

Free State Provincial Treasury

To be appropriated by Vote in 2023/24	R 351 852 000
Responsible Member of Executive Council	MEC for Finance
Administering Department	Free State Provincial Treasury
Accounting Officer	Head of Department: Free State Provincial Treasury

1. Overview

Provincial Treasury derives its mandate, core functions and responsibilities from the Public Finance Management Act (Act 1 of 1999), as amended and Municipal Finance Management Act (Act 56 of 2003).

1.1 Vision

An innovative and resilient partner in prudent fiscal management, socio-economic growth and service delivery.

1.2 Mission

To promote Socio-economic inclusiveness for shared growth through

- Innovative fiscal management,
- Sustainable resource management and
- Good governance

Values

Accountability, Assertiveness, Collaboration, Professionalism and Integrity

Core function and responsibilities

The core functions, powers and responsibilities of the Provincial Treasury are outlined in Section 18 of the Public Finance Management Act (PFMA, Act No. 1 of 1999) and Section 5 of the Municipal Finance Management Act (MFMA, Act No. 56 of 2003). These can be summarised as follows:

- Preparing the provincial budget and exercising control over the implementation thereof;
- Promoting and enforcing transparency and effective management in respect of revenue, expenditure, assets and liabilities of provincial departments and entities;

- Enforcing the PFMA and national and provincial norms and standards as well as monitoring and assessing the implementation thereof in provincial departments and entities;
- Assisting provincial departments and entities in building their capacity for efficient, effective and transparent financial management;
- Preparing consolidated financial statements;
- Controlling the Provincial Revenue Fund and establishing appropriate and effective cash management and banking arrangements for the Provincial Revenue Fund;
- Monitoring and enforcing compliance of municipalities and municipal entities with the MFMA; and
- Monitoring the preparation of municipal budgets and the outcome thereof.

Main services

Provincial Treasury's main services in executing its mandate include:

- Providing professional advice and support on provincial economic analysis and fiscal policy;
- Management of the annual budget process and the implementation of provincial budgets;
- Providing policy direction, monitoring and support to ensure effective and efficient supply chain management and asset management practices;
- Providing access to and maintaining transversal financial management systems
- Promoting accountability and compliance with financial norms and standards to improve the quality and integrity of financial accounting and reporting of provincial departments and public entities;
- Providing guidance to improve financial governance and management at local government level; and
- Providing guidance on municipal revenue and debt management as well as asset and liability management and reporting

Acts, rules and regulations

The department considers the following acts, rules and regulations in the execution of its responsibilities:

- Constitution Act No. 108 of 1996
- Public Finance Management Act No. 1 of 1999 (as amended)
- Treasury Regulations, May 2005

- Annual Division of Revenue Act
- Municipal Finance Management Act number 56 of 2003
- Municipal Supply Chain Regulations of 2005
- Municipal Investment Regulations of 2005
- Municipal PPP Regulations of 2005
- Preferential Procurement Policy Act No. 5 of 2000
- SCM Regulations of 2004
- Borrowing Powers of Provincial Government Act
- Provincial Tax Act
- Employment Equity Act of 1998
- Public Service Act of 1994
- Public Service Regulations, 2016
- Public Service Coordinating Bargaining Council Collective Agreement
- SITA Act of 1999
- SITA Regulations of 1999
- Archives act of 1962
- Protection of Information Act, Act 84 of 1982
- Access to Information Act of 1998 (as amended)
- Minimum Information Security Standard (MISS)
- Promotion of Administrative Justice (PAJA) Act 3 of 2000
- Labour Relations Act 66 of 1995

Activities and events relevant to budget decisions

- Provincial Medium Term Expenditure Committee Hearings
- EXCO Planning and Budget Lekgotla
- EXCO Resolutions
- State of the Provincial Address (SOPA)
- Annual Calendar Events

Aligning departmental budgets to achieve government's prescribed outcomes

The Provincial Treasury contributes to Priority 1: A capable, ethical and developmental state of the Medium Term Strategic Framework. The 2023-2024 Annual Performance Plan is aligned to achieve these outcomes.

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

As the custodian of public financial management in the province, the Department strived to execute its mandate of monitoring and oversight to improve governance and compliance to regulatory frameworks at both provincial and local government level.

The Department provided comprehensive socio-economic information for the province to serve as an analytical framework to inform provincial fiscal policy development and allow for more informed alignment of budget proposals with the prevailing provincial growth and development strategy and government priorities. This included the publication of the Provincial Economic Review and Outlook (PERO), the District Economic Review and Outlook (DERO), the Medium Term Budget Policy Statement (MTBPS) and quarterly labour market reviews. The economic performance of the province is affected by global and national developments and despite the economy recovering from a negative growth of 7.1 percent in 2020 to a growth rate of 3.6 percent in 2021, a contraction in growth to about 1.2 percent was anticipated in 2022.

Provincial own generated revenue plays a vital role in supplementing national transfers and funding key priorities. The department worked with revenue generating departments and entities in pursuit of optimising own revenue. The Provincial Own Revenue is monitored and reported regularly. As at the end of November 2022, 81.2 percent (R928.3 million) of the R1.1 billion target has been collected. Provincial Treasury's collection of R39.6 million has exceeded the target of R15.3 million. This is as a results of higher interest generated from investments due to efficiencies in the management of cash flow in the province.

Progress with infrastructure spending and projects as well as spending on conditional grants is monitored on a regular basis and conditional grant infrastructure review sessions were held to discuss progress with departments and entities. Despite these efforts, as at the end of November 2022 the province had only spent 55.8 percent (R4.9 billion) of the conditional grants budget of R8.8 billion, which is below the expected benchmark of 66.7 percent. On infrastructure, spending at the end of November 2022 was at 44.5 percent (R2 billion) of R4.6 billion.

The department continues to monitor closely expenditure, with an emphasis on managing the provincial wage bill. The Free State composition of expenditure is more towards compensation of employees. Although, there are signs of containing compensation of employees spending, the overall composition remains extremely unbalanced and may overcrowd the budget.

Payment of suppliers within 30 days remains a major concern given the role that government procurement plays in the empowerment of SMMEs. A combination of factors has been reported

to contribute to the challenge of paying suppliers within 30 days. These include difficulties with the Central Supplier Database, the tax status of suppliers and service providers, disputed invoices and inadequate funding. The Department implemented a grievance procedure to assist service providers and continuously monitor and report progress with the payment of invoices.

As part of the Provincial Treasury's oversight role, the following interventions were undertaken to address this concern and to improve on departments paying suppliers:

- Departments were required to report to the Provincial Treasury on their performance regarding payment of suppliers on a monthly basis and this report was submitted to National Treasury who later presented it to the Forum of South Africa Heads of Department (FOSAD).
- On a monthly basis the Provincial Treasury engaged with departments and entities before submitting exception reports to National Treasury on payment of suppliers in 30 days.
- Departments were required to develop and implement internal control processes to ensure compliance with the requirements pertaining to the payment of suppliers within 30 days.

Provincial Treasury continued its support and oversight to departments and entities to improve governance and compliance. In an effort to enhance the quality of financial statements, interim and draft financial statements of departments and entities were assessed and detailed reports and guidance on rectifications that needed to be done were provided to accounting officers. Work files were also assessed to determine completeness in terms of the minimum requirements checklist.

In ensuring that the public and private sector stakeholders are vigilant and have improved fraud prevention and response strategies, Provincial Treasury continued to educate and alert the officials and stakeholders on developments in fraud detection and prevention. The Department hosted the International Anti-Fraud Awareness Session in partnership with the Association for Certified Fraud Examiners, Nedbank, the Institute of Commercial Forensic Practitioners and the Special Investigating Unit.

Risk Management and Internal Audit KPI assessments with regard to provincial Risk Management Units, Risk Management Committees, Fraud and Ethics Risk Assessment and provincial Internal Audit Activities and Audit Committees were conducted. The Department hosted an Audit Committee Forum to further strengthen governance structures in the province.

