

# Vote 12

**Department:** *Provincial Treasury*

**Table 1: Summary of departmental allocation**

To be appropriated by Vote in 2023/24	R454 989 000
Responsible MEC	MEC for Finance
Administering Department	Provincial Treasury
Accounting Officer	Head of Provincial Treasury

## 1. Overview

### 1.1. Vision

A prosperous province supported by sound financial, governance and resource management.

### 1.2. Mission

To provide strategic and technical leadership in the allocation, management and utilisation of financial resources for socio-economic development in the province.

### 1.3. Core functions and responsibilities

The oversight role of the department requires it to ensure the stability and soundness of the financial system and financial services, coordinate intergovernmental financial and fiscal relations, manage the budget preparation process and enforce transparency and effective management in respect of revenue and expenditure, assets and liabilities, public entities and constitutional institutions.

### 1.4. Main Services

- Preparation of the provincial budget;
- Exercising control over the implementation of the provincial budget;
- Promoting and enforce transparency and effective management in respect of revenue, expenditure, assets and liabilities of provincial departments and provincial public entities;
- Ensuring that its fiscal policies do not materially and unreasonably prejudice national economic policies;

- Enforcing the PFMA and any prescribed national and provincial norms and standards, including any prescribed standards of generally recognised accounting practices and uniform classification systems, in provincial departments;
- Ensure compliance with the annual Division of Revenue Act (DoRA), and monitor and assess the implementation of DoRA in provincial departments, municipalities and public entities;
- Monitor and assess the implementation of national and provincial norms and standards by provincial public entities;
- Assist provincial departments, municipalities and provincial public entities in building their capacity for efficient, effective and transparent financial management;
- Investigate any system of financial management and internal control applied by a provincial department or a provincial public entity; and
- Municipal support and enforce Municipal Finance Management.

### **1.5. Demands for and expected changes in the services**

The endeavour to ensure Provincial Treasury carries its mandate to the fullest has necessitated the review of the organisational structure in order to enhance efficiency in supporting departments and municipalities. In the case of Municipal Financial Governance, there are 13 additional posts to cover areas that were not catered for in the old organogram such as Revenue Collection, Supply Chain Management, Audit and Risk Management, and Accounting Services, which are deemed crucial in the attainment of clean audit outcomes by municipalities.

In line with the Provincial Medium Term Strategic Framework (P-MTSF) Priority 2: Economic transformation and job creation, the department issued the Strategic Procurement Framework (SPF) to all provincial departments for implementation to provide guidance on the strategic procurement and strategic sourcing principles that will be applied across the Eastern Cape Provincial Government. This will also guide on how these principles will be applied and integrated into existing Procurement Planning and Compliance Monitoring Processes. This priority was considered in the organisational structure review through enhancing the capacity of Asset and Liability Management by creating an additional function to monitor the implementation of the SPF especially with regards to infrastructure procurement.

In order to strengthen the Department of Health Intervention with an intention to eradicate medico-legal claims which put a strain on the provincial budget, 19 posts have been created. To sustain the project with the limited resources, the medico-legal team has been allocated areas of responsibility as champions.

### **1.6. The Acts, rules and regulations**

The department derives its existence from Sections 213, 215, 216, 217, 218, 219, 226, 227 and 230 of the Constitution of the Republic of South Africa (Act 108 of 1996), Sections 17 and 18 of the Public Finance Management Act (PFMA), 1999 as amended, Municipal Finance Management Act (MFMA) and National Treasury Regulations.

## **1.7. Budget decisions**

Provincial Treasury is part of the initiative spearheaded by the Office of the Premier to centralise Information and Communication Technology (ICT) in the province starting in this 2023 MTEF period. This will assist the province to optimise resources as this will create a pool of resources that will reduce outsourcing of services in the province.

## **1.8. Aligning departmental budgets to achieve government's prescribed outcomes**

The department's key constitutional mandate, as stated above, entails the provision of strategic and technical leadership in the efficient and sustainable allocation, management and utilisation of financial resources to provincial departments, municipalities and public entities in order to improve the quality of life in the province. To give effect to this mandate, the department has selected four strategic priorities in line with the National Development Plan (NDP) and the Provincial Development Plan (PDP) and these include Fiscal Consolidation; Supply Chain Management Reforms; Infrastructure Support as well as Provincial and Municipal Governance and Accountability.

# **2. Review of the current financial year (2022/23)**

## **2.1. Key achievements**

The department continued to implement the identified strategic priorities that are driven throughout the sixth administration namely Fiscal Consolidation; SCM reforms; Infrastructure Support as well as Provincial and Municipal Governance and Accountability.

With regards to Fiscal Consolidation, the department continued to implement cost containment measures that prioritise expenditure on core service delivery programmes and less on non-core items, whilst ensuring the stabilisation of governance in the province. The management of wage bill also continues to be a priority during the period under review, and this saw a reduction in the Compensation of Employees (CoE) as a percentage of the total budget from 65.4 per cent (as per the main budget) to 63.2 per cent as at third quarter. However, this is still above the set target of 62:38 ratio. The department continues with the Zero Based Budgeting System (ZBBS) in the light of the current fiscal constraints, thus assisting departments to improve in their budgeting and minimising inefficiencies.

In respect to rationalisation of public entities, the department has requested the services of Government Technical Advisory Centre (GTAC) to support the affected departments to drive the rationalisation of public entities project to its logical conclusion. Provincial Treasury has worked with Office of the Premier towards the establishment of a provincial steering committee to support and oversee progress on the implementation of this project.

The department recorded an over collection on revenue during the period under review and this is mainly due to higher than anticipated interest received from exchequer investments at Provincial Treasury. The enhancement of revenue through the revenue study also continued during the period and Provincial

Treasury supported departments with the implementation plans and revenue collection through Chief Financial Officer (CFO) Forum meetings, Ad-hoc meetings with concerned departments and engagement of stakeholder institutions such as the Road Accident Fund.

In respect to Supply Chain Management (SCM) reforms, the department continued to support the prioritisation of the Small Medium, and Micro-sized Enterprises (SMMEs) development with a special focus on local procurement including women, persons with disabilities and youth. There was also improvement in payment of creditors within a 30-day period to ensure that SMME's cash flows and financial sustainability. Provincial Treasury implemented various interventions to mitigate the non-payment of suppliers which include introducing additional disbursements dates, participation on the Health Invoice Tracking System development, Quarterly Creditor Forums focusing on Department of Health and Department of Education and utilisation of the Have I Been paid invoice tracking application.

Provincial departments were also supported on the implementation of the Local Economic Development (LED) Procurement Framework in order to achieve 50 per cent local spend as planned and ensure all outstanding departmental LED procurement strategies are reviewed. As at end December 2022, the cumulative procurement spend on Eastern Cape based suppliers was 49.3 per cent.

The Provincial Government, through Provincial Treasury has established a government procurement of agricultural products programme which aims to capacitate and support farmers to qualify for the government market and to advise on sourcing of agricultural products in the Eastern Cape. In November 2022, the Province hosted a benchmarking workshop with the Mpumalanga Department of Education, Western Cape Department of Education and Gauteng Department of Agriculture and Rural Development towards crafting a suitable model for the Province. Through this programme, the following departments are targeted; Department of Education, Department of Health, Department of Social Development, South African National Defence Force and Correctional Services. The Department of Rural Development and Agrarian Reform (DRDAR) is in the process of refining the database of farmers and aggregators across the Province from which agricultural products can be sourced. In the meanwhile, the Department of Health has developed a Strategy for Procurement of Patient Food for Hospitals which is targeting Eastern Cape based farmers, fresh produce markets, abattoirs and aggregators. To achieve greater integration and coordination across spheres of government, Provincial Treasury supported departments on the implementation of the Infrastructure Program Management Plans (IPMPs).

The department continued to remain fully involved in its oversight role and assisting departments as a strategy to improve audit outcomes. The results of the 2021/22 audit show an improvement, as the province managed to obtain 22 unqualified audit outcomes and three qualified audit opinions for the PFMA institutions. Hand-on support was provided to all departments during the audit process. Whilst at municipal level, 21 municipalities attained unqualified audit opinions and this is equivalent to 54 percent of municipalities in the province. Included in these municipalities are 3 municipalities that attained unqualified audit opinions without findings. Of the 36 municipalities, 29 municipalities' budgets were assessed to be funded and this is an improvement from the previous financial year. This is equivalent to 80 percent of the delegated municipalities in the province. Various interventions including fiscal discipline, implementation

of cost containment measures, implementation of credit control policies, spending on conditional grants, restructuring of debt owed, and development and implementation of budget turnaround plans were undertaken.

## **2.2. Key challenges**

- Constrained to recruit and retain staff on contract basis due to its short time span;
- Ongoing staff development and recruitment and retaining competent and academic par excellency officials;
- The cash flow challenges at the department of Education and Health has impacted on their ability to surrender unspent voted funds which currently stand at R656 million and R1.6 billion respectively;
- Departments inability to trace/allocate the ex-employees resulting in excessive debt write-off/prescription of debt; and
- The adoption of unfunded budgets in the municipalities has a negative impact on service delivery.

## **3. Outlook for the coming financial year (2023/24)**

The department continues to implement the four identified strategic priorities. Therefore, cost containment measures will continue to form the basis of the Fiscal Consolidation Strategy to stabilise provincial finances especially during this period of constrained economic activity. More focus will be on Management of Wage Bill, Zero- Based Budgeting, Reducing Government Contingency Liability Costs and enhancing Provincial Own Revenue.

The wage bill spending ceilings will be maintained although personnel appointments on PERSAL have now been reallocated to respective provincial departments for authorization. The annual recruitment plan is still managed in line with Provincial Coordinating Monitoring Team (PCMT) approvals to enforce adherence to cost containment and curb the unsustainable rise in personnel costs in the province whilst being cognisant of not compromising the service delivery imperatives.

Provincial departments will be supported to enhance and increase provincial revenue despite low growth trends resulting from weak economic activity. Strategies to enhance and increase provincial revenue will continue to be executed to provide positive results amid the tight fiscal environment. PT will continue to monitor the revenue collection and will have to find innovative ways of collecting the revenue at departments. This is especially relevant at Departments of Health and Transport with electronic systems to process revenue and the enforcement of service level agreements at Transport to recover monies due to the province. The liquidity of the Provincial Revenue Fund (PRF) will continue be maintained through managing provincial cash inflows and outflows as per national payment schedule, daily monitoring and reporting of the activities on the provincial banking portfolio of accounts (PMG, Exchequer, Investments and CPD-IGCC accounts, and investing excess funds with the approved financial institutions at competitive interest rates to generate more interest income for the provincial own revenue, which is utilised to fund provincial priorities.

The department will continue to work closely with the Department of Health and the Office of the Premier to address medico-legal claims that pose a liquidity risk to the provincial fiscus. The intervention team which was appointed to assist in addressing the rise in medico-legal claims in the Department of Health that poses a serious threat to provincial budget baseline will continue with its work. Provincial Treasury has provided various inputs to the funding of health, and a concerted effort is undertaken to reduce writs served to the Department of Health PMG account.

