—	—	—	—	—	—	—	—
Specialised military assets	—	—	—	—	—	—	—	—	—
Biological assets	—	—	—	—	—	—	—	—	—
Land and sub-soil assets	—	—	—	—	—	—	—	—	—
Software and other intangible assets	—	—	—	—	—	—	—	—	—
Payments for financial assets	195	—	—	—	—	—	—	—	—
Total economic classification	149 773	149 341	128 886	163 265	153 815	153 815	148 975	152 539	159 386

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2021/22	Revised estimate	Medium-term estimates		
	2018/19	2019/20	2020/21				2022/23	2023/24	2024/25
Current payments	103 533	139 839	107 261	125 588	153 198	153 198	131 711	137 613	140 020
Compensation of employees	66 681	68 949	68 325	82 350	77 595	77 595	88 206	89 145	93 147
Salaries and wages	58 643	60 477	59 846	65 756	61 666	61 666	71 705	71 933	75 163
Social contributions	8 038	8 472	8 479	16 594	15 929	15 929	16 501	17 212	17 984
Goods and services	36 852	70 890	38 936	43 238	75 603	75 603	43 505	48 468	46 873
Administrative fees	-	-	-	-	-	-	-	-	-
Advertising	-	-	408	-	-	-	-	-	-
Minor assets	6	25	626	537	387	387	565	592	618
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	573	1 024	413	605	1 144	1 144	634	663	693
Communication (G&S)	431	454	509	561	615	615	586	612	640
Computer services	331	493	464	369	519	519	387	404	422
Consultants and professional services: Business and advisory services	27 082	57 553	33 621	28 871	62 536	62 536	28 364	32 637	30 327
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	-	-
Contractors	-	-	-	-	-	-	-	-	-
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: Chemicals, fuel, oil, gas, wood and coal	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medias inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	138	95	140	726	616	616	760	794	830
Consumable: Stationery, printing and office supplies	3 034	2 913	1 300	3 210	3 454	3 454	3 365	3 516	3 675
Operating leases	281	364	486	635	813	813	701	733	767
Property payments	-	-	-	100	100	100	100	105	110
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	4 030	5 458	838	5 106	3 692	3 692	5 405	5 654	5 909
Training and development	203	1 870	-	1 288	567	567	1 349	1 411	1 475
Operating payments	25	9	-	82	82	82	86	90	94
Venues and facilities	718	632	131	1 148	1 078	1 078	1 203	1 257	1 313
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	415	289	48	-	254	254	-	-	-
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	-	50	-	-	-	-	-	-	-
Households	415	239	48	-	254	254	-	-	-
Social benefits	415	239	48	-	254	254	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	499	916	1 033	1 464	1 265	1 265	1 536	1 607	1 679
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	499	916	1 033	1 464	1 265	1 265	1 536	1 607	1 679
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	499	916	1 033	1 464	1 265	1 265	1 536	1 607	1 679
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total economic classification	104 447	141 044	108 342	127 052	154 717	154 717	133 247	139 220	141 699