The department's monitoring of and support to municipalities included the assessment of draft and final budgets on credibility, funding and compliance with the Municipal Budget and Reporting Regulations.

Provincial Treasury provided support to municipalities on supply chain management processes. This included training and support to Municipal Public Accounts Committee (MPAC) members to improve their governance roles, training of bid committee members, assessing supply chain related policies, reviewing procurement plans etc.

To assist municipalities to improve their audit outcomes, the department reviewed and monitored the implementation of audit action plans, attended audit steering committee meetings and provided guidance on the GRAP reporting framework.

The department assessed the risk management and internal audit functions in municipalities in terms of functionality and capacity and provided training and support to ensure the effective functioning of these governance structures.

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

The key focus for Provincial Treasury will be ensuring sustainable and accountable fiscal governance in provincial departments, entities and municipalities.

The department will focus on improving cash coverage, reducing accruals and payables, irregular, unauthorised and fruitless and wasteful expenditure, improving the quality of financial statements and strengthening governance structures.

The province continues to operate in a tight fiscal space and Provincial Treasury is challenged to develop a fiscal policy framework that will contribute to inclusive economic growth whilst ensuring delivery on priorities of government. The provincial own generated revenue represents a small share of the provincial fiscal envelope but it plays a vital role in supplementing national transfers. Provincial own revenue is generated mainly by two items; motor vehicle licenses and sales of goods and services, which come from services rendered at hospitals (patient fees). The concentration of the sources of revenue in the province poses a serious risk to fiscal sustainability. The department will continue to support departments with revenue collection and efforts to diversify revenue streams for the province.

Provincial Treasury will continue with its efforts to ensure that allocated funds are spent efficiently and effectively. In-year monitoring and reporting will continue, with a focus on budgeting and spending on non-core items.

Compensation of employees currently accounts for 62.5 percent of the provincial budget and it is projected to further increase over the MTEF period. The unsustainably high levels of the public sector wage bill will have to be managed downwards to unlock funding for other priorities as well as derive efficiency on compensation of employees' budgets. Provincial Treasury will thoroughly review the composition of compensation of employee's budget and put measures in place to reduce growth of the provincial wage bill.

The department will pay special attention to improving infrastructure delivery in a cost effective manner in collaboration with key role-players. Expenditure on infrastructure and conditional grants will be monitored rigorously and departments will be regularly engaged in this regard.

Compliance with supply chain management prescripts is key to ensuring accountable fiscal governance. Provincial Treasury will continue to monitor and assess departments on compliance with key performance indicators for supply chain management and provide guidance and assistance to improve supply chain management practices in departments and entities.

Late payment of suppliers continues to seriously undermine the sustainability of Small Medium and Micro Enterprises and the department will regular monitor and report on the payment of suppliers within 30 days. The department will engage with departments and entities on reports on payment of suppliers and monitor the development and implementation of internal control processes to ensure compliance with payment requirements.

To support departments and entities to improve the quality of their financial statements, Provincial Treasury will continue with the assessment of interim and draft annual financial statements and providing guidance and assistance to departments and entities on accounting matters. The department will furthermore assess remedial audit action plans and monitor progress with the implementation thereof.

The department will continue to monitor compliance to and effective implementation of the Public Sector Risk Management Framework and the Public Sector Internal Audit Framework. Training and support will also be provided with regard to risk management and internal audit.

In terms of Section 5(4) of the MFMA, 2003 (Act No. 56 of 2003) the Provincial Treasury must, amongst other, monitor compliance with the Act by municipalities and municipal entities, the preparation of their budgets and the monthly outcome thereof, as well as the submission of reports as required by the Act. It may further assist municipalities in the preparation of their budgets and it may exercise any powers and must perform any duties delegated to it by the National Treasury in terms of the Act and may take appropriate steps if a municipality or municipal entity in the province commits a breach of the Act. Currently the Department is responsible for 22-delegated municipalities.

To assist municipalities to improve their budgets, the department will conduct training sessions, evaluate draft municipal budgets and provide feedback and conduct both technical and political municipal budget bilateral meetings. Expenditure will be monitored and reported regularly.

The department will assist municipalities to manage their cash position by assisting them to improve the functionality and effectiveness of revenue committees, improve cost reflective tariffs through partnerships with Eskom, water boards and NERSA and facilitating the conclusion of recovery plans for defaulting municipalities and monitoring the payment of debts.

The department will continue to assist municipalities with the interpretation and implementation of GRAP standards and will monitor the submission of annual financial statements to the Auditor General.

Municipalities will be supported on supply chain management compliance through amongst other training, assessment of policies and reviewing supply chain management reports and registers.

To improve the functioning and effectiveness of governance structures, Internal Audit and Risk Management functions of municipalities will be assessed and training and support provided.

4. Reprioritisation

Reprioritised baseline funding for the 2023-24 financial year concludes that approximately 72 percent of the required allocation is for compensation of employees. This includes funding for critical identified vacant posts and contract officials. 28 percent for other pressures such as replacement of computer equipment, travelling and subsistence, training, old servers, maintenance and repair of server infrastructure, professional services for upgrade and configuration of new servers and applications, payment of software licenses and provincial research project. This includes the earmarked allocation for the Municipal Clean Audit project, Infrastructure Development Programme, Municipal Financial Recovery and Municipal Support Programme.

5. Procurement

The procurement plan for the forthcoming financial year exceeds the current allocations for planned major procurements.

6. Receipts and financing

6.1 Summary of receipts

Table 4.1: Summary of receipts

R thousand	Outcome			Main appropriation	Adjusted appropriation 2022/23	Revised estimate	Medium-term estimates		
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26
Equitable share	261 999	225 119	281 551	268 761	283 040	283 040	282 265	298 535	309 833
Conditional grants									
Earmarked funds	58 385	262 052	31 400	25 726	19 360	19 360	46 808	49 358	49 932
Operation clean audit							26 560	26 560	26 560
Municipal Support Programme	35 331	2 540	9 000	12 000	10 800	10 800	8 000	10 000	10 000
Transversal Contracts	12 960	15 498							
Covid-19 Response		238 985	10 000						
Provincial Support Programme	9 866	3 500	1 200						
Team Mate(Internal Audit&Risk Man Software	228								
Financial Intervention measures				2 000					
Infrastructure Development Improvement			5 000	5 235	4 635	4 635	5 466	5 711	5 967
Municipal Finance Recovery Services		1 529	6 200	6 491	3 925	3 925	6 782	7 087	7 405
Departmental receipts	35 779	52 144	22 292	22 779	22 779	22 779	22 779	22 779	22 779
Total receipts	356 163	539 315	335 243	317 266	325 179	325 179	351 852	370 672	382 544

Table 4.2 : Summary of departmental receipts collection

R thousand	Outcome			Main appropriation	Adjusted appropriation 2022/23	Revised estimate	Medium-term estimates		
	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	176	142	140	149	140	149	140	140	140
Transfers received									
Fines, penalties and forfeits									
Interest, dividends and rent on land	30 145	36 438	27 315	15 000	30 000	46 122	20 000	20 000	20 000
Sales of capital assets	3								
Transactions in financial assets and liabilities	3 604	58	127	149	160	181	149	149	149
Total departmental receipts	33 928	36 638	27 582	15 298	30 300	46 452	20 289	20 289	20 289

6.2 Departmental receipts collection

The Free State Provincial Treasury is the custodian for investments in the province and generates revenue by means of investing allocated funding available in the provincial revenue fund. Due to improved spending of the provincial departments in the previous few years, the interest generated declined. However, the implementation of cost containment measures and closely monitoring of the spending within departments, the interest generated increased again.

6.3 Donor funding

Table 4.3: Summary of department donor funding: Free State Provincial Treasury

Name of Donor	Outcome			Revised estimate	Medium-term estimates		
	2019/20	2020/21	2021/22		2023/24	2024/25	2025/26
Gender Based Research Project	1229						
Total department donor funding	1229						

7. Payment summary

7.1 Key assumption

Approximately 72 percent of the Free State Provincial Treasury's budget is allocated towards the payment of compensation of employees.