The rationalisation of provincial public entities is on course to strengthen and improve financial management and governance in these entities in order to maximise economic benefits to the province. The department is working with departments to streamline functions of public entities, and has requested the services of GTAC to support the affected departments to drive the rationalisation project to its logical conclusion. The department will work with the Office of the Premier towards a provincial steering committee to support and oversee progress on the implementation of this project.

In monitoring payment of creditors within 30 days, Creditor Management Forums which will deal with the issue of non-payment to service providers by provincial departments will be conducted. Furthermore, one-on-one sessions will continue to be conducted with departments of Health and Education to address line-by-line reasons for non-payment of creditors and enforcing compliance. Health and Education monthly creditors forums will be convened to focus specifically on the implementation of recommendations from their research on accruals and payables.

With the uncertainty and delays to the procurement processes created by the latest Constitutional Court ruling on the invalidity of the Preferential Procurement Regulations having been cleared, the implementation of LED Procurement Framework continues to be prioritised. Provincial departments are supported to promote local content and procurement opportunities for local suppliers. Special focus is on SMME development, preferential procurement (that includes designated groups) and payment of creditors within a 30-day period. The utilisation of the HIBPEC invoice tracking application will continue to assist in speeding up payment of creditors.

The drive to improve procurement efficiencies through transversal contracts, capacitation of suppliers on opportunities available to enable Small, Medium and Micro-Enterprises (SMMEs) to do business with government, including administrative support and registration on the Central Supplier Database (CSD) and LOGIS will continue to be pursued. Special focus on local procurement will continue to focus on women, persons with disabilities and youth and ensure improvement in payment of creditors to ensure cash flows and financial sustainability of SMMEs. Ongoing support will be provided to departments to implement the Framework for Infrastructure Delivery and Procurement Management (FIDPM) to ensure integrated infrastructure planning, procurement and delivery across the infrastructure value chain. The Programme will continue to ensure optimal utilisation of assets in the departments and public entities.

Provincial Treasury together with the Department of Public Works and Infrastructure will continue to monitor infrastructure budget performance in line with procurement plans to facilitate the removal of projects bottlenecks.



Support will be provided to the departments and municipalities with heightened audit risks through the implementation of audit improvement plans to ensure improved audit outcomes. Ongoing financial management and governance support will be provided to provincial departments and municipalities, including mSCOA implementation as part of improvement of financial management in local government. Support to municipalities will be spatially referenced and aligned to district development model and municipal integrated development plans. PT will continue participating in intervention programmes at the identified municipalities in an effort to stabilise their finances. To institutionalise discipline in the management of public resources and ensure that departments and entities move towards sustainable financial maturity, PT will continue with the implementation of the Financial Management Accountability Framework.

The review of the organisational structure will assist in centralising all the MFMA functions under Programme 5 with the intention to provide a focused support to the municipalities. The implementation of the Strategic Procurement Framework to enhance economic transformation and job creation has been considered in the new structure through provision of additional capacity. The Department of Health Intervention project will be enhanced by provision of new posts.

## **4. Reprioritisation**

The department continues to conduct in-depth reprioritisation process in order to ensure that key service delivery areas remains protected. Funds were also reprioritised from savings in Communication costs to Minor assets and Travel and Subsistence within Goods and Services. These were for ICT related projects and an increase in official travel due to the lifting of COVID-19 restrictions. Additionally, the department has reprioritised funds from Compensation of Employees to Goods and Services to fund new posts in the proposed organisational structure. These funds are ring-fenced pending the finalization of the review process. The budget committee will continue to play an active role in ensuring that programmes are spending as projected and that budget pressures are addressed through reprioritisation. This monitoring exercise will continue over the 2023 MTEF.

## **5. Procurement**

The procurement and contract management processes in the department will continue to be improved and strengthened through continuous training of SCM officials on new reforms. The department will further strengthen the wider participation by all targeted groups in various categories of procurement. The department will also continue to implement cost containment measures and realise efficiency gains. This will be achieved through implementing strategic sourcing for the identified commodities by arranging departmental own term contracts and increased participation on the transversal contracts arranged by National and Provincial Treasuries.

The major drivers of the procurement plan among others will be the procurement of ICT equipment, conducting various investigations and interventions, Internal Audit and Risk Management trainings, Supply

Chain Management training, Infrastructure Support, Evaluations, Organisation Development projects and ICT audits.

## 6. Receipts and financing

### 6.1. Summary of receipts

**Table 2: Summary of departmental receipts**

R thousand	Outcome			Main appropriation	Adjusted appropriation 2022/23	Revised estimate	Medium-term estimates			% change from 2022/23
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26	
Equitable share	416 859	367 755	375 932	421 716	409 193	409 455	454 989	473 111	496 021	11.1
Conditional grants										
<b>Departmental receipts</b>	<b>416 859</b>	<b>367 755</b>	<b>375 932</b>	<b>421 716</b>	<b>409 193</b>	<b>409 455</b>	<b>454 989</b>	<b>473 111</b>	<b>496 021</b>	<b>11.1</b>
of which										
<b>Total receipts</b>	<b>947 947</b>	<b>513 315</b>	<b>359 224</b>	<b>126 885</b>	<b>126 885</b>	<b>285 323</b>	<b>132 594</b>	<b>138 561</b>	<b>144 935</b>	<b>(53.5)</b>

Table 2 above shows departmental receipts from 2019/20 to 2025/26. The decrease from R416.859 million in 2019/20 to the revised estimate of R409.455 million in 2022/23 is mainly due to the completion of the social infrastructure projects. In 2023/24, the allocation increases to R454.989 million mainly due to additional allocations received for Medico-Legal interventions, funds rescheduled from the prior year for ICT related infrastructure and provincial infrastructure support and provisions made for the implementation of the proposed organisational structure.

### 6.2. Departmental receipts collection

**Table 3: Summary of departmental receipts and collection**

R thousand	Outcome			Main appropriation	Adjusted appropriation 2022/23	Revised estimate	Medium-term estimates			% change from 2022/23
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26	
Tax receipts										
Casino taxes										
Horse racing taxes										
Liquor licences										
Motor vehicle licences										
Sales of goods and services other than capital assets	215	216	210	262	262	223	287	300	313	28.7
Transfers received										
Fines, penalties and forfeits										
Interest, dividends and rent on land	947 730	513 005	358 993	125 742	125 742	284 671	131 471	137 387	143 709	(53.8)
Sales of capital assets										
Transactions in financial assets and liabilities	2	94	21	881	881	429	836	874	913	94.9
<b>Total departmental receipts</b>	<b>947 947</b>	<b>513 315</b>	<b>359 224</b>	<b>126 885</b>	<b>126 885</b>	<b>285 323</b>	<b>132 594</b>	<b>138 561</b>	<b>144 935</b>	<b>(53.5)</b>

Table 3 above shows the summary of departmental receipts and collections from 2019/20 to 2025/26. Own revenue decreased from R947.947 million in 2019/20 to an estimated R285.323 million in 2022/23. The decrease to R132.594 million in 2023/24 is due to expected lower cash balances in the Provincial Revenue



Fund owing to allocation of surplus funds for provincial priorities. It is estimated that receipts will increase gradually in the two outer years.

## 7. Payment summary

### 7.1. Key assumptions

Assumptions and factors contained in the 2022 Medium-Term Budget Policy Statement (MTBPS), such as living wage adjustments and cash gratuity for 2023/24 were taken into consideration. National and provincial budget reductions as well as cost containment measures have been taken into account for the entire 2023 MTEF.

### 7.2. Programme Summary

**Table 4: Summary of payments and estimates by programme**

R thousand	Outcome			Main appropriation	Adjusted appropriation 2022/23	Revised estimate	Medium-term estimates			% change from 2022/23
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26	
1. Administration	153 087	145 080	149 028	169 716	168 915	169 247	193 712	201 054	212 170	14.5
2. Sustainable Resource Management	70 473	70 485	73 460	81 510	77 752	77 752	84 642	86 805	85 257	8.9
3. Asset And Liability	26 135	24 644	25 369	26 692	26 153	26 153	25 648	27 134	28 207	(1.9)
4. Financial Governance	90 439	81 619	80 439	87 105	83 147	82 965	93 196	97 023	106 613	12.3
5. Municipal Financial Governance	76 725	45 927	47 636	56 693	53 226	53 338	57 791	61 095	63 774	8.3
<b>Total payments and estimates</b>	<b>416 859</b>	<b>367 755</b>	<b>375 932</b>	<b>421 716</b>	<b>409 193</b>	<b>409 455</b>	<b>454 989</b>	<b>473 111</b>	<b>496 021</b>	<b>11.1</b>

### 7.3. Summary of economic classification

**Table 5: Summary of payments and estimates by economic classification**

R thousand	Outcome			Main appropriation	Adjusted appropriation 2022/23	Revised estimate	Medium-term estimates			% change from 2022/23
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26	
<b>Current payments</b>	<b>385 661</b>	<b>356 965</b>	<b>366 075</b>	<b>406 938</b>	<b>395 161</b>	<b>395 213</b>	<b>439 393</b>	<b>459 666</b>	<b>483 628</b>	<b>11.2</b>
Compensation of employees	322 350	318 430	319 278	336 585	325 242	325 242	335 375	355 261	374 919	3.1
Goods and services	63 311	38 535	46 797	70 353	69 919	69 971	104 018	104 405	108 709	48.7
Interest and rent on land										
<b>Transfers and subsidies to:</b>	<b>26 357</b>	<b>6 100</b>	<b>4 173</b>	<b>1 886</b>	<b>5 317</b>	<b>5 527</b>	<b>1 970</b>	<b>2 060</b>	<b>2 155</b>	<b>(64.4)</b>
Provinces and municipalities	23 587									
Departmental agencies and accounts	816	942	849	1 102	1 103	1 103	1 152	1 205	1 260	4.4
Higher education institutions										
Foreign governments and international organisations										
Public corporations and private enterprises										
Non-profit institutions										
Households	1 954	5 158	3 324	784	4 214	4 424	818	855	895	(81.5)
<b>Payments for capital assets</b>	<b>4 528</b>	<b>4 514</b>	<b>5 361</b>	<b>12 892</b>	<b>8 715</b>	<b>8 715</b>	<b>13 626</b>	<b>11 385</b>	<b>10 238</b>	<b>56.4</b>
Buildings and other fixed structures										
Machinery and equipment	4 492	4 514	5 361	12 892	8 715	8 715	13 626	11 385	10 238	56.4
Heritage Assets										
Specialised military assets										
Biological assets										
Land and sub-soil assets										
Software and other intangible assets										
<b>Payments for financial assets</b>	<b>313</b>	<b>176</b>	<b>323</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Total economic classification</b>	<b>416 859</b>	<b>367 755</b>	<b>375 932</b>	<b>421 716</b>	<b>409 193</b>	<b>409 455</b>	<b>454 989</b>	<b>473 111</b>	<b>496 021</b>	<b>11.1</b>

Tables 4 and 5 above show the summary of payments and estimates per programme and economic classification from 2019/20 to 2025/26. Actual expenditure decreased from R416.859 million in 2019/20 to a revised estimate of R409.455 million in 2022/23. The decrease is mainly due to the completion of the social infrastructure projects. In 2023/24, the budget increases by 11.1 per cent to R454.989 million mainly due to additional allocations received for Medico-Legal interventions. It is also due to funds rescheduled from the prior year for ICT related infrastructure, provincial infrastructure support and provisions made for the implementation of the proposed organisational structure.