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2021/22	Revised estimate	Medium-term estimates		
	2018/19	2019/20	2020/21				2022/23	2023/24	2024/25
Current payments	47 744	46 495	39 977	54 905	48 898	48 898	56 273	57 011	59 572
Compensation of employees	30 073	34 102	34 831	35 790	36 283	36 283	35 933	36 076	37 697
Salaries and wages	26 221	29 736	30 302	28 393	28 886	28 886	28 180	27 982	29 239
Social contributions	3 852	4 366	4 529	7 397	7 397	7 397	7 753	8 094	8 458
Goods and services	17 671	12 393	5 146	19 115	12 615	12 615	20 340	20 935	21 875
Administrative fees	-	-	-	-	-	-	-	-	-
Advertising	2 171	927	178	2 027	2 027	2 027	2 169	2 264	2 366
Minor assets	6	34	908	89	102	102	94	99	104
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	294	121	34	410	397	397	429	448	468
Communication (G&S)	261	270	241	399	399	399	418	437	457
Computer services	1 175	1 083	-	1 709	409	409	1 602	1 672	1 747
Consultants and professional services: Business and advisory services	728	280	-	1 481	81	81	1 504	1 270	1 327
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	-	-
Contractors	-	-	-	-	-	-	-	-	-
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: Chemicals, fuel, oil, gas, wood and coal	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medias inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	26	48	23	122	122	122	128	134	140
Consumable: Stationery, printing and office supplies	1 420	1 958	502	1 477	677	677	1 548	1 616	1 688
Operating leases	1 790	2 224	2 215	2 584	2 734	2 734	2 708	2 827	2 954
Property payments	154	201	193	223	223	223	234	244	255
Transport provided: Departmental activity	21	-	-	-	-	-	-	-	-
Travel and subsistence	2 092	2 538	233	3 003	1 653	1 653	3 147	3 286	3 434
Training and development	6 843	2 352	509	4 338	2 838	2 838	5 046	5 268	5 504
Operating payments	136	36	57	548	548	548	574	599	626
Venues and facilities	554	321	53	705	405	405	739	771	805
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	214	84	60	202	245	245	212	221	231
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	214	84	60	202	245	245	212	221	231
Social benefits	214	84	60	202	212	212	212	221	231
Other transfers to households	-	-	-	-	33	33	-	-	-
Payments for capital assets	212	548	741	1 361	1 325	1 325	1 428	1 492	1 559
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	212	548	741	1 361	1 325	1 325	1 428	1 492	1 559
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	212	548	741	1 361	1 325	1 325	1 428	1 492	1 559
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	23	12	-	-	-	-	-	-	-
Total economic classification	48 193	47 139	40 778	56 468	50 468	50 468	57 913	58 724	61 362

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2021/22	Revised estimate	Medium-term estimates		
	2018/19	2019/20	2020/21				2022/23	2023/24	2024/25
Current payments	174 876	154 488	130 643	160 191	154 737	154 714	188 883	194 206	201 463
Compensation of employees	100 211	103 438	99 278	100 707	99 253	99 230	114 099	115 624	120 815
Salaries and wages	88 301	90 871	86 836	86 121	84 667	84 644	99 744	100 655	105 174
Social contributions	11 910	12 567	12 442	14 586	14 586	14 586	14 355	14 969	15 641
Goods and services	74 665	51 050	31 365	59 484	55 484	55 484	74 784	78 582	80 648
Administrative fees	2 699	2 373	1 267	3 256	3 256	3 256	3 412	3 562	3 722
Advertising	-	-	-	-	-	-	-	-	-
Minor assets	32	27	316	360	373	373	477	494	516
Audit cost: External	18 209	2 121	2 408	6 686	4 686	4 686	15 637	15 896	16 611
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	1 476	1 289	66	885	1 085	1 085	934	975	1 018
Communication (G&S)	22 435	21 685	11 164	17 380	14 995	14 995	21 970	23 870	23 942
Computer services	3 094	3 060	2 823	2 846	2 846	2 846	2 982	3 113	3 252
Consultants and professional services: Business and advisory services	10 712	3 479	5 390	7 645	10 645	10 645	8 060	8 415	8 793
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	-	-
Contractors	-	5	-	46	68	68	48	50	52
Agency and support / outsourced services	8	-	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including government motor transport)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Chemicals, fuel, oil, gas, wood and coal	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medias inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	214	266	207	249	472	472	361	370	386
Consumable: Stationery, printing and office supplies	4 261	4 005	1 295	4 035	3 488	3 488	4 428	4 615	4 821
Operating leases	4 349	5 593	4 965	5 549	6 546	6 546	5 815	6 069	6 341
Property payments	841	980	882	626	1 045	1 045	656	685	716
Transport provided: Departmental activity	33	-	-	-	39	39	-	-	-
Travel and subsistence	2 956	3 573	134	2 905	2 304	2 304	3 674	3 815	4 210
Training and development	1 717	1 092	150	4 528	1 528	1 528	3 745	3 954	3 447
Operating payments	46	584	298	599	599	599	604	631	660
Venues and facilities	1 583	918	-	1 889	1 509	1 509	1 981	2 068	2 161
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	620	350	625	326	1 780	1 803	342	357	373
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	620	350	625	326	1 780	1 803	342	357	373
Social benefits	620	350	625	326	1 780	1 803	342	357	373
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	1 109	805	253	1 997	1 997	1 997	2 394	2 483	2 596
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	1 109	805	253	1 997	1 997	1 997	2 394	2 483	2 596
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	1 109	805	253	1 997	1 997	1 997	2 394	2 483	2 596
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total economic classification	176 605	155 643	131 521	162 514	158 514	158 514	191 619	197 046	204 432