In line with the allocation letter and guidelines provided to Free State Provincial Treasury, R7 million is added to compensation of employees' budget for the 2023/24 financial year, R10 million added in 2024/25 financial year and R10 million added in 2025/26 financial year to cater for the implementation of the organisational structure. The R2 million allocated for Financial Intervention Measures from provincial earmarked funding is embedded to equitable share allocation over the 2023 MTEF and going forward.

7.2 Programme summary

Table 4.4 : Summary of payments and estimates by programme: Free State Provincial Treasury

R thousand	Outcome			Main appropriation	Adjusted appropriation 2022/23	Revised estimate	Medium-term estimates		
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26
1. Administration	105 887	98 556	100 768	113 687	114 005	114 005	118 879	123 537	126 293
2. Sustainable Resource Management	47 232	45 334	46 414	55 639	56 707	56 707	57 816	61 343	64 349
3. Asset And Liabilities Management	80 598	317 682	68 024	62 410	71 796	71 796	64 478	67 672	69 375
4. Financial Governance	33 789	28 026	25 683	29 963	26 479	26 479	30 011	31 790	32 940
5. Municipal Finance Management	73 359	38 516	39 246	55 567	56 192	56 192	80 668	86 330	89 587
Total payments and estimates	340 865	528 114	280 135	317 266	325 179	325 179	351 852	370 672	382 544

7.3 Summary of economic classification

Table 4.5 : Summary of provincial payments and estimates by economic classification: Free State Provincial Treasury

R thousand	Outcome			Main appropriation	Adjusted appropriation 2022/23	Revised estimate	Medium-term estimates		
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26
Current payments	302 356	521 871	271 469	313 730	313 691	313 501	348 596	367 221	379 093
Compensation of employees	224 452	222 111	225 808	244 075	248 849	248 573	255 385	272 272	284 144
Goods and services	77 904	299 760	45 661	69 655	64 842	64 928	93 211	94 949	94 949
Interest and rent on land									
Transfers and subsidies to:	35 048	3 139	4 289	418	6 707	6 835	385	430	430
Provinces and municipalities	33 831	2 540	3 500		6 000	6 000			
Departmental agencies and accounts									
Higher education institutions									
Foreign governments and international organisations									
Public corporations and private enterprises									
Non-profit institutions									
Households	1 217	599	789	418	707	835	385	430	430
Payments for capital assets	3 412	3 087	4 323	3 118	4 781	4 842	2 871	3 021	3 021
Buildings and other fixed structures									
Machinery and equipment	3 412	3 087	4 323	3 118	4 781	4 842	2 871	3 021	3 021
Heritage Assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
Payments for financial assets	49	17	54			1			
Total economic classification	340 865	528 114	280 135	317 266	325 179	325 179	351 852	370 672	382 544

Compensation of Employees includes permanent, funded and unfunded vacant and temporary (contract appointments) officials. Assets mainly consist of finance leases relating the leases of

photocopy machines, cellular phone and USB contracts. Transfers and subsidies includes injury on duty, donations and gifts stemming from the outreach projects within the Office of the MEC and leave gratuity payments for officials leaving the department and the government sector or officials who passed on. Other expenditure includes normal administrative costs for training and the largest expenditure for the department is the assistance to municipalities, transversal systems and transversal commitments.

7.4 Infrastructure payments

Not Applicable

7.5 Conditional Grants

Not Applicable

7.6 Payment for Priorities

National and Provincial priorities are implemented by the department and included in the allocation as earmarked priorities funded through equitable share allocation.

Table 4.6: Earmarked funding: Provincial Treasury

Project description	Outcome			Main appropriation	Adjusted Appropriation	Revised Estimates	Medium-term estimates		
	2019/20	2020/21	2021/22	2022/23			2023/24	2024/25	2025/26
R thousand									
Programme 2				5 235	4 635	4 635	5 466	5 711	5 967
Infrastructure Development Improvement				5 235	4 635	4 635	5 466	5 711	5 967
Programme 3	12 960	251 345	1 483						
Transversal commitment	12 960	12 360							
Supply Chain Management Compliance									
COVID - 19 response		238 985	1 483						
Programme 4	10 094	3 138		2 000					
SITA (software for internal audit)	228								
Financial intervention measures	9 866	3 138		2 000					
Programme 5	35 331	4 069	5 372	18 491	14 725	14 725	41 342	43 647	43 965
Municipal Finance Recovery Services (NT - S139 Intervention)		1 529	1 872	6 491	3 925	3 925	6 782	7 087	7 405
Operation Clean Audit							26 560	26 560	26 560
Municipal Support Programme	35 331	2 540	3 500	12 000	10 800	10 800	8 000	10 000	10 000
	58 385	258 552	6 855	25 726	19 360	19 360	46 808	49 358	49 932

7.7 Departmental Public-Private Partnership (PPP) projects

Not applicable

7.8 Transfers

7.8.1 Transfers to public entities

Not applicable

7.8.2 Transfers to other entities

Not applicable

7.8.3 Transfers to local government

Table 4.7 : Summary of departmental transfers to local government by category

R thousand	Outcome			Main appropriation	Adjusted appropriation 2022/23	Revised estimate	Medium-term estimates		
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26
Category A									
Category B	33 831	2 540	3 500		6 000	6 000			
Category C									
Unallocated									
Total departmental transfers	33 831	2 540	3 500		6 000	6 000			

8. Programme description

Programme 1: Administration

The role of this programme is to provide leadership and strategic management in accordance with legislation, regulations and policies as well as to ensure there are appropriate support service to all other programmes. The programme consists of five operational sub-programmes: Office of the MEC, Office of the HOD, Corporate Services, Financial Management (Includes the office of the CFO) and Internal Audit (Departmental).

Description and outputs

- To provide support to MEC / HOD
- To facilitate towards a skilled, competent and responsive workforce for the Department
- To ensure that allocated funds are planned, managed and spent effectively
- To procure and maintain quality goods and services
- To ensure compliance with practices, norms and standards, independent assessment of the adequacy and effectiveness of internal controls and risk management
- To promote effective corporate communication
- To promote sound stakeholder relations

Table 4.8 : Summary of payments and estimates by sub-programme: Programme 1: Administration

R thousand	Outcome			Main appropriation	Adjusted appropriation 2022/23	Revised estimate	Medium-term estimates		
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26
1. Office Of The Mec	9 532	7 411	6 972	8 211	8 606	8 782	9 245	9 341	9 319
2. Management Services	11 533	13 601	4 228	6 634	6 144	6 144	6 915	7 122	7 622
3. Corporate Services	35 641	33 391	42 139	45 438	48 029	48 102	48 569	51 779	52 779
4. Financial Management	43 537	38 815	41 989	47 194	45 425	45 262	47 684	48 627	49 655
5. Internal Audit (Departmental)	5 644	5 338	5 440	6 210	5 801	5 715	6 466	6 668	6 918
Total payments and estimates	105 887	98 556	100 768	113 687	114 005	114 005	118 879	123 537	126 293

Table 4.9 : Summary of payments and estimates by economic classification: Programme 1: Administration

R thousand	Outcome			Main appropriation	Adjusted appropriation 2022/23	Revised estimate	Medium-term estimates		
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26
Current payments	102 405	95 301	97 416	110 621	110 366	110 186	115 743	120 356	123 112
Compensation of employees	80 755	78 001	79 696	85 903	85 927	86 778	91 405	95 748	98 504
Goods and services	21 650	17 300	17 720	24 718	24 439	23 408	24 338	24 608	24 608
Interest and rent on land									
Transfers and subsidies to:	974	431	329	418	577	583	385	430	430
Provinces and municipalities									
Departmental agencies and account									
Higher education institutions									
Foreign governments and internatio									
Public corporations and private ente									
Non-profit institutions									
Households	974	431	329	418	577	583	385	430	430
Payments for capital assets	2 484	2 807	3 023	2 648	3 062	3 236	2 751	2 751	2 751
Buildings and other fixed structures									
Machinery and equipment	2 484	2 807	3 023	2 648	3 062	3 236	2 751	2 751	2 751
Heritage Assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible asset									
Payments for financial assets	24	17							
Total economic classification	105 887	98 556	100 768	113 687	114 005	114 005	118 879	123 537	126 293

Programme expenditure analysis

The spending within programme one is mainly service delivery to the department as a support function to the Provincial Treasury. Other functions are however, centralized within this programme for example the audit fees, resettlement cost, training and development of departmental officials, bursary payments, departmental IT expenses like software licenses, internet payments, telephone expenditure as well as finance leases including cellular, USB and photocopy machine leases.