Compensation of Employees increased from R322.350 million in 2019/20 to a revised estimate of R325.242 million in 2022/23 due to the appointment of interns for experiential training and for Municipal Interventions as well as ICS adjustments. In 2023/24, the budget increases by 3.1 per cent to R335.375 million mainly due to additional allocation received for Medico-Legal interventions.

Goods and Services increased from R63.311 million in 2019/20 to a revised estimate of R69.971 million in 2022/23 mainly due to an increase in ICT operating system software licence costs, organisational development projects and legal costs for Medico-Legal intervention. In 2023/24, the budget increases by per cent to R104.018 million mainly due to additional allocations received for Medico-Legal interventions, funds rescheduled from the prior year for ICT infrastructure and provincial infrastructure support and provisions ring-fenced for the implementation of the proposed organisational structure.

Transfers and Subsidies decreased from R26.357 million in 2019/20 to a revised estimate of R5.527 million in 2022/23 due to completion of municipal social infrastructure projects. In 2023/24, the budget decreases by 64.4 per cent to R1.970 million due to a decrease in anticipated officials that will be exiting the department.

Payments for Capital Assets increased from R4.528 million in 2019/20 to a revised estimate of R8.715 million in 2022/23 mainly due to provisions made for mobile communication solutions. In 2023/24, the budget increases by 56.4 per cent to R13.626 million due to funds rescheduled for ICT related infrastructure.

## 7.4. Expenditure by municipal boundary

Table 6: Summary of departmental payments and estimates by benefiting municipal boundary

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium term estimates			% change from 2022/23
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26	
Buffalo City	-	-	-	-	-	-	-	-	-	
Nelson Mandela Bay	-	-	-	-	-	-	-	-	-	
Sarah Baartman District Municipality	-	-	-	-	-	-	-	-	-	
Amatole District Municipality	-	-	-	-	-	-	-	-	-	
Chris Hani District Municipality	-	-	-	-	-	-	-	-	-	
Ensl										
Joe Gqabi District Municipality	-	-	-	-	-	-	-	-	-	
Q.R. Tambo District Municipality	5 065	-	-	-	-	-	-	-	-	
Por										
King Sabata Dalindyebo	5 065	-	-	-	-	-	-	-	-	
Alfred Nzo District Municipality	4 522	-	-	-	-	-	-	-	-	
Nabankulu	4 522	-	-	-	-	-	-	-	-	
District Municipalities	54 813	36 252	35 592	36 806	37 052	37 164	36 866	39 030	40 556	(0.8)
Sarah Baartman District Municipality	8 016	7 147	7 066	7 521	7 644	7 644	7 726	8 178	8 486	1.1
Amatole District Municipality	8 392	7 747	8 392	7 682	7 708	7 708	7 444	7 883	8 190	(3.4)
Chris Hani District Municipality	7 446	5 986	5 989	6 560	6 464	6 464	5 974	6 324	6 571	(7.6)
Joe Gqabi District Municipality	18 236	3 911	3 505	4 412	4 444	4 444	4 664	4 939	5 134	5.0
Q.R. Tambo District Municipality	6 683	6 033	5 486	5 238	5 458	5 570	5 509	5 832	6 061	(1.1)
Alfred Nzo District Municipality	6 040	5 418	5 194	5 393	5 334	5 334	5 549	5 874	6 104	4.0
Unallocated	352 459	331 503	340 340	384 910	372 141	372 291	418 123	434 081	455 465	12.3
Total Payments	416 859	367 755	375 932	421 716	409 193	409 455	454 989	473 111	496 021	11.1

Table 6 above shows the summary of payments and estimates by benefitting municipality boundary from 2019/20 to 2025/26. The department implemented social infrastructure projects such as drought relief in Joe Gqabi municipality and electrification in King Sabata Dalindyebo municipality. Total expenditure decreased from R416.859 million in 2019/20 to a revised estimate of R409.455 million in 2022/23 mainly due to the completion of the social infrastructure projects. In 2023/24, the allocation increases to R454.989 million mainly due to additional allocations received for Medico-Legal interventions, funds rescheduled from the prior year for ICT related infrastructure and provincial infrastructure support and provisions made for the implementation of the proposed organisational structure.

## 7.5. Infrastructure payments

### 7.5.1 Departmental infrastructure payments

**Table 7: Summary of departmental payments and estimates on infrastructure**

R thousand	Outcome			Main appropriation	Adjusted appropriation 2022/23	Revised estimate	Medium-term estimates			% change from 2022/23
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26	
Existing infrastructure assets	-	-	-	-	-	-	-	-	-	
Maintenance and repairs										
Upgrades and additions										
Refurbishment and rehabilitation										
New infrastructure assets	-	-	-	-	-	-	-	-	-	
Infrastructure transfers	23 587	-	-	-	-	-	-	-	-	
Capital	23 587									
Infrastructure payments for financial assets	-	-	-	-	-	-	-	-	-	
Infrastructure leases	-	-	-	-	-	-	-	-	-	
Non infrastructure	-	-	-	-	-	-	-	-	-	
<b>Total department infrastructure</b>	<b>23 587</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	

1. Total provincial infrastructure is the sum of "Capital" plus "Recurrent maintenance". This includes non infrastructure items.

Table 7 above shows the summary of departmental payments and estimates on infrastructure from 2019/20 to 2025/26. The infrastructure expenditure reflected in 2019/20 pertain to social infrastructure interventions which were recorded in Joe Gqabi district municipality for the drought relief programme, Ntabankulu local municipality for access roads and KSD for electrification. No further allocations were allocated beyond 2019/20.

## 7.6. Departmental Public-Private Partnership (PPP) projects

None.

## 7.7. Conditional grant payments

None.

## 7.8. Transfers

### 7.8.1. Transfers to public entities

None.

### 7.8.2. Transfers to other entities

**Table 8: Transfers to other entities**

R thousand	Outcome			Main appropriation	Adjusted appropriation 2022/23	Revised estimate	Medium-term estimates			% change from 2022/23
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26	
SABC (TV Licences)	1	1	1		1	1	2	3	4	100.0
FASSET	815	941	848	1 102	1 102	1 102	1 150	1 202	1 256	4.4
South Africa National Roads Agency (SANRAL)										
<b>Total departmental transfers</b>	<b>816</b>	<b>942</b>	<b>849</b>	<b>1 102</b>	<b>1 103</b>	<b>1 103</b>	<b>1 152</b>	<b>1 205</b>	<b>1 260</b>	<b>4.4</b>

Table 8 above shows the summary of transfers to other entities from 2019/20 to 2025/26. The expenditure increased from R816 thousand in 2019/20 to R1.103 million in 2022/23 due to an increase in provisions made for skills development fund levies. In 2023/24, the budget increases by 4.4 per cent to R1.152 million due to anticipated increase in skills development fund levies over the 2023 MTEF.

### 7.8.3. Transfers to local government

**Table 9: Transfers to local government by category**

R thousand	Outcome			Main appropriation	Adjusted appropriation 2022/23	Revised estimate	Medium-term estimates			% change from 2022/23
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26	
Category A										
Category B	9 587									
Category C	14 000									
Unallocated										
<b>Total departmental transfers</b>	<b>23 587</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Table 9 above shows the summary of departmental transfers to local government by category from 2019/20 to 2025/26. The transfer allocations reflected in 2019/20 pertain to social infrastructure interventions. These transfers were directed to Joe Gqabi district municipality for the drought relief programme, Ntabankulu local municipality for access roads and KSD for electrification. All these projects were completed in 2019/20, hence no further allocations over the 2023 MTEF.

### 7.8.4. Transfers to local government by grant name

None.

## 8. Programme description

### 8.1. Programme 1: Administration

**Programme Purpose:** To provide leadership and strategic management and appropriate support services to all other programmes. The programme consists of 5 sub-programmes, namely:

- **Office of the Member of the Executive Council:** sets priorities and political directives in order to meet the mandate of the department;
- **Management Services:** translates policies and priorities into strategies for effective service delivery, manages and monitors organisational performance and provides legal services and information technology support;
- **Corporate Services:** provides an internal enabling environment and support service to the other programmes with regard to human resource management and development, records management and security and facilities management;
- **Financial Management (Office of the CFO):** To manage and facilitate the provision of financial, supply chain, asset management, and internal control services to the department;
- **Internal Audit:** To manage internal audit and risk management services

**Table 10: Summary of departmental payments and estimates sub-programme: P1- Administration**

R thousand	Outcome			Main appropriation	Adjusted appropriation 2022/23	Revised estimate	Medium-term estimates			% change from 2022/23
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26	
1. Office Of The MEC	7 482	7 140	6 913	7 640	7 507	7 507	7 796	8 244	8 574	3.8
2. Management Services	40 885	38 754	39 245	49 614	46 497	46 498	60 098	58 657	59 298	29.2
3. Corporate Services	45 708	42 215	44 358	48 487	51 230	51 561	61 474	66 022	73 251	19.2
4. Financial Management (Office Of The CFO)	51 733	50 129	50 533	55 677	55 835	55 835	56 048	59 294	61 862	0.4
5. Internal Audit	7 279	6 842	7 979	8 298	7 846	7 846	8 296	8 837	9 185	5.7
<b>Total payments and estimates</b>	<b>153 087</b>	<b>145 080</b>	<b>149 028</b>	<b>169 716</b>	<b>168 915</b>	<b>169 247</b>	<b>193 712</b>	<b>201 054</b>	<b>212 170</b>	<b>14.5</b>

**Table 11: Summary of departmental payments and estimates by economic classification: P1 Administration**

R thousand	Outcome			Main appropriation	Adjusted appropriation 2022/23	Revised estimate	Medium-term estimates			% change from 2022/23
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26	
<b>Current payments</b>	<b>146 830</b>	<b>138 129</b>	<b>141 659</b>	<b>155 122</b>	<b>157 148</b>	<b>157 473</b>	<b>178 308</b>	<b>187 810</b>	<b>199 988</b>	<b>13.2</b>
Compensation of employees	110 039	110 133	111 493	115 068	115 030	115 030	115 017	122 142	126 809	(0.0)
Goods and services	36 791	27 996	30 166	40 054	42 118	42 443	63 291	65 668	73 179	49.1
Interest and rent on land										
<b>Transfers and subsidies to:</b>	<b>1 729</b>	<b>2 261</b>	<b>1 685</b>	<b>1 702</b>	<b>3 052</b>	<b>3 059</b>	<b>1 778</b>	<b>1 859</b>	<b>1 944</b>	<b>(41.9)</b>
Provinces and municipalities										
Departmental agencies and accounts	816	942	849	1 102	1 103	1 103	1 152	1 205	1 260	4.4
Higher education institutions										
Foreign governments and international organisations										
Public corporations and private enterprises										
Non-profit institutions										
Households	913	1 319	836	600	1 949	1 956	626	654	684	(68.0)
<b>Payments for capital assets</b>	<b>4 528</b>	<b>4 514</b>	<b>5 361</b>	<b>12 892</b>	<b>8 715</b>	<b>8 715</b>	<b>13 626</b>	<b>11 385</b>	<b>10 238</b>	<b>56.4</b>
Buildings and other fixed structures										
Machinery and equipment	4 492	4 514	5 361	12 892	8 715	8 715	13 626	11 385	10 238	56.4
Heritage Assets										
Specialised military assets										
Biological assets										
Land and sub-soil assets										
Software and other intangible assets	36									
<b>Payments for financial assets</b>	<b>-</b>	<b>176</b>	<b>323</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Total economic classification</b>	<b>153 087</b>	<b>145 080</b>	<b>149 028</b>	<b>169 716</b>	<b>168 915</b>	<b>169 247</b>	<b>193 712</b>	<b>201 054</b>	<b>212 170</b>	<b>14.5</b>

Tables 10 and 11 above show the summary of payments and estimates per sub-programme and economic classification from 2019/20 to 2025/26. The expenditure increased from R153.087 million in 2019/20 to a revised estimate of R169.247 million in 2022/23 mainly due to an increase in ICT operating system software licence costs, legal costs for Medico-Legal intervention and mobile communication solutions. In 2023/24, the budget increases by 14.5 per cent to R193.712 million mainly due to provisions made for the implementation of the proposed organisational structure as well as organisational development projects.