Programme one is also responsible for the payment of interns and learners, government vehicle costs and advertisement cost for recruitment.

Programme 2: Sustainable Resource Management

The role of this programme is to provide professional advice and support on provincial economic analysis, fiscal policy and management of the annual budget process and the implementation of provincial budgets. The programme consists of six operational sub-programmes: Programme Support, Economic Analysis, Fiscal Policy, Budget Management, Public Finance and Compensation Directorate.

Description and outputs

- Conduct research and provide economic information in pursuit of inclusive growth and development
- Optimize provincial own revenue in order to fund key priorities
- Monitor and assess the implementation of the fiscal policy and budget framework

- Promote effective and efficient infrastructure delivery
- Ensure sustainable and effective cash management practices and efficient management of the Provincial Revenue Fund

Table 4.10 : Summary of payments and estimates by sub-programme: Programme 2: Sustainable Resource Management

R thousand	Outcome			Main appropriation	Adjusted appropriation 2022/23	Revised estimate	Medium-term estimates		
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26
1. Programme Support	2 385	1 753	1 908	1 919	2 017	2 011	2 070	2 150	2 500
2. Economic Analysis	6 238	5 957	6 315	8 040	8 078	7 955	9 799	9 531	10 081
3. Fiscal Policy	8 610	8 294	8 687	9 252	9 440	9 452	8 753	10 211	10 711
4. Budget Management	13 373	13 371	13 412	13 425	14 047	14 192	14 029	14 622	15 222
5. Public Finance	15 546	14 892	14 950	21 755	21 887	21 887	21 855	23 457	24 313
6. Compensation Directorate	1 080	1 067	1 142	1 248	1 238	1 210	1 310	1 372	1 522
Total payments and estimates	47 232	45 334	46 414	55 639	56 707	56 707	57 816	61 343	64 349

Table 4.11 : Summary of payments and estimates by economic classification: Programme 2: Sustainable Resource Management

R thousand	Outcome			Main appropriation	Adjusted appropriation 2022/23	Revised estimate	Medium-term estimates		
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26
Current payments	46 689	45 264	45 873	55 639	56 059	56 171	57 816	61 343	64 349
Compensation of employees	43 766	43 683	45 066	50 870	52 120	52 100	52 433	56 247	59 253
Goods and services	2 923	1 581	807	4 769	3 939	4 071	5 383	5 096	5 096
Interest and rent on land									
Transfers and subsidies to:	133		23		96	96			
Provinces and municipalities									
Departmental agencies and account									
Higher education institutions									
Foreign governments and internatio									
Public corporations and private ente									
Non-profit institutions									
Households	133		23		96	96			
Payments for capital assets	398	70	506		552	440			
Buildings and other fixed structures									
Machinery and equipment	398	70	506		552	440			
Heritage Assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible asset									
Payments for financial assets	12		12						
Total economic classification	47 232	45 334	46 414	55 639	56 707	56 707	57 816	61 343	64 349

Programme expenditure analysis

The expenditure within this programme is mainly relating to compensation of employees as well as the travelling cost of officials.

The largest spending on goods and services is for the annual Research Colloquium held by the programme for the province as well as the printing of the relevant budget related books.

Programme 3: Asset and Liability Management

The role of this programme is to provide policy direction, facilitate the effective and efficient management of assets, liabilities and financial management systems and procure transversal and crosscutting goods and services. The programme consists out of three sub-programmes: Programme Support, Asset Management, Supporting and Interlinked Financial Systems.

Description and outputs

- Strengthen supply chain management in the province through capacity building and oversight
- Strengthen asset management in the province through capacity building and oversight
- Support and capacitate transversal financial management systems users

Table 4.12 : Summary of payments and estimates by sub-programme: Programme 3: Asset And Liabilities Management

R thousand	Outcome			Main appropriation	Adjusted appropriation 2022/23	Revised estimate	Medium-term estimates		
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26
1. Programme Support	3 084	240 600	3 284	1 892	3 392	3 318	2 158	2 064	2 367
2. Asset Management	22 334	21 552	8 907	10 418	10 818	10 219	11 233	12 514	13 014
3. Supporting And Interlinked Financial Systems	55 180	55 530	55 833	50 100	57 586	58 259	51 087	53 094	53 994
Total payments and estimates	80 598	317 682	68 024	62 410	71 796	71 796	64 478	67 672	69 375

Table 4.13 : Summary of payments and estimates by economic classification: Programme 3: Asset And Liabilities Management

R thousand	Outcome			Main appropriation	Adjusted appropriation 2022/23	Revised estimate	Medium-term estimates		
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26
Current payments	80 352	317 565	67 759	62 410	71 398	71 369	64 478	67 672	69 375
Compensation of employees	40 439	40 871	41 606	43 734	44 734	43 770	45 251	48 493	50 196
Goods and services	39 913	276 694	26 153	18 676	26 664	27 599	19 227	19 179	19 179
Interest and rent on land									
Transfers and subsidies to:		104	84			30			
Provinces and municipalities									
Departmental agencies and accounts									
Higher education institutions									
Foreign governments and international organisations									
Public corporations and private enterprises									
Non-profit institutions									
Households		104	84			30			
Payments for capital assets	246	13	181		398	397			
Buildings and other fixed structures									
Machinery and equipment	246	13	181		398	397			
Heritage Assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
Payments for financial assets									
Total economic classification	80 598	317 682	68 024	62 410	71 796	71 796	64 478	67 672	69 375

Programme expenditure analysis

The programme is mainly responsible for asset management and transversal systems for the province. The largest expenditure within the programme relates to the SITA accounts for all financial systems utilized by all departments within the province (BAS, PERSAL and LOGIS). Minor expenditure is relating travel and subsistence cost.

Programme 4: Financial Governance

The role of this programme is to promote accountability through substantive reflection of financial activities of the province as well as compliance with financial norms and standards. The programme consists of three sub-programmes: Programme Support, Accounting Services and Provincial Risk Management and Internal Audit (Provincial)

Description and outputs

- Promote and enforce sound accounting practices and reporting through capacity building and monitoring
- Promote and enforce risk management and internal audit practices through capacity building and monitoring

Table 4.14 : Summary of payments and estimates by sub-programme: Programme 4: Financial Governance

R thousand	Outcome			Main appropriation	Adjusted appropriation 2022/23	Revised estimate	Medium-term estimates		
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26
1. Program Support	2 806	2 600	3 030	3 138	2 696	2 796	2 998	3 255	3 505
2. Accounting Services	23 350	18 397	15 859	16 565	16 054	16 054	16 913	18 042	18 492
3. Risk Management And Internal Aud	7 633	7 029	6 794	10 260	7 729	7 629	10 100	10 493	10 943
Total payments and estimates	33 789	28 026	25 683	29 963	26 479	26 479	30 011	31 790	32 940

Table 4.15 : Summary of payments and estimates by economic classification: Programme 4: Financial Governance

R thousand	Outcome			Main appropriation	Adjusted appropriation 2022/23	Revised estimate	Medium-term estimates		
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26
Current payments	33 654	27 966	25 248	29 893	26 260	26 259	29 941	31 720	32 870
Compensation of employees	24 262	24 452	24 913	26 546	24 846	25 269	26 571	28 497	29 647
Goods and services	9 392	3 514	335	3 347	1 414	990	3 370	3 223	3 223
Interest and rent on land									
Transfers and subsidies to:			111						
Provinces and municipalities									
Departmental agencies and account									
Higher education institutions									
Foreign governments and internatio									
Public corporations and private ente									
Non-profit institutions									
Households			111						
Payments for capital assets	122	60	282	70	219	219	70	70	70
Buildings and other fixed structures									
Machinery and equipment	122	60	282	70	219	219	70	70	70
Heritage Assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible asset									
Payments for financial assets	13		42			1			
Total economic classification	33 789	28 026	25 683	29 963	26 479	26 479	30 011	31 790	32 940

Programme expenditure analysis

The main cost driver in this programme is compensation of employees as this programme provides assistance to all provincial departments and entities relating to all accounting, risk and internal audit matters. Minor expenditure includes the printing of the consolidated financial statements as well as travel and subsistence.

Programme 5: Municipal Finance Management

The role of this programme is to promote and improve the state of financial governance and management at local government level. Approval was granted in November 2021 to convert the programme back to specialized services. The amended structural changes were implemented with effect from 1 April 2022. The programme consists of seven sub-programmes: - Programme support, Municipal Budgets & IYM, Municipal Accounting & Asset Management, Municipal

Revenue & Debt, Municipal Supply Chain Management, Municipal Risk and Internal Audit relating to Municipal Finance and Municipal Finance Recovery Services & Reporting.

Description and outputs

- Monitor and support municipalities towards improved budget management
- Monitor and support municipalities towards improved audit outcomes
- Monitor and support municipalities to strengthen compliance with SCM prescripts
- Monitor and support municipalities to strengthen Internal Audit and Risk Management

Table 4.16 : Summary of payments and estimates by sub-programme: Programme 5: Municipal Finance Management

R thousand	Outcome			Main appropriation	Adjusted appropriation 2022/23	Revised estimate	Medium-term estimates		
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26
1. Program Support	38 750	5 899	7 316	14 262	13 088	13 058	36 459	38 936	39 086
2. Municipal Budgets & lym	7 094	6 907	7 054	7 495	7 827	7 827	7 558	8 057	8 507
3. Municipal Accounting & Assets	5 477	4 864	4 752	7 637	9 147	9 147	9 245	11 228	11 628
4. Municipal Revenue & Debt Manage	6 186	5 759	5 623	6 090	7 330	8 233	6 520	6 761	7 211
5. Municipal Supply Chain Manageme	4 923	4 712	4 688	6 698	7 029	6 637	6 750	6 833	7 422
6. Municipal Risk Management & Inter	4 317	3 979	4 272	5 365	6 167	5 473	5 814	5 889	6 489
7. Municipal Mfrs & Reporting	6 612	6 396	5 541	8 020	5 604	5 817	8 322	8 626	9 244
Total payments and estimates	73 359	38 516	39 246	55 567	56 192	56 192	80 668	86 330	89 587

Table 4.17 : Summary of payments and estimates by economic classification: Programme 5: Municipal Finance Management

R thousand	Outcome			Main appropriation	Adjusted appropriation 2022/23	Revised estimate	Medium-term estimates		
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26
Current payments	39 256	35 775	35 173	55 167	49 608	49 516	80 618	86 130	89 387
Compensation of employees	35 230	35 104	34 527	37 022	41 222	40 656	39 725	43 287	46 544
Goods and services	4 026	671	646	18 145	8 386	8 860	40 893	42 843	42 843
Interest and rent on land									
Transfers and subsidies to:	33 941	2 604	3 742		6 034	6 126			
Provinces and municipalities	33 831	2 540	3 500		6 000	6 000			
Departmental agencies and account									
Higher education institutions									
Foreign governments and internatic									
Public corporations and private ente									
Non-profit institutions									
Households	110	64	242		34	126			
Payments for capital assets	162	137	331	400	550	550	50	200	200
Buildings and other fixed structures									
Machinery and equipment	162	137	331	400	550	550	50	200	200
Heritage Assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible asset									
Payments for financial assets									
Total economic classification	73 359	38 516	39 246	55 567	56 192	56 192	80 668	86 330	89 587

Programme expenditure analysis

A large portion of funding within this programme is relating earmarked allocations for the assistance with the following projects: Municipal clean audit project, Municipal Support Programme and the Municipal Finance Revenue Services. Other cost drivers are compensation of employees and travel cost.

8.1 Service delivery measures

Departmental goals

- An efficient, effective and development oriented department.
- Support departments, municipalities and entities towards improving financial accountability and sustainability.
- Enhance processes, practices and systems towards efficiency gains, to eliminate waste and derive value for money.
- Improve the development and management life cycle of infrastructure and assets.

8.2 Other programme information

8.2.1 Personnel numbers and costs

Table 4.18 : Personnel numbers and costs by programme

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	220	199	199	199	199	199	199
2. Sustainable Resource Management	72	71	71	72	72	72	72
3. Asset And Liabilities Management	81	81	81	76	76	76	76
4. Financial Governance	39	37	37	37	37	37	37
5. Municipal Finance Management	58	57	57	54	54	54	54
Direct charges							
Total provincial personnel numbers	470	445	445	438	438	438	438
Total provincial personnel cost (R thousand)	224 452	222 111	225 808	248 573	255 385	272 272	284 144
Unit cost (R thousand)	478	499	507	568	583	622	649

8.2.2 Personnel numbers and costs

Table 4.19 : Summary of departmental personnel numbers and costs by component

R thousands	Actual						Revised estimate				Medium-term expenditure estimate						Average annual growth over MTEF		
	2019/20		2020/21		2021/22		2022/23				2023/24		2024/25		2025/26		2022/23 - 2025/26		
	Personnel numbers ¹	Costs	Personnel numbers ¹	Costs	Personnel numbers ¹	Costs	Filled posts	Additional posts	Personnel numbers ¹	Costs	Personnel numbers ¹	Costs	Personnel numbers ¹	Costs	Personnel numbers ¹	Costs	Personnel growth rate	Costs growth rate	% Costs of Total
Salary level																			
1 – 7	162	15 627	144	36 118	144	30 035	130	13	143	40 035	143	43 737	143	47 205	143	50 755		8.2%	17.1%
8 – 10	205	109 640	204	88 969	204	96 645	195	2	197	105 759	197	102 909	197	107 459	197	110 709		1.5%	40.2%
11 – 12	71	56 216	67	53 608	67	54 833	66	1	67	57 361	67	60 864	67	66 141	67	68 963		6.3%	23.9%
13 – 16	32	42 969	30	43 416	30	44 295	30	1	31	45 418	31	47 875	31	51 467	31	53 717		5.8%	18.7%
Other																			
Total	470	224 452	445	222 111	445	225 808	421	17	438	248 573	438	255 385	438	272 272	438	284 144		4.6%	100.0%
Programme																			
1. Administration	220	80 755	199	78 001	199	79 696	187	12	199	86 778	199	91 405	199	95 748	199	98 504		4.3%	34.9%
2. Sustainable Resource Management	72	43 766	71	43 683	71	45 066	70	2	72	52 100	72	52 433	72	56 247	72	59 253		4.4%	20.8%
3. Asset And Liabilities Management	81	40 439	81	40 871	81	41 606	76		76	43 770	76	45 251	76	48 493	76	50 196		4.7%	17.7%
4. Financial Governance	39	24 262	37	24 452	37	24 913	37		37	25 269	37	26 571	37	28 497	37	29 647		5.5%	10.4%
5. Municipal Finance Management	58	35 230	57	35 104	57	34 527	51	3	54	40 656	54	39 725	54	43 287	54	46 544		4.6%	16.2%
Direct charges																			
Total	470	224 452	445	222 111	445	225 808	421	17	438	248 573	438	255 385	438	272 272	438	284 144		4.6%	100.0%
Employee dispensation classification																			
Public Service Act appointees not covered by OSDs	469		443		424		417		417		417		417		417				
Public Service Act appointees still to be covered by OSDs																			
Professional Nurses, Staff Nurses and Nursing Assistants																			
Legal Professionals	1		1		1		1		1		1		1		1				
Social Services Professions																			
Engineering Professions and related occupations																			
Medical and related professionals																			
Therapeutic, Diagnostic and other related Allied Health Professionals																			
Educators and related professionals																			
Others such as interns, EPWP, learnerships, etc			12		20		20		20		20		20		20				
Total	470		456		445		438		438		438		438		438				