Compensation of Employees increased from R110.039 million in 2019/20 to a revised estimate of R115.030 million in 2022/23. The increase is due to provisions made for the filling of critical vacant posts and additional intake of interns for experiential learning. In 2023/24, the budget decreases by 0 per cent to R115.017 million due to the abolishment of posts.

Goods and Services increased from R36.791 million in 2019/20 to a revised estimate of R42.443 million in 2022/23 due to an increase in ICT operating system software licence costs and legal costs for Medico-Legal intervention. In 2023/24, the budget increases by 49.1 per cent to R63.291 million mainly due to

funds ring-fenced for the implementation of the proposed organisational structure and minor assets for ICT related projects.

Transfers and Subsidies increased from R1.729 million in 2019/20 to a revised estimate of R3.059 million in 2022/23 due to an increase in the number of officials exiting the department. In 2023/24, the budget decreases by 41.9 per cent to R1.778 million due to an anticipated reduction in the number of officials exiting the department.

Payments for Capital Assets increased from R4.528 million in 2019/20 to R8.715 million in 2022/23 due to mobile communication solutions. In 2023/24, the budget increases by 56.4 per cent to R13.626 million due to funds rescheduled for ICT related infrastructure.

## 8.2. Programme 2: Sustainable Resource Management

**Programme Purpose:** To promote fiscal prudence and allocative efficacy through budget preparations, infrastructure budget planning, expenditure monitoring economic and fiscal policy analysis as well management of financial assets and liabilities in the province.

The programme consists of four sub-programmes namely:

- **Programme Support:** provides strategic leadership in implementing strategies to ensure the programme's contribution in realising departmental objectives;
- **Economic Analysis:** determines and evaluates economic parameters and socio-economic imperatives within a provincial and macro-economic context;
- **Fiscal Policy:** promotes optimal financial resource allocation and enables government to finance its service delivery obligations, and also promotes sound planning, budgeting, financial management and reporting in Public Entities;
- **Budget Management:** promotes effective optimal resource allocation; manages fiscal assets optimises liquidity requirements and returns on financial investments and maximises the latter within acceptable levels of risk.



**Table 13: Summary of departmental payments and estimates sub-programme: P2- Sustainable Resource Management**

R thousand	Outcome			Main appropriation	Adjusted appropriation 2022/23	Revised estimate	Medium-term estimates			% change from 2022/23
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26	
1. Programme Support	2 740	3 450	4 597	3 309	3 273	3 273	3 402	3 603	3 749	3.9
2. Economic Analysis	3 476	3 407	3 559	3 736	3 243	3 243	3 755	3 979	4 140	15.8
3. Fiscal Policy	8 507	8 563	8 934	9 187	8 907	8 907	9 304	9 856	10 242	4.5
4. Budget Management	55 750	55 065	56 370	65 278	62 329	62 329	68 181	69 367	67 126	9.4
<b>Total payments and estimates</b>	<b>70 473</b>	<b>70 485</b>	<b>73 460</b>	<b>81 510</b>	<b>77 752</b>	<b>77 752</b>	<b>84 642</b>	<b>86 805</b>	<b>85 257</b>	<b>8.9</b>

**Table 14 Summary of departmental payments and estimates by economic classification: P2 – Sustainable Resource Management**

R thousand	Outcome			Main appropriation	Adjusted appropriation 2022/23	Revised estimate	Medium-term estimates			% change from 2022/23
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26	
<b>Current payments</b>	<b>70 473</b>	<b>70 045</b>	<b>73 356</b>	<b>81 326</b>	<b>77 427</b>	<b>77 427</b>	<b>84 450</b>	<b>86 604</b>	<b>85 046</b>	<b>9.1</b>
Compensation of employees	68 050	68 690	70 857	71 515	70 653	70 653	71 617	75 817	78 744	1.4
Goods and services	2 423	1 355	2 499	9 811	6 774	6 774	12 833	10 787	6 302	89.4
Interest and rent on land										
<b>Transfers and subsidies to:</b>	<b>–</b>	<b>440</b>	<b>104</b>	<b>184</b>	<b>325</b>	<b>325</b>	<b>192</b>	<b>201</b>	<b>211</b>	<b>(40.9)</b>
Provinces and municipalities										
Departmental agencies and accounts										
Higher education institutions										
Foreign governments and international organisations										
Public corporations and private enterprises										
Non-profit institutions										
Households		440	104	184	325	325	192	201	211	(40.9)
<b>Payments for capital assets</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	
Buildings and other fixed structures										
Machinery and equipment										
Heritage Assets										
Specialised military assets										
Biological assets										
Land and sub-soil assets										
Software and other intangible assets										
<b>Payments for financial assets</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	
<b>Total economic classification</b>	<b>70 473</b>	<b>70 485</b>	<b>73 460</b>	<b>81 510</b>	<b>77 752</b>	<b>77 752</b>	<b>84 642</b>	<b>86 805</b>	<b>85 257</b>	<b>8.9</b>

Tables 13 and 14 above show the summary of payments and estimates per sub-programme and economic classification from 2019/20 to 2025/26. Actual expenditure increased from R70.473 million in 2019/20 to a revised estimate of R77.752 million in 2022/23. The increase is mainly due to additional allocations received for Provincial Infrastructure Support. In 2023/24, the budget increases by 8.9 per cent to R84.642 million due to funds rescheduled for Provincial Infrastructure Support.

Compensation of Employees increased from R68.050 million in 2019/20 to a revised estimate of R70.653 million in 2022/23 due to ICS adjustments. In 2023/24, the budget increases by 1.4 per cent to R71.617 million due ICS adjustments.

Goods and Services increased from R2.423 million in 2019/20 to a revised estimate of R6.774 million in 2022/23 mainly due to additional allocations received for Provincial Infrastructure Support. In 2023/24, the budget increases by 89.4 per cent to R12.833 million due to funds rescheduled for Provincial Infrastructure Support.

Transfers and Subsidies increased from nil in 2019/20 to a revised estimate of R325 thousand in 2022/23 mainly due to an increase in the number of officials exiting the department. In 2023/24, the budget

decreases by 40.9 per cent to R192 thousand due to an anticipated decrease in the number of officials exiting the department.

### 8.2.1. Service Delivery Measures

**Table 15: Selected service delivery measures for the programme: P2: Sustainable Resource Management**

Programme performance measures	Estimated performance	Medium-term estimates		
	2022/23	2023/24	2024/25	2025/26
Number of policy briefs produced on key sector focus areas	4	4	4	4
Amount of own revenue collected	R1.591 Billion	R1.663 Billion	R1.691 Billion	R1.691 Billion
% expenditure by entities within allocated budget	98%	98%	98%	98%
% expenditure by departments within allocated budget	98%	98%	98%	98%
CoE Ratio	62:38	61:39	61:39	61:39
Net provincial position of the Revenue Fund	R100 million	R150 million	R200 million	R200 million
Departments paying creditors within 30 days	13	13	13	13
Number of Infrastructure plans aligned to planning reforms	10	10	11	11
% expenditure of allocated capital budget by infrastructure departments	90%	90%	90%	90%
% Gross Capital Formation	20%	25%	25%	25%

Table 15 above shows service delivery measures for Sustainable Resource Management. The programme will continue to provide policy briefs on key sector focus areas; enhance provincial own revenue and strengthen financial management in provincial departments and public entities. Departments will be supported to pay their creditors within 30 days. Ongoing support will be provided to strengthen infrastructure delivery in the province in line with the Provincial Infrastructure Strategy. Infrastructure projects will be aligned to the District Development Model to strengthen integrated infrastructure planning, procurement and delivery across the infrastructure value chain.

### 8.3. Programme 3: Asset and Liabilities Management

**Programme Purpose:** To provide policy direction, promote and enforce transparency and effectiveness of supply chain management and asset management in the province.

- **Programme Support:** provides strategic leadership in implementing strategies to ensure the programme's contribution in realising departmental objectives; and
- **Asset Management:** To provide policy direction, facilitates the effective and efficient management of physical assets and promotes economic development targeted government procurement.

**Table 16: Summary of departmental payments and estimates sub-programme: P3 – Asset and Liabilities Management**

R thousand	Outcome			Main appropriation	Adjusted appropriation 2022/23	Revised estimate	Medium-term estimates			% change from 2022/23
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26	
1. Programme Support										
2. Asset Management	26 135	24 644	25 369	26 692	26 153	26 153	25 648	27 134	28 207	(1.9)
<b>Total payments and estimates</b>	<b>26 135</b>	<b>24 644</b>	<b>25 369</b>	<b>26 692</b>	<b>26 153</b>	<b>26 153</b>	<b>25 648</b>	<b>27 134</b>	<b>28 207</b>	<b>(1.9)</b>

**Table 17: Summary of departmental payments and estimates by economic classification: P3 - Asset and Liabilities Management**

R thousand	Outcome			Main appropriation	Adjusted appropriation 2022/23	Revised estimate	Medium-term estimates			% change from 2022/23
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26	
<b>Current payments</b>	<b>26 028</b>	<b>23 697</b>	<b>25 300</b>	<b>26 692</b>	<b>25 701</b>	<b>25 701</b>	<b>25 648</b>	<b>27 134</b>	<b>28 207</b>	<b>(0.2)</b>
Compensation of employees	24 739	22 445	23 728	25 160	23 371	23 371	24 054	25 461	26 448	2.9
Goods and services	1 289	1 252	1 572	1 532	2 330	2 330	1 594	1 673	1 759	(31.6)
Interest and rent on land										
<b>Transfers and subsidies to:</b>	<b>107</b>	<b>947</b>	<b>69</b>	<b>–</b>	<b>452</b>	<b>452</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(100.0)</b>
Provinces and municipalities										
Departmental agencies and accounts										
Higher education institutions										
Foreign governments and international organisations										
Public corporations and private enterprises										
Non-profit institutions										
Households	107	947	69		452	452				(100.0)
<b>Payments for capital assets</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	
Buildings and other fixed structures										
Machinery and equipment										
Heritage Assets										
Specialised military assets										
Biological assets										
Land and sub-soil assets										
Software and other intangible assets										
<b>Payments for financial assets</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	
<b>Total economic classification</b>	<b>26 135</b>	<b>24 644</b>	<b>25 369</b>	<b>26 692</b>	<b>26 153</b>	<b>26 153</b>	<b>25 648</b>	<b>27 134</b>	<b>28 207</b>	<b>(1.9)</b>

Tables 16 and 17 above show the summary of payments and estimates per sub-programme and economic classification from 2019/20 to 2025/26. Actual expenditure increased from R26.135 million in 2019/20 to a revised estimate of R26.153 million in 2022/23 mainly due to an increase in provisions for provincial supply chain management training. In 2023/24, the budget decreases by 1.9 per cent to R25.648 million due to an anticipated decrease in demand for provincial supply chain management training.

Compensation of Employees decreased from R24.739 million in 2019/20 to a revised estimate of R23.371 million in 2022/23 mainly due to staff attrition. In 2023/24, the budget increases by 2.9 per cent to R24.054 million due to ICS adjustments.

Goods and Services increased from R1.289 million in 2019/20 to a revised estimate of R2.330 million in 2022/23. The increase is mainly due to an increase in provisions for provincial supply chain management training. In 2023/24, the budget decreases by 31.6 per cent to R1.594 million due to an anticipated decrease in demand for provincial supply chain management training.

Transfers and Subsidies increased from R107 thousand in 2019/20 to R452 thousand in 2022/23 due to an increase in the number of officials exiting the department. It is anticipated that no officials will be exiting the department, hence no further allocation over the 2023 MTEF.

### 8.3.1. Service Delivery Measures

**Table 18: Selected service delivery measures for the programme: P3: Asset and Liabilities Management**

Programme performance measures	Estimated performance	Medium-term estimates		
	2022/23	2023/24	2024/25	2025/26
Number of departments achieving an unqualified audit opinion on asset management	-	10	13	13
% of procurement plans implemented by provincial departments	80%	80%	80%	80%
Level of infrastructure procurement management maturity achieved	Level 3	Level 3	Level 3	Level 3
% of provincial departmental and public entities procurement spend on EC based suppliers	60%	65%	75%	75%

Table 18 above shows service delivery measures for Asset and Liability Management. The programme will continue to support the provincial departments on achieving an unqualified opinion on asset management; ensure that 80 per cent of provincial plans are implemented; monitor the infrastructure procurement to ensure that Level 3 maturity is achieved. Prioritisation of the implementation of the LED Procurement Framework in order to achieve 65 per cent local spend.

## 8.4. Programme 4: Financial Governance

**Programme Purpose:** To promote accountability through comprehensive accounting practices, financial information systems, governance as well as compliance with financial norms and standards in PFMA compliant institutions and financial systems management.

The programme consists of six sub-programmes namely:

- **Programme Support:** Provides strategic leadership in implementing strategies to ensure programme's contribution in realising departmental objectives;
- **Accounting Services:** To ensure the effective implementation of accounting practices in line with Generally Accepted Accounting Practices (GAAP), Generally Recognised Accounting Practise (GRAP) and prepare consolidated financial statements that reflect the financial position of the province;
- **Norms and Standards:** Develops and implements financial norms and standards and ensures effective communication;
- **Risk Management:** Provides provincial risk profile, develops and monitors the implementation of the Provincial Risk Management Framework;
- **Provincial Internal Audit:** Coordinates the activities and provide technical support for all provincial internal audit units and audit committees.
- **Supporting and Interlinked Financial Systems:** To provide oversight and management of existing financial systems and the transition to the Integrated Financial Management Systems, enhancement of systems to support the business processes of government and provides capacity building in the usage of financial systems aimed at better provincial financial management.

**Table 19: Summary of departmental payments and estimates sub-programme: P4 – Financial Governance**

R thousand	Outcome			Main appropriation	Adjusted appropriation 2022/23	Revised estimate	Medium-term estimates			% change from 2022/23
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26	
1. Programme Support	17 909	17 889	13 845	18 480	12 346	12 366	19 842	20 849	27 382	60.5
2. Accounting Services	13 720	13 027	13 847	14 566	13 541	13 541	13 419	14 197	14 750	(0.9)
3. Norms & Standards	6 407	7 821	6 958	6 185	6 190	6 190	6 136	6 498	6 752	(0.9)
4. Risk Management	4 833	4 600	4 278	4 863	4 711	4 782	5 073	5 367	5 581	6.1
5. Provincial Internal Audit	23 384	15 188	18 678	18 299	21 418	21 418	24 246	24 217	25 249	13.2
6. Supporting And Interlinked Financial Systems	24 186	23 094	22 833	24 712	24 941	24 668	24 480	25 895	26 899	(0.8)
<b>Total payments and estimates</b>	<b>90 439</b>	<b>81 619</b>	<b>80 439</b>	<b>87 105</b>	<b>83 147</b>	<b>82 965</b>	<b>93 196</b>	<b>97 023</b>	<b>106 613</b>	<b>12.3</b>

**Table 20: Summary of departmental payments and estimates by economic classification: P4 – Financial Governance**

R thousand	Outcome			Main appropriation	Adjusted appropriation 2022/23	Revised estimate	Medium-term estimates			% change from 2022/23
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26	
<b>Current payments</b>	<b>89 705</b>	<b>80 781</b>	<b>79 013</b>	<b>87 105</b>	<b>82 860</b>	<b>82 587</b>	<b>93 196</b>	<b>97 023</b>	<b>106 613</b>	<b>12.8</b>
Compensation of employees	71 107	73 195	67 454	74 793	66 777	66 777	74 400	78 603	87 145	11.4
Goods and services	18 598	7 586	11 559	12 312	16 083	15 810	18 796	18 420	19 468	18.9
Interest and rent on land										
<b>Transfers and subsidies to:</b>	<b>421</b>	<b>838</b>	<b>1 426</b>	<b>-</b>	<b>287</b>	<b>378</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(100.0)</b>
Provinces and municipalities										
Departmental agencies and accounts										
Higher education institutions										
Foreign governments and international organisations										
Public corporations and private enterprises										
Non-profit institutions										
Households	421	838	1 426		287	378				(100.0)
<b>Payments for capital assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
Buildings and other fixed structures										
Machinery and equipment										
Heritage Assets										
Specialised military assets										
Biological assets										
Land and sub-soil assets										
Software and other intangible assets										
<b>Payments for financial assets</b>	<b>313</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Total economic classification</b>	<b>90 439</b>	<b>81 619</b>	<b>80 439</b>	<b>87 105</b>	<b>83 147</b>	<b>82 965</b>	<b>93 196</b>	<b>97 023</b>	<b>106 613</b>	<b>12.3</b>

Tables 19 and 20 above show the summary of payments and estimates per sub-programme and economic classification from 2019/20 to 2025/26. The decrease in expenditure from R90.439 million in the 2019/20 financial year to a revised estimate of R82.965 million in 2022/23 mainly due to expiry of technical support personnel contracts. In 2023/24, the budget increases by 12.3 per cent to R93.196 million mainly due to additional allocations received for Medico-Legal interventions.

Compensation of Employees decreased from R71.107 million in 2019/20 to a revised estimate of R66.777 million in 2022/23 mainly due to expiry of technical support personnel contracts. In 2023/24, the budget increases by 11.4 per cent to R74.400 million mainly due additional allocations received for Medico-Legal intervention project.

Goods and Services decreased from R18.598 million in 2019/20 to a revised estimate of R15.810 million in 2022/23 mainly due to a decrease in official travel emanating from COVID-19 restrictions. In 2023/24, the budget increases by 18.9 per cent to R18.796 million mainly due to additional allocations received for Medico-Legal investigations.

Transfers and Subsidies decreased from R421 thousand in 2019/20 to a revised estimate of R378 thousand in 2022/23 due to a decrease in the number of officials exiting the department. It is anticipated that no officials will be exiting the department, hence no further allocation over the 2023 MTEF.

#### 8.4.1. Service Delivery Measures

**Table 21: Selected service delivery measures for the programme: P4: Financial Governance**

Programme performance measures	Estimated performance	Medium-term estimates		
	2022/23	2023/24	2024/25	2025/26
Number of Institutions that achieve unqualified audits	25	23	25	25
Number of Audited consolidated Financial Statements submitted at Legislature	1	1	1	1
% Financial Management Accountability Framework (FMAF) standards implemented	80%	75%	80%	85%
% Financial Management Capacity Study elements implemented	95%	95%	100%	100%
Level of risk maturity achieved by departments	Level 3	Level 4	Level 4	Level 4
% provincial risk profile mitigation measures initiated by departments	100%	100%	100%	100%
Level of internal audit maturity achieved	3	3	3	3
Number of departments with no material review findings on FIS User Account Management	11	13	13	13

Table 21 above shows service delivery measures for Financial Governance. To improve audit outcomes in the province, the Programme will continue to co-ordinate audit improvement strategies through the implementation and monitoring of the Provincial Audit Intervention Plan (PAIP) and analysis of audit action plans. Technical support on the interpretation of the accounting standards will be provided to departments as well as to ensure that the financial statements are prepared in accordance with the accounting framework. Support will be provided to all departments to assess financial management policies for alignment to legislative framework. Ongoing monitoring of risk management practices in the departments will be conducted using Financial Management Capability Maturity Model (FMCMM). Breaches of the Accountability Model Standards and Financial Management Capacity Study (FMCS) will be escalated to the Executive Authorities of the departments. PT will support departments to implement all provincial risk profile mitigation measures. Provincial departments will be supported to achieve an acceptable level of internal audit maturity. PT will also ensure that at least 13 departments will not have material audit findings on FIS User Account Management.

#### 8.5. Programme 5: Municipal Financial Governance

**Programme Purpose:** Provides support to the achievement of sound and sustainable financial management at municipal level through the provision of technical support and capacity building in the following areas: budgeting accounting practices, supply chain management, asset management, governance as well as MFMA compliance. The Programme consists of three sub-programmes namely:

- **Programme Support:** Provides strategic leadership in implementing strategies to ensure the programme's contribution in realising departmental objectives;
- **Municipal Budget and Institutional Governance:** To monitor the implementation of the budgeting frameworks and coordinate monitor and report on MFMA; and
- **Municipal Accounting and Reporting:** To monitor compliance with Financial Management and Annual Reporting Framework, monitor the effective and efficient compliance with Financial Assets

and Liability Management, enhance, monitor and enforce transparent and effective SCM and Asset Management.