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

8.2.3 Training

Table 4.20 : Information on training: Free State Provincial Treasury

R thousand	Outcome			Main appropriation	Adjusted appropriation 2022/23	Revised estimate	Medium-term estimates		
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26
Number of staff	470	445	445	438	438	438	438	438	438
Number of personnel trained	348	368	368	368	368	368	368	368	368
of which									
Male	148	156	156	156	156	156	156	156	156
Female	201	212	212	212	212	212	212	212	212
Number of training opportunities	38	40	40	40	40	40	40	40	40
of which									
Tertiary									
Workshops	2	2	2	2	2	2	2	2	2
Seminars	18	19	19	19	19	19	19	19	19
Other	18	19	19	19	19	19	19	19	19
Number of bursaries offered	30	32	32	32	32	32	32	32	32
Number of interns appointed	30	32	32	32	32	32	32	32	32
Number of learnerships appointed									
Number of days spent on training	128	135	135	135	135	135	135	135	135
Payments on training by programme									
1. Administration	1 014	26	646	1 976	493	475	1 791	1 791	1 791
2. Sustainable Resource Management	23		3	100	31	31	50	50	50
3. Asset And Liabilities Management	163		32	55	55	15	107	107	107
4. Financial Governance	32		153	60	54	54	13	13	13
5. Municipal Finance Management	112	187	390	567	4 137	4 210	560	560	560
Total payments on training	1 344	213	1 224	2 758	4 770	4 785	2 521	2 521	2 521

8.2.4 Reconciliation of structural changes

Not applicable

Annexure to the Estimates of Provincial Revenue and Expenditure

Table B.1: Specifications of receipts
Table B.1: Specification of receipts: Free State Provincial Treasury

R thousand	Outcome			Main appropriation	Adjusted appropriation 2022/23	Revised estimate	Medium-term estimates		
	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	176	142	149	149	140	149	140	140	140
Sale of goods and services produced by department (excluding capital assets)	176	142	149	149	140	149	140	140	140
Sales by market establishments									
Administrative fees									
Other sales	176	142	140	149	140	149	140	140	140
Of which									
Health patient fees									
Other (Specify)									
Other (Specify)									
Other (Specify)									
Sales of scrap, waste, arms and other used current goods (excluding capital assets)									
Transfers received from:									
Other governmental units									
Higher education institutions									
Foreign governments									
International organisations									
Public corporations and private enterprises									
Households and non-profit institutions									
Fines, penalties and forfeits									
Interest, dividends and rent on land	30 145	36 438	20 347	15 000	30 000	46 122	20 000	20 000	20 000
Interest									
Dividends	30 145	36 438	27 315	15 000	30 000	46 122	20 000	20 000	20 000
Rent on land									
Sales of capital assets	3								
Land and sub-soil assets									
Other capital assets	3								
Transactions in financial assets and liabilities	3 604	58	127	149	160	181	149	149	149
Total departmental receipts	33 928	36 638	27 582	15 298	30 300	46 452	20 289	20 289	20 289

Table B.2: Payments and estimates by economic classification

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2022/23	Revised estimate	Medium-term estimates		
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26
Current payments	302 356	521 871	271 469	313 730	313 691	313 501	348 596	367 221	379 093
Compensation of employees	224 452	222 111	225 808	244 075	248 649	248 573	255 385	272 272	284 144
Salaries and wages	194 607	191 660	195 276	212 174	216 664	216 535	222 110	236 798	248 392
Social contributions	29 845	30 451	30 532	31 901	32 185	32 038	33 275	35 474	35 752
Goods and services	77 904	299 760	45 661	69 655	64 842	64 928	93 211	94 949	94 949
Administrative fees	233	141	129	415	462	422	434	451	451
Advertising	13 569	13 259	415	647	482	510	871	734	734
Minor assets	210	111	201	179	319	265	289	55	55
Audit cost: External	9 608	4 823	5 492	4 711	4 811	4 635	4 530	4 711	4 711
Bursaries: Employees	1 000	650	835	856	856	856	900	899	899
Catering: Departmental activities	1 918	102	199	1 023	935	871	982	982	982
Communication (G&S)	1 627	361	525	1 633	1 330	1 231	1 208	1 676	1 676
Computer services	25 124	28 832	27 520	18 528	27 160	28 165	18 572	18 442	18 442
Consultants and professional services: Business and advisory services	8 773	3 251	307	18 731	4 256	5 557	41 165	43 162	43 162
Infrastructure and planning									
Laboratory services									
Scientific and technological services									
Legal services	469	206	1 465	150	295	385	180	157	157
Contractors	2 830	3 827	1 031	1 196	1 797	1 617	1 351	1 260	1 260
Agency and support / outsourced services	352	83	63	231	337	263	281	240	240
Entertainment	12	2	3	54	49	44	50	52	52
Fleet services (including government motor transport)	954	1 104	1 920	1 200	1 200	1 188	1 334	1 254	1 254
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	554	238 168	2 042	1 041	987	862	1 048	937	937
Consumable: Stationery, printing and office supplies	2 900	2 230	1 540	5 305	4 435	3 988	5 608	5 625	5 625
Operating leases	936	733	684	1 200	1 200	1 205	1 250	1 200	1 200
Property payments		61	42		20	19			
Transport provided: Departmental activity	189								
Travel and subsistence	4 754	1 447	775	8 972	7 940	6 992	9 543	9 529	9 529
Training and development	1 344	213	223	2 758	4 771	4 785	2 583	2 521	2 521
Operating payments	280	145	157	389	604	594	489	621	621
Venues and facilities	268	11	93	436	596	474	543	441	441
Rental and hiring									
Interest and rent on land									
Interest									
Rent on land									
Transfers and subsidies	35 048	3 139	4 289	418	6 707	6 835	385	430	430
Provinces and municipalities	33 831	2 540	3 500		6 000	6 000			
Provinces									
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities	33 831	2 540	3 500		6 000	6 000			
Municipalities									
Municipal agencies and funds	33 831	2 540	3 500		6 000	6 000			
Departmental agencies and accounts									
Social security funds									
Provide list of entities receiving transfers									
Higher education institutions									
Foreign governments and international organisations									
Public corporations and private enterprises									
Public corporations									
Subsidies on production									
Other transfers									
Private enterprises									
Subsidies on production									
Other transfers									
Non-profit institutions									
Households	1 217	599	789	418	707	835	385	430	430
Social benefits	1 067	346	688	30	319	460	25	31	31
Other transfers to households	150	253	101	388	388	375	360	399	399
Payments for capital assets	3 412	3 087	4 323	3 118	4 781	4 842	2 871	3 021	3 021
Buildings and other fixed structures									
Buildings									
Other fixed structures									
Machinery and equipment	3 412	3 087	4 323	3 118	4 781	4 842	2 871	3 021	3 021
Transport equipment									
Other machinery and equipment	3 412	3 087	4 323	3 118	4 781	4 842	2 871	3 021	3 021
Heritage Assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
Payments for financial assets	49	17	54			1			
Total economic classification	340 865	528 114	280 135	317 266	325 179	325 179	351 852	370 672	382 544