**Table 22: Summary of departmental payments and estimates sub-programme: P5 – Municipal Financial Governance**

R thousand	Outcome			Main appropriation	Adjusted appropriation 2022/23	Revised estimate	Medium-term estimates			% change from 2022/23
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26	
1. Programme Support	35 912	9 675	12 044	19 887	16 174	16 174	20 925	22 065	23 218	29.4
2. Municipal Budget & Institutional Governance	21 878	19 161	19 535	19 635	19 506	19 506	18 967	20 081	20 865	(2.8)
3. Municipal Accounting & Reporting	18 935	17 091	16 057	17 171	17 546	17 658	17 899	18 949	19 691	1.4
<b>Total payments and estimates</b>	<b>76 725</b>	<b>45 927</b>	<b>47 636</b>	<b>56 693</b>	<b>53 226</b>	<b>53 338</b>	<b>57 791</b>	<b>61 095</b>	<b>63 774</b>	<b>8.3</b>

**Table 23: Summary of departmental payments and estimates by economic classification: P5 – Municipal Financial Governance**

R thousand	Outcome			Main appropriation	Adjusted appropriation 2022/23	Revised estimate	Medium-term estimates			% change from 2022/23
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26	
<b>Current payments</b>	<b>52 625</b>	<b>44 313</b>	<b>46 747</b>	<b>56 693</b>	<b>52 025</b>	<b>52 025</b>	<b>57 791</b>	<b>61 095</b>	<b>63 774</b>	<b>11.1</b>
Compensation of employees	48 415	43 967	45 746	50 049	49 411	49 411	50 287	53 238	55 773	1.8
Goods and services	4 210	346	1 001	6 644	2 614	2 614	7 504	7 857	8 001	187.1
Interest and rent on land										
<b>Transfers and subsidies to:</b>	<b>24 100</b>	<b>1 614</b>	<b>889</b>	<b>–</b>	<b>1 201</b>	<b>1 313</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(100.0)</b>
Provinces and municipalities	23 587									
Departmental agencies and accounts										
Higher education institutions										
Foreign governments and international organisations										
Public corporations and private enterprises										
Non-profit institutions										
Households	513	1 614	889		1 201	1 313				(100.0)
<b>Payments for capital assets</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	
Buildings and other fixed structures										
Machinery and equipment										
Heritage Assets										
Specialised military assets										
Biological assets										
Land and sub-soil assets										
Software and other intangible assets										
<b>Payments for financial assets</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	
<b>Total economic classification</b>	<b>76 725</b>	<b>45 927</b>	<b>47 636</b>	<b>56 693</b>	<b>53 226</b>	<b>53 338</b>	<b>57 791</b>	<b>61 095</b>	<b>63 774</b>	<b>8.3</b>

Tables 22 and 23 above show the summary of payments and estimates per sub-programme and economic classification from 2019/20 to 2025/26. The expenditure decreased from R76.725 million in 2019/20 to a revised estimate of R53.338 million in 2022/23 mainly due to completion of municipal social infrastructure projects in 2019/20. In 2023/24, the budget increases by 8.3 per cent to R57.791 million due to provisions made for new posts in the proposed organisational structure.

Compensation of Employees increased from R48.415 million in 2019/20 to a revised estimate of R49.411 million in 2022/23 due to the appointment of contract personnel for Municipal Interventions. In 2023/24, the budget increases by 1.8 per cent to R50.287 million due ICS adjustments.

Goods and Services decreased from R4.210 million in 2019/20 to a revised estimate of R2.614 million in 2022/23 mainly due to a decrease in official travel emanating from COVID-19 restrictions. In 2023/24, the



budget increases by 187.1 per cent to R7.504 million mainly due to funds ring-fenced for new posts in the proposed organisational structure.

Transfers and Subsidies decreased from R24.100 million in 2019/20 to a revised estimate of R1.313 million in 2022/23 due to completion of social infrastructure projects in 2019/20, hence there is no further allocation over 2023 MTEF.

### 8.5.1. Service Delivery Measures

**Table 24: Selected service delivery measures for the programme: P5: Municipal Financial Governance**

Programme performance measures	Estimated performance	Medium-term estimates		
	2022/23	2023/24	2024/25	2025/26
Number of funded annual budgets adopted by municipalities	32	34	36	36
% expenditure of Municipal Infrastructure Conditional Grants	94%	100%	100%	100%
Percentage reduction of irregular expenditure	60%	75%	100%	100%
Number of municipalities that achieve unqualified audits	24	28	36	36
Percentage of functionality of mSCoA Reporting Modules	60%	75%	100%	100%

Table 24 above shows service delivery measures for Municipal Financial Governance. The programme will continue to support municipalities to improve financial management (revenue, expenditure, asset and liabilities) as informed by FMCMM. The support will include the assessment of the budgets of municipalities followed up by engagements to discuss implementation of recommendations to ensure the tabling of funded budgets. Furthermore, the programme will continue to assist municipalities with audit improvement strategies through the analysis of audit action plans and monitoring their implementation, assess internal audit and risk management plans, and assist with the implementation of mSCoA. Municipalities will also be supported to reduce irregular expenditure. Conditional grants expenditure, particularly infrastructure grants, will continue to be closely monitored.

## 9. Other programme information

### 9.1 Personnel numbers and costs by programme

**Table 25: Personnel numbers and costs**

Personnel numbers	As at 31 March 2020	As at 31 March 2021	As at 31 March 2022	As at 31 March 2023	As at 31 March 2024	As at 31 March 2025	As at 31 March 2026
1. Administration	194	177	189	197	203	203	203
2. Sustainable Resource Management	85	83	82	81	83	83	83
3. Asset And Liability	32	30	31	33	33	33	33
4. Financial Governance	97	87	80	87	97	97	97
5. Municipal Financial Governance	76	68	65	62	65	65	65
<b>Total provincial personnel numbers</b>	<b>484</b>	<b>445</b>	<b>447</b>	<b>460</b>	<b>481</b>	<b>481</b>	<b>481</b>
Total provincial personnel cost (R thousand)	322 350	318 430	319 278	325 242	335 375	355 261	374 919
Unit cost (R thousand)	666	716	714	707	697	739	779

1. Full-time equivalent



### 9.3 Payments on training by programme

**Table 27: Payments of training by programme**

R thousand	Outcome			Main appropriation	Adjusted appropriation 2022/23	Revised estimate	Medium-term estimates			% change from 2022/23
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26	
1. Administration	3 271	447	1 857	3 587	3 649	3 649	4 009	4 188	4 376	9.9
<b>Total payments on training</b>	<b>3 271</b>	<b>447</b>	<b>1 857</b>	<b>3 587</b>	<b>3 649</b>	<b>3 649</b>	<b>4 009</b>	<b>4 188</b>	<b>4 376</b>	<b>9.9</b>

### 9.4 Information on training

**Table 28: Information on training**

R thousand	Outcome			Main appropriation	Adjusted appropriation 2022/23	Revised estimate	Medium-term estimates			% change from 2022/23
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26	
Number of staff	484	445	447	471	460	460	481	481	481	4.6
Number of personnel trained	236	240	153	230	230	235	245	252	257	4.3
of which										
Male	119	112	88	115	115	115	120	125	127	4.3
Female	117	128	65	115	115	120	125	127	130	4.2
Number of training opportunities	114	38	13	280	280	280	298	307	314	6.4
of which										
Tertiary	47	21	8	60	60	60	63	65	67	5.0
Workshops	17	17	3	150	150	150	160	167	167	6.7
Seminars	50			70	70	70	75	75	80	7.1
Other			2							
Number of bursaries offered	25	30	30	30	30	30	30	31	31	0.0
Number of interns appointed	47	25	25	27	27	37	40	45	45	8.1
Number of learnerships appointed										
Number of days spent on training										
<b>Payments on training by programme</b>										
1. Administration	3 271	447	1 857	3 587	3 649	3 649	4 009	4 188	4 376	9.9
5. Muni										
<b>Total payments on training</b>	<b>3 271</b>	<b>447</b>	<b>1 857</b>	<b>3 587</b>	<b>3 649</b>	<b>3 649</b>	<b>4 009</b>	<b>4 188</b>	<b>4 376</b>	<b>9.9</b>

Table 27 and 28 above shows payment and information on training from 2019/20 to 2025/26. The expenditure on training increased from R3.271 million in 2019/20 to a revised estimate of R3.649 million in 2022/23 due to organisational development projects. The training budget is centralised in Programme 1 for all employees within the department. In 2023/24, the budget increases by 9.9 per cent to R4.009 million. The focus in 2023/24, as in previous years, will be on the development and enhancement of technical and leadership skills at middle and senior management levels. This objective is to strengthen the ability of the department to respond to the demands of the environment within which it functions. The department will also continue its quest to build a leadership pipeline among women. The intention is to create women leadership cadre at middle management level that will advance to the senior management service cadre. It also intends to prepare those women that are already in the senior management service cadre for further advancement.

## **9.5 Structural changes**

None.

**Annexure to the  
Estimates of Provincial Revenue  
and Expenditure**

**Provincial Treasury**

Table B. 1: Specification of receipts

Rthousand	Outcome			Main appropriation	Adjusted appropriation 2022/23	Revised estimate	Medium term estimates			% change from 2022/23
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26	
<b>Tax receipts</b>	-	-	-	-	-	-	-	-	-	
Casino taxes										
Hospital levies										
Liquor licences										
Motor vehicle licences										
<b>Sales of goods and services other than capital assets</b>	215	216	210	262	262	223	287	300	313	287
Sales of goods and services produced by department (excluding capital assets)	215	216	210	262	262	223	287	300	313	287
<b>Administrative fees</b>										
Other sales	215	216	210	262	262	223	287	300	313	287
Of which:										
Commission on insurance and guarantee	215	216	210	262	262	223	287	300	313	287
Other (Specify)										
Other (Specify)										
Other (Specify)										
<b>Fines, penalties and forfeits</b>	-	-	-	-	-	-	-	-	-	
<b>Interest, dividends and rent on land</b>	947 730	513 005	368 998	125 742	125 742	284 671	131 471	137 387	143 709	(53.8)
Interest	947 730	513 005	368 998	125 742	125 742	284 671	131 471	137 387	143 709	(53.8)
Dividends										
Rent on land										
<b>Sales of capital assets</b>	-	-	-	-	-	-	-	-	-	
Land and subsoil assets										
Other capital assets										
<b>Transactions in financial assets and liabilities</b>	2	94	21	881	881	409	836	874	913	949
<b>Total departmental receipts</b>	947 947	513 315	369 224	126 665	126 665	285 323	132 594	138 581	144 935	(53.5)

Table B. 2: Details of payments and estimates by economic classification: Summary

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates			% change from 2022/23
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26	
<b>Current payments</b>	<b>385 661</b>	<b>356 965</b>	<b>366 075</b>	<b>406 938</b>	<b>395 161</b>	<b>395 213</b>	<b>439 393</b>	<b>459 666</b>	<b>483 628</b>	<b>11.2</b>
Compensation of employees	322 350	318 430	319 278	336 585	325 242	325 242	335 375	355 261	374 919	3.1
Salaries and wages	284 394	279 400	281 156	296 289	284 681	284 681	291 470	308 832	323 497	2.4
Social contributions	37 956	39 030	38 122	40 296	40 561	40 561	43 905	46 429	51 422	8.2
Goods and services	63 311	38 535	46 797	70 353	69 919	69 971	104 018	104 405	108 709	48.7
Administrative fees	143	154	427	564	430	430	480	504	528	11.6
Advertising	1 109	794	651	576	1 121	1 121	1 404	1 469	1 539	25.2
Minor assets	301	81	263	814	736	736	5 184	5 419	5 666	604.3
Audit cost: External	16 952	10 100	13 314	11 968	17 351	17 351	19 117	18 737	19 578	10.2
Bursaries: Employees	397	446	530	600	562	562	626	654	684	11.4
Catering: Departmental activities	1 980	14	190	718	1 795	1 792	1 239	1 304	1 370	(30.9)
Communication (G&S)	1 639	2 569	2 282	2 684	1 552	1 552	1 525	1 597	1 672	(1.7)
Computer services	3 001	3 703	2 408	3 926	2 782	2 510	9 534	9 960	10 411	279.8
Consultants and professional services: Business and advisory services	3 203	3 802	6 784	20 498	7 755	7 750	31 072	29 307	29 884	300.9
Infrastructure and planning										
Laboratory services										
Scientific and technological services										
Legal services	1		1 429	250	4 469	4 469	1 000	1 045	1 092	(77.6)
Contractors	1 416	1 071	229	530	531	531	525	553	581	(1.1)
Agency and support/ outsourced services										
Entertainment	106	29	40	134	103	106	144	144	175	35.8
Fleet services (including government motor transport)	684	435	464	540	1 067	1 057	840	878	918	(21.3)
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										
Medcas inventory interface										
Inventory: Other supplies										
Consumable supplies	871	263	246	230	502	502	377	397	419	(24.9)
Consumable: Stationery,printing and office supplies	1 293	162	695	1 995	2 182	2 182	2 290	2 395	2 504	4.9
Operating leases	2 880	2 736	1 717	3 360	2 336	2 336	4 080	4 262	4 453	74.7
Property payments	5 386	6 180	5 923	5 990	7 020	7 344	6 633	6 930	7 242	(9.7)
Transport provided: Departmental activity	11									
Travel and subsistence	11 234	755	1 815	5 463	6 572	6 463	6 584	6 969	7 570	1.9
Training and development	5 787	1 087	3 633	6 595	6 951	6 949	7 923	8 278	8 651	14.0
Operating payments	4 566	4 153	3 715	2 595	3 808	3 882	3 094	3 233	3 379	(20.3)
Venues and facilities	361	1	42	323	294	336	347	370	393	3.3
Rental and hiring										
Interest and rent on land										
Interest										
Rent on land										
<b>Transfers and subsidies</b>	<b>26 357</b>	<b>6 100</b>	<b>4 173</b>	<b>1 886</b>	<b>5 317</b>	<b>5 527</b>	<b>1 970</b>	<b>2 060</b>	<b>2 155</b>	<b>(64.4)</b>
Provinces and municipalities	23 587									
Provinces										
Municipalities	23 587									
Municipalities	23 587									
Departmental agencies and accounts	816	942	849	1 102	1 103	1 103	1 152	1 205	1 260	4.4
Social security funds										
Provide list of entities receiving transfers	816	942	849	1 102	1 103	1 103	1 152	1 205	1 260	4.4
Public corporations										
Other transfers										
Private enterprises										
Other transfers										
Non-profit institutions										
Households	1 954	5 158	3 324	784	4 214	4 424	818	855	895	(81.5)
Social benefits	1 700	4 745	3 095	184	4 010	4 220	192	201	211	(95.5)
Other transfers to households	254	413	229	600	204	204	626	654	684	206.9
<b>Payments for capital assets</b>	<b>4 528</b>	<b>4 514</b>	<b>5 361</b>	<b>12 892</b>	<b>8 715</b>	<b>8 715</b>	<b>13 626</b>	<b>11 385</b>	<b>10 238</b>	<b>56.4</b>
Buildings										
Other fixed structures										
Machinery and equipment	4 492	4 514	5 361	12 892	8 715	8 715	13 626	11 385	10 238	56.4
Transport equipment	1 180	1 022	1 221	1 236	1 175	1 175	1 236	1 292	1 350	5.2
Other machinery and equipment	3 312	3 492	4 140	11 656	7 540	7 540	12 390	10 093	8 888	64.3
Heritage Assets										
Specialised military assets										
Biological assets										
Land and sub-soil assets										
Software and other intangible assets	36									
<b>Payments for financial assets</b>	<b>313</b>	<b>176</b>	<b>323</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total economic classification</b>	<b>416 859</b>	<b>367 755</b>	<b>375 932</b>	<b>421 716</b>	<b>409 193</b>	<b>409 455</b>	<b>454 989</b>	<b>473 111</b>	<b>496 021</b>	<b>11.1</b>



Table B.2A: Details of payments and estimates by economic classification: P1 – Administration

R thousand	Outcome			Main appropriation	Adjusted appropriation 2022/23	Revised estimate	Medium-term estimates			% change from 2022/23
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26	
<b>Current payments</b>	<b>146 830</b>	<b>138 129</b>	<b>141 659</b>	<b>155 122</b>	<b>157 148</b>	<b>157 473</b>	<b>178 308</b>	<b>187 910</b>	<b>199 988</b>	<b>13.2</b>
Compensation of employees	110 039	110 133	111 493	115 068	115 030	115 030	115 017	122 142	126 809	(0.0)
Salaries and wages	95 913	95 801	97 191	100 227	98 802	98 802	99 305	105 477	109 044	0.5
Social contributions	14 126	14 332	14 302	14 841	16 228	16 228	15 712	16 665	17 765	(3.2)
Goods and services	36 791	27 996	30 166	40 054	42 118	42 443	63 291	65 668	73 179	49.1
Administrative fees	58	65	333	464	330	330	380	399	418	15.2
Advertising	1 109	779	639	554	1 099	1 099	1 382	1 446	1 514	25.8
Minor assets	301	81	263	814	736	736	5 184	5 419	5 686	604.3
Audit cost: External	4 861	3 820	4 702	4 256	5 362	5 362	4 440	4 638	4 846	(17.2)
Bursaries: Employees	397	446	530	600	562	562	626	654	684	11.4
Catering: Departmental activities	854	3	170	280	1 203	1 203	622	654	686	(48.3)
Communication (G&S)	1 639	2 569	2 282	2 684	1 552	1 552	1 525	1 597	1 672	(1.7)
Computer services	2 027	2 656	1 584	2 726	1 582	1 583	8 334	8 706	9 100	426.5
Consultants and professional services: Business and advisory services	1 942	1 986	3 000	6 571	2 235	2 230	15 484	15 665	20 863	594.3
Infrastructure and planning										
Laboratory services										
Scientific and technological services										
Legal services	1		1 429	250	4 469	4 469	1 000	1 045	1 092	(77.6)
Contractors	1 400	1 071	229	530	531	531	525	553	581	(1.1)
Agency and support / outsourced services										
Entertainment	49	11	20	60	51	51	56	56	65	9.8
Fleet services (including government motor transport)	684	435	464	540	1 067	1 067	840	878	918	(21.3)
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	871	263	246	230	502	502	377	397	419	(24.9)
Consumable: Stationery, printing and office supplies	1 293	162	695	1 995	2 182	2 182	2 290	2 395	2 504	4.9
Operating leases	2 880	2 736	1 717	3 360	2 336	2 336	4 080	4 262	4 453	74.7
Property payments	5 386	6 180	5 923	5 990	7 020	7 344	6 633	6 930	7 242	(9.7)
Transport provided: Departmental activity	11									
Travel and subsistence	3 734	447	926	1 977	2 957	2 957	2 416	2 566	2 701	(18.3)
Training and development	3 271	447	1 857	3 587	3 649	3 649	4 009	4 188	4 376	9.9
Operating payments	3 804	3 838	3 115	2 470	2 528	2 533	2 970	3 103	3 243	17.3
Venues and facilities	219	1	42	116	165	165	118	127	136	(28.5)
Rental and hiring										
Interest and rent on land										
Interest										
Rent on land										
<b>Transfers and subsidies</b>	<b>1 729</b>	<b>2 261</b>	<b>1 685</b>	<b>1 702</b>	<b>3 052</b>	<b>3 059</b>	<b>1 778</b>	<b>1 859</b>	<b>1 944</b>	<b>(41.9)</b>
Provinces										
Municipalities										
Municipalities										
Departmental agencies and accounts	816	942	849	1 102	1 103	1 103	1 152	1 205	1 260	4.4
Social security funds										
Provide list of entities receiving transfers	816	942	849	1 102	1 103	1 103	1 152	1 205	1 260	4.4
Public corporations										
Other transfers										
Private enterprises										
Other transfers										
Non-profit institutions										
Households	913	1 319	836	600	1 949	1 956	626	654	684	(68.0)
Social benefits	659	906	607		1 745	1 752				(100.0)
Other transfers to households	254	413	229	600	204	204	626	654	684	206.9
<b>Payments for capital assets</b>	<b>4 528</b>	<b>4 514</b>	<b>5 361</b>	<b>12 892</b>	<b>8 715</b>	<b>8 715</b>	<b>13 626</b>	<b>11 385</b>	<b>10 238</b>	<b>56.4</b>
Buildings										
Other fixed structures										
Machinery and equipment	4 492	4 514	5 361	12 892	8 715	8 715	13 626	11 385	10 238	56.4
Transport equipment	1 180	1 022	1 221	1 236	1 175	1 175	1 236	1 292	1 350	5.2
Other machinery and equipment	3 312	3 492	4 140	11 656	7 540	7 540	12 390	10 093	8 888	64.3
Heritage Assets										
Specialised military assets										
Biological assets										
Land and sub-soil assets										
Software and other intangible assets	36									
<b>Payments for financial assets</b>	<b>-</b>	<b>176</b>	<b>323</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Total economic classification</b>	<b>153 087</b>	<b>145 080</b>	<b>149 028</b>	<b>169 716</b>	<b>168 915</b>	<b>169 247</b>	<b>193 712</b>	<b>201 054</b>	<b>212 170</b>	<b>14.5</b>