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2022/23	Revised estimate	Medium-term estimates		
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26
Current payments	102 405	95 301	97 416	110 621	110 366	110 186	115 743	120 356	123 112
Compensation of employees	80 755	78 001	79 696	85 903	85 927	86 778	91 405	95 748	98 504
Salaries and wages	69 456	66 701	68 309	74 309	74 466	75 147	78 877	82 380	84 958
Social contributions	11 299	11 300	11 387	11 594	11 461	11 631	12 528	13 368	13 546
Goods and services	21 650	17 300	17 720	24 718	24 439	23 408	24 338	24 608	24 608
Administrative fees	158	118	116	197	240	234	207	209	209
Advertising	258	201	182	441	217	215	605	514	514
Minor assets	117	66	101	54	95	94	56	14	14
Audit cost: External	6 242	3 789	5 492	4 711	4 811	4 635	4 530	4 711	4 711
Bursaries: Employees	1 000	650	835	856	856	856	900	899	899
Catering: Departmental activities	1 044	86	87	289	246	280	304	307	307
Communication (G&S)	1 533	273	422	1 429	1 138	1 064	1 025	1 465	1 465
Computer services	830	3 984	3 300	2 875	4 140	3 905	2 487	2 417	2 417
Consultants and professional services: Business and advisory services	162	113	237	570	570	608	349	346	346
Infrastructure and planning									
Laboratory services									
Scientific and technological services									
Legal services	469	206	1 465	150	295	385	180	157	157
Contractors	2 743	3 823	1 019	1 033	1 671	1 557	1 141	1 092	1 092
Agency and support / outsourced services	341	83	63	223	329	257	274	232	232
Entertainment	8	1		24	20	16	22	22	22
Fleet services (including government motor transport)	954	1 104	1 920	1 200	1 200	1 188	1 334	1 254	1 254
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									
Medsas inventory interface									
Inventory: Other supplies									
Consumable supplies	302	133	331	557	540	458	532	464	464
Consumable: Stationery,printing and office supplies	1 493	940	902	2 314	2 101	1 944	2 439	2 505	2 505
Operating leases	936	733	684	1 200	1 200	1 204	1 250	1 200	1 200
Property payments		61	42		20	19			
Transport provided: Departmental activity	189								
Travel and subsistence	1 549	816	210	4 222	3 435	3 349	4 404	4 380	4 380
Training and development	1 014	26	223	1 976	493	475	1 791	1 791	1 791
Operating payments	204	83	86	303	512	511	398	531	531
Venues and facilities	104	11	3	94	310	154	110	98	98
Rental and hiring									
Interest and rent on land									
Interest									
Rent on land									
Transfers and subsidies	974	431	329	418	577	583	385	430	430
Provinces and municipalities									
Provinces									
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities									
Municipalities									
Municipal agencies and funds									
Departmental agencies and accounts									
Social security funds									
Provide list of entities receiving transfers									
Higher education institutions									
Foreign governments and international organisations									
Public corporations and private enterprises									
Public corporations									
Subsidies on production									
Other transfers									
Private enterprises									
Subsidies on production									
Other transfers									
Non-profit institutions									
Households	974	431	329	418	577	583	385	430	430
Social benefits	824	178	228	30	189	208	25	31	31
Other transfers to households	150	253	101	388	388	375	360	399	399
Payments for capital assets	2 484	2 807	3 023	2 648	3 062	3 236	2 751	2 751	2 751
Buildings and other fixed structures									
Buildings									
Other fixed structures									
Machinery and equipment	2 484	2 807	3 023	2 648	3 062	3 236	2 751	2 751	2 751
Transport equipment									
Other machinery and equipment	2 484	2 807	3 023	2 648	3 062	3 236	2 751	2 751	2 751
Heritage Assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
Payments for financial assets	24	17							
Total economic classification	105 887	98 556	100 768	113 687	114 005	114 005	118 879	123 537	126 293

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2022/23	Revised estimate	Medium-term estimates		
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26
Current payments	46 689	45 264	45 873	55 639	56 059	56 171	57 816	61 343	64 349
Compensation of employees	43 766	43 683	45 066	50 870	52 120	52 100	52 433	56 247	59 253
Salaries and wages	38 269	38 045	39 242	44 668	45 669	45 697	46 242	49 467	52 473
Social contributions	5 497	5 638	5 824	6 202	6 451	6 403	6 191	6 780	6 780
Goods and services	2 923	1 581	807	4 769	3 939	4 071	5 383	5 096	5 096
Administrative fees	30	6	5	44	59	56	65	50	50
Advertising	317	421	193	105	164	194	190	110	110
Minor assets	17	17	20	2	36	34	103		
Audit cost: External	372								
Bursaries: Employees									
Catering: Departmental activities	271	16	20	145	135	118	175	158	158
Communication (G&S)	3	15	14	17	17	8	7	13	13
Computer services	150			370	370	370	380	320	320
Consultants and professional services: Business and advisory services			70	1 455	946	1 446	1 455	1 455	1 455
Infrastructure and planning									
Laboratory services									
Scientific and technological services									
Legal services									
Contractors				3			5	8	8
Agency and support / outsourced services									
Entertainment			1	6	5	4	4	6	6
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									
Medicines inventory interface									
Inventory: Other supplies									
Consumable supplies	51	32	49	108	111	91	112	116	116
Consumable: Stationery, printing and office supplies	691	948	263	871	745	730	1 064	925	925
Operating leases						1			
Property payments									
Transport provided: Departmental activity									
Travel and subsistence	903	126	82	1 461	1 293	961	1 686	1 800	1 800
Training and development	23			100	32	31	50	50	50
Operating payments									
Venues and facilities	95		90	82	26	27	87	85	85
Rental and hiring									
Interest and rent on land									
Interest									
Rent on land									
Transfers and subsidies	133	23		96	96				
Provinces and municipalities									
Provinces									
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities									
Municipalities									
Municipal agencies and funds									
Departmental agencies and accounts									
Social security funds									
Provide list of entities receiving transfers									
Higher education institutions									
Foreign governments and international organisations									
Public corporations and private enterprises									
Public corporations									
Subsidies on production									
Other transfers									
Private enterprises									
Subsidies on production									
Other transfers									
Non-profit institutions									
Households	133		23		96	96			
Social benefits	133		23		96	96			
Other transfers to households									
Payments for capital assets	398	70	506	552	440				
Buildings and other fixed structures									
Buildings									
Other fixed structures									
Machinery and equipment	398	70	506		552	440			
Transport equipment									
Other machinery and equipment	398	70	506		552	440			
Heritage Assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
Payments for financial assets	12	12							
Total economic classification	47 232	45 334	46 414	55 639	56 707	56 707	57 816	61 343	64 349

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2022/23	Revised estimate	Medium-term estimates		
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26
Current payments	80 352	317 565	67 759	62 410	71 398	71 369	64 478	67 672	69 375
Compensation of employees	40 439	40 871	41 606	43 734	44 734	43 770	45 251	48 493	50 196
Salaries and wages	34 480	34 639	35 422	37 124	38 025	37 202	38 434	41 312	42 915
Social contributions	5 959	6 232	6 184	6 610	6 709	6 568	6 817	7 181	7 281
Goods and services	39 913	276 694	26 153	18 676	26 664	27 599	19 227	19 179	19 179
Administrative fees	10	5	2	41	25	21	53	45	45
Advertising	12 991	12 637	40	101	101	101	76	110	110
Minor assets	61	4	36	35	59	58	45	3	3
Audit cost: External	1 340	1 034							
Bursaries: Employees									
Catering: Departmental activities	37		9	82	62	104	142	86	86
Communication (G&S)	36	21	29	67	55	49	77	72	72
Computer services	24 144	24 848	24 220	15 283	22 650	23 890	15 705	15 705	15 705
Consultants and professional services: Business and advisory services	166				1 400	1 400			
Infrastructure and planning									
Laboratory services									
Scientific and technological services									
Legal services									
Contractors	85	1	4	157	107	41	202	157	157
Agency and support / outsourced services	9			3	3	3	2	3	3
Entertainment	1			6	6	6	6	6	6
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	82	237 913	1 531	189	149	128	214	166	166
Consumable: Stationery,printing and office supplies	449	90	211	1 502	1 010	897	1 481	1 536	1 536
Operating leases									
Property payments									
Transport provided: Departmental activity									
Travel and subsistence	330	141	71	1 113	940	844	1 088	1 139	1 139
Training and development	163			55	55	15	82	107	107
Operating payments									
Venues and facilities	9			42	42	42	54	44	44
Rental and hiring									
Interest and rent on land									
Interest									
Rent on land									
Transfers and subsidies	104	84				30			
Provinces and municipalities									
Provinces									
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities									
Municipalities									
Municipal agencies and funds									
Departmental agencies and accounts									
Social security funds									
Provide list of entities receiving transfers									
Higher education institutions									
Foreign governments and international organisations									
Public corporations and private enterprises									
Public corporations									
Subsidies on production									
Other transfers									
Private enterprises									
Subsidies on production									
Other transfers									
Non-profit institutions									
Households		104	84			30			
Social benefits		104	84			30			
Other transfers to households									
Payments for capital assets	246	13	181		398	397			
Buildings and other fixed structures									
Buildings									
Other fixed structures									
Machinery and equipment	246	13	181		398	397			
Transport equipment									
Other machinery and equipment	246	13	181		398	397			
Heritage Assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
Payments for financial assets									
Total economic classification	80 598	317 682	68 024	62 410	71 796	71 796	64 478	67 672	69 375