**Table B.2B: Details of payments and estimates by economic classification: P2 – Sustainable Resource Management**

R thousand	2019/20	2020/21	2021/22	Main appropriation	Adjusted appropriation 2022/23	Revised estimate	Medium-term estimates			% change from 2022/23
							2023/24	2024/25	2025/26	
<b>Current payments</b>	<b>70 473</b>	<b>70 045</b>	<b>73 356</b>	<b>81 326</b>	<b>77 427</b>	<b>77 427</b>	<b>84 450</b>	<b>86 604</b>	<b>85 046</b>	<b>9.1</b>
Compensation of employees	68 050	68 690	70 857	71 515	70 653	70 653	71 617	75 817	78 744	1.4
Salaries and wages	60 119	60 240	62 359	62 956	61 788	61 788	62 532	66 211	68 458	1.2
Social contributions	7 931	8 450	8 498	8 559	8 865	8 865	9 085	9 606	10 286	2.5
Goods and services	2 423	1 355	2 499	9 811	6 774	6 774	12 833	10 787	6 302	89.4
Administrative fees	85	89	94	100	100	100	100	105	110	0.0
Advertising										
Minor assets										
Audit cost: External	528	656	640	800	800	800	800	836	874	0.0
Bursaries: Employees										
Catering: Departmental activities	189	1		143	29	29	184	195	206	534.5
Communication (G&S)										
Computer services										
Consultants and professional services: Business and advisory services		491	1 583	7 200	4 671	4 671	10 224	8 038	3 399	118.9
Infrastructure and planning										
Laboratory services										
Scientific and technological services										
Legal services										
Contractors	16									
Agency and support / outsourced services										
Entertainment	24	11	18	34	29	29	32	32	39	10.3
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										
Consumable: Stationery, printing and office supplies										
Operating leases										
Property payments										
Transport provided: Departmental activity										
Travel and subsistence	1 481	107	164	1 395	878	838	1 371	1 452	1 538	63.6
Training and development										
Operating payments	95				216	216				(100.0)
Venues and facilities	5			130	51	91	122	129	136	34.1
Rental and hiring										
Interest and rent on land										
Interest										
Rent on land										
<b>Transfers and subsidies</b>	<b>–</b>	<b>440</b>	<b>104</b>	<b>184</b>	<b>325</b>	<b>325</b>	<b>192</b>	<b>201</b>	<b>211</b>	<b>(40.9)</b>
Provinces										
Municipalities										
Municipalities										
Social security funds										
Higher										
Public corporations										
Other transfers										
Private enterprises										
Other transfers										
Non-profit institutions										
Households		440	104	184	325	325	192	201	211	(40.9)
Social benefits		440	104	184	325	325	192	201	211	(40.9)
<b>Payments for capital assets</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Buildings										
Other fixed structures										
Machinery and equipment										
Transport equipment										
Other										
Heritage Assets										
Specialised military assets										
Biological assets										
Land and sub-soil assets										
<b>Payments for financial assets</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total economic classification</b>	<b>70 473</b>	<b>70 485</b>	<b>73 460</b>	<b>81 510</b>	<b>77 752</b>	<b>77 752</b>	<b>84 642</b>	<b>86 805</b>	<b>85 257</b>	<b>8.9</b>

Table B.2C: Details of payments and estimates by economic classification: P3 – Asset and Liability

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates			% change from 2022/23
	2019/20	2020/21	2021/22		2022/23		2023/24	2024/25	2025/26	
<b>Current payments</b>	26 028	23 697	25 300	26 692	25 701	25 701	25 648	27 134	28 207	(0.2)
Compensation of employees	24 739	22 445	23 728	25 160	23 371	23 371	24 054	25 461	26 448	2.9
Salaries and wages	21 644	19 005	20 746	22 006	20 457	20 457	20 816	22 038	22 793	1.8
Social contributions	3 095	3 440	2 982	3 154	2 914	2 914	3 238	3 423	3 655	11.1
Goods and services	1 289	1 252	1 572	1 532	2 330	2 330	1 594	1 673	1 759	(31.6)
Administrative fees										
Advertising		15	12	22	22	22	22	23	26	0.0
Minor assets										
Audit cost: External										
Bursaries: Employees										
Catering: Departmental activities	144		8	136	236	236	161	169	177	(31.5)
Communication (G&S)										
Computer services										
Consultants and professional services: Business and advisory services	67	1 110	843							
Infrastructure and planning										
Laboratory services										
Scientific and technological services										
Legal services										
Contractors										
Agency and support / outsourced services										
Entertainment	8	1		14	12	12	12	12	14	0.0
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										
Medcas inventory interface										
Inventory: Other supplies										
Consumable supplies										
Consumable: Stationery, printing and office supplies										
Operating leases										
Property payments										
Transport provided: Departmental activity										
Travel and subsistence	308	52	62	245	206	206	240	257	275	16.5
Training and development	736		661	1 110	1 682	1 680	1 156	1 207	1 262	(31.3)
Operating payments	7	74	96		170	170				(100.0)
Venues and facilities	19			5	3	5	4	5	6	(20.0)
Rental and hiring										
Interest and rent on land										
Interest										
Rent on land										
<b>Transfers and subsidies</b>	107	947	69	–	452	452	–	–	–	(100.0)
Provinces										
Municipalities										
Municipalities										
Social security funds										
<b>F</b>										
Public corporations										
Other transfers										
Private enterprises										
Other transfers										
Non-profit institutions										
Households	107	947	69	–	452	452	–	–	–	(100.0)
Social benefits	107	947	69	–	452	452	–	–	–	(100.0)
<b>Payments for capital assets</b>	–	–	–	–	–	–	–	–	–	
Buildings										
Other fixed structures										
Machinery and equipment										
Transport equipment										
Heritage Assets										
Specialised military assets										
Biological assets										
Land and sub-soil assets										
<b>Payments for financial assets</b>	–	–	–	–	–	–	–	–	–	
<b>Total economic classification</b>	26 135	24 644	25 369	26 692	26 153	26 153	25 648	27 134	28 207	(1.9)

Table B.2D: Details of payments and estimates by economic classification: P4 – Financial Governance

R thousand	Outcome			Main appropriation	Adjusted appropriation 2022/23	Revised estimate	Medium-term estimates			% change from 2022/23
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26	
<b>Current payments</b>	<b>89 705</b>	<b>80 781</b>	<b>79 013</b>	<b>87 105</b>	<b>82 860</b>	<b>82 587</b>	<b>93 196</b>	<b>97 023</b>	<b>106 613</b>	<b>12.8</b>
Compensation of employees	71 107	73 195	67 454	74 793	66 777	66 777	74 400	78 603	87 145	11.4
Salaries and wages	64 091	65 500	59 870	66 467	59 490	59 490	64 431	68 110	74 285	8.3
Social contributions	7 016	7 695	7 584	8 326	7 287	7 287	9 969	10 493	12 860	36.8
Goods and services	18 598	7 586	11 559	12 312	16 083	15 810	18 796	18 420	19 468	18.9
Administrative fees										
Advertising										
Minor assets										
Audit cost: External	11 563	5 624	7 972	6 912	11 189	11 189	13 877	13 263	13 858	24.0
Bursaries: Employees										
Catering: Departmental activities	322	6	12	77	80	80	99	104	109	23.8
Communication (G&S)										
Computer services	974	1 047	824	1 200	1 200	927	1 200	1 254	1 311	29.4
Consultants and professional services: Business and advisory services	1 194	215	1 358	1 600	849	849				(100.0)
Infrastructure and planning										
Laboratory services										
Scientific and technological services										
Legal services										
Contractors										
Agency and support / outsourced services										
Entertainment	17	3	2	16	8	8	26	26	32	225.0
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										
Medas inventory interface										
Inventory: Other supplies										
Consumable supplies										
Consumable: Stationery, printing and office supplies										
Operating leases										
Property payments										
Transport provided: Departmental activity										
Travel and subsistence	2 254	51	103	441	405	405	668	714	960	64.9
Training and development	1 780	640	1 225	1 898	1 620	1 620	2 759	2 883	3 013	70.3
Operating payments	427		63	125	688	688	124	130	136	(82.0)
Venues and facilities	67				44	44	43	46	49	(2.3)
Rental and hiring										
Interest and rent on land										
Interest										
Rent on land										
<b>Transfers and subsidies</b>	<b>421</b>	<b>838</b>	<b>1 426</b>	<b>-</b>	<b>287</b>	<b>378</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(100.0)</b>
Provinces										
Municipalities										
Municipalities										
Social security funds										
Public corporations										
Other transfers										
Private enterprises										
Other transfers										
Non-profit institutions										
Households	421	838	1 426		287	378				(100.0)
Social benefits	421	838	1 426		287	378				(100.0)
<b>Payments for capital assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Buildings										
Other fixed structures										
Machinery and equipment										
Transport equipment										
Heritage Assets										
Specialised military assets										
Biological assets										
Land and sub-soil assets										
<b>Payments for financial assets</b>	<b>313</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total economic classification</b>	<b>90 439</b>	<b>81 619</b>	<b>80 439</b>	<b>87 105</b>	<b>83 147</b>	<b>82 965</b>	<b>93 196</b>	<b>97 023</b>	<b>106 613</b>	<b>12.3</b>

**Table B.2E: Details of payments and estimates by economic classification: P5 – Municipal Financial Governance**

R thousand	Outcome			Main appropriation	Adjusted appropriation 2022/23	Revised estimate	Medium-term estimates			% change from 2022/23
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26	
<b>Current payments</b>	<b>52 625</b>	<b>44 313</b>	<b>46 747</b>	<b>56 693</b>	<b>52 025</b>	<b>52 025</b>	<b>57 791</b>	<b>61 095</b>	<b>63 774</b>	<b>11.1</b>
Compensation of employees	48 415	43 967	45 746	50 049	49 411	49 411	50 287	53 238	55 773	1.8
Salaries and wages	42 627	38 854	40 990	44 633	44 144	44 144	44 386	46 996	48 917	0.5
Social contributions	5 788	5 113	4 756	5 416	5 267	5 267	5 901	6 242	6 856	12.0
Goods and services	4 210	346	1 001	6 644	2 614	2 614	7 504	7 857	8 001	187.1
Administrative fees										
Advertising										
Minor assets										
Audit cost: External										
Bursaries: Employees										
Catering: Departmental activities	471	4		82	248	245	173	182	192	(29.4)
Communication (G&S)										
Computer services										
Consultants and professional services: Business and advisory services				5 127			5 364	5 604	5 622	
Infrastructure and planning										
Laboratory services										
Scientific and technological services										
Legal services										
Contractors										
Agency and support / outsourced services										
Entertainment	8	3		10	3	6	18	18	25	200.0
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										
Consumable: Stationery, printing and office supplies										
Operating leases										
Property payments										
Transport provided: Departmental activity										
Travel and subsistence	3 457	98	560	1 405	2 126	2 057	1 889	1 990	2 096	(8.2)
Training and development										
Operating payments	223	241	441		206	275				(100.0)
Venues and facilities	51			20	31	31	60	63	66	93.5
Rental and hiring										
Interest and rent on land										
Interest										
Rent on land										
<b>Transfers and subsidies</b>	<b>24 100</b>	<b>1 614</b>	<b>889</b>	<b>–</b>	<b>1 201</b>	<b>1 313</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(100.0)</b>
Provinces and municipalities	23 587									
Provinces										
Municipalities	23 587									
Municipalities	23 587									
Social security funds										
Prov										
Public corporations										
Other transfers										
Private enterprises										
Other transfers										
Non-profit institutions										
Households	513	1 614	889		1 201	1 313				(100.0)
Social benefits	513	1 614	889		1 201	1 313				(100.0)
<b>Payments for capital assets</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	
Buildings										
Other fixed structures										
Machinery and equipment										
Transport equipment										
Heritage Assets										
Specialised military assets										
Biological assets										
Land and sub-soil assets										
<b>Payments for financial assets</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	
<b>Total economic classification</b>	<b>76 725</b>	<b>45 927</b>	<b>47 636</b>	<b>56 693</b>	<b>53 226</b>	<b>53 338</b>	<b>57 791</b>	<b>61 095</b>	<b>63 774</b>	<b>8.3</b>

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