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2022/23	Revised estimate	Medium-term estimates		
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26
Current payments	33 654	27 966	25 248	29 893	26 260	26 259	29 941	31 720	32 870
Compensation of employees	24 262	24 452	24 913	26 546	24 846	25 269	26 571	26 497	29 647
Salaries and wages	21 208	21 292	21 768	23 205	21 716	21 997	23 173	24 985	26 135
Social contributions	3 054	3 160	3 145	3 341	3 130	3 272	3 398	3 512	3 512
Goods and services	9 392	3 514	335	3 347	1 414	990	3 370	3 223	3 223
Administrative fees	9	4		32	32	17	34	35	35
Advertising									
Minor assets	7	3	36	20	65	15	32	18	18
Audit cost: External	38								
Bursaries: Employees									
Catering: Departmental activities	267		55	252	237	153	155	166	166
Communication (G&S)			4						
Computer services									
Consultants and professional services: Business and advisory services	8 445	3 138		2 000			2 000	2 000	2 000
Infrastructure and planning									
Laboratory services									
Scientific and technological services									
Legal services									
Contractors	2	3	2	3	3	3	3	3	3
Agency and support / outsourced services				5	5	3	5	5	5
Entertainment	1	1	1	6	6	6	6	6	6
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									
Medcass inventory interface									
Inventory: Other supplies									
Consumable supplies	45	43	54	66	66	68	66	66	66
Consumable: Stationery,printing and office supplies	180	181	102	278	266	131	284	277	277
Operating leases									
Property payments									
Transport provided: Departmental activity									
Travel and subsistence	246	79	13	421	470	305	429	430	430
Training and development	32			60	54	54	103	13	13
Operating payments	76	62	68	86	92	83	91	90	90
Venues and facilities	44			118	118	152	162	114	114
Rental and hiring									
Interest and rent on land									
Interest									
Rent on land									
Transfers and subsidies			111						
Provinces and municipalities									
Provinces									
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities									
Municipalities									
Municipal agencies and funds									
Departmental agencies and accounts									
Social security funds									
Provide list of entities receiving transfers									
Higher education institutions									
Foreign governments and international organisations									
Public corporations and private enterprises									
Public corporations									
Subsidies on production									
Other transfers									
Private enterprises									
Subsidies on production									
Other transfers									
Non-profit institutions									
Households			111						
Social benefits			111						
Other transfers to households									
Payments for capital assets	122	60	282	70	219	219	70	70	70
Buildings and other fixed structures									
Buildings									
Other fixed structures									
Machinery and equipment	122	60	282	70	219	219	70	70	70
Transport equipment									
Other machinery and equipment	122	60	282	70	219	219	70	70	70
Heritage Assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
Payments for financial assets	13		42			1			
Total economic classification	33 789	28 026	25 683	29 963	26 479	26 479	30 011	31 790	32 940

Table B.2: Payments and estimates by economic classification: Programme 5: Municipal Finance Management

R thousand	Outcome			Main appropriation	Adjusted appropriation 2022/23	Revised estimate	Medium-term estimates		
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26
Current payments	39 256	35 775	35 173	55 167	49 608	49 516	80 618	86 130	89 387
Compensation of employees	35 230	35 104	34 527	37 022	41 222	40 656	39 725	43 287	46 544
Salaries and wages	31 194	30 983	30 535	32 868	36 788	36 492	35 384	38 654	41 911
Social contributions	4 036	4 121	3 992	4 154	4 434	4 164	4 341	4 633	4 633
Goods and services	4 026	671	646	18 145	8 386	8 860	40 893	42 843	42 843
Administrative fees	26	8	6	101	106	94	75	112	112
Advertising	3								
Minor assets	8	21	8	68	64	64	53	20	20
Audit cost: External	1 616								
Bursaries: Employees									
Catering: Departmental activities	299		28	255	255	216	206	265	265
Communication (G&S)	55	52	56	120	120	110	99	126	126
Computer services									
Consultants and professional services: Business and advisory services				14 706	1 340	2 103	37 361	39 361	39 361
Infrastructure and planning									
Laboratory services									
Scientific and technological services									
Legal services									
Contractors			6		16	16			
Agency and support / outsourced services	2								
Entertainment	2		1	12	12	12	12	12	12
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	74	47	77	121	121	117	124	125	125
Consumable: Stationery,printing and office supplies	87	71	62	340	313	286	340	382	382
Operating leases									
Property payments									
Transport provided: Departmental activity									
Travel and subsistence	1 726	285	399	1 755	1 802	1 533	1 936	1 780	1 780
Training and development	112	187		567	4 137	4 210	557	560	560
Operating payments			3						
Venues and facilities	16			100	100	99	130	100	100
Rental and hiring									
Interest and rent on land									
Interest									
Rent on land									
Transfers and subsidies	33 941	2 604	3 742	6 034	6 126				
Provinces and municipalities	33 831	2 540	3 500		6 000	6 000			
Provinces									
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities	33 831	2 540	3 500		6 000	6 000			
Municipalities									
Municipal agencies and funds	33 831	2 540	3 500		6 000	6 000			
Departmental agencies and accounts									
Social security funds									
Provide list of entities receiving transfers									
Higher education institutions									
Foreign governments and international organisations									
Public corporations and private enterprises									
Public corporations									
Subsidies on production									
Other transfers									
Private enterprises									
Subsidies on production									
Other transfers									
Non-profit institutions									
Households	110	64	242		34	126			
Social benefits	110	64	242		34	126			
Other transfers to households									
Payments for capital assets	162	137	331	400	550	550	50	200	200
Buildings and other fixed structures									
Buildings									
Other fixed structures									
Machinery and equipment	162	137	331	400	550	550	50	200	200
Transport equipment									
Other machinery and equipment	162	137	331	400	550	550	50	200	200
Heritage Assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
Payments for financial assets									
Total economic classification	73 359	38 516	39 246	55 567	56 192	56 192	80 668	86 330	89 587

Table B.3: Transfers to local government by category and municipality

Table B.3: Transfers to local government by category and municipality: Free State Provincial Treasury

R thousand	Outcome			Main appropriation	Adjusted appropriation 2022/23	Revised estimate	Medium-term estimates		
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26
Category A									
Mangaung									
Category B	33 831	2 540	3 500		6 000	6 000			
Letsemeng									
Kopanong	3 500								
Mohokare	1 000								
Masilonyana									
Tokologo	1 000				1 500	1 500			
Tswelopele					1 000	1 000			
Matjhabeng									
Nala	2 000								
Setso									
Ditjhabeng									
Nketoana									
Maluti-a-Phofung	2 000								
Phumelela		1 000	1 750		2 000	2 000			
Mantsopa									
Mophaka									
Ngwathe	20 331	1 540	1 750						
Metsimaholo									
Mafube	4 000				1 500	1 500			
Category C									
Xhariep District Municipality									
Lejweleputswa District Municipality									
Thabo Mofutsanyana District Municipality									
Fezile Dabi District Municipality									
Unallocated									
Total transfers to municipalities	33 831	2 540	3 500		6 000	6 000			

Tables B4 – B8

Not applicable