

VOTE 6

Provincial Treasury

Operational budget	R678 802 757
Remuneration of the MEC	R 2 098 243
Total amount to be appropriated	R680 901 000
Responsible Executive Authority	MEC for Finance
Administering department	Provincial Treasury
Accounting officer	Head: Provincial Treasury

1. Overview

Vision

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

Mission

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

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

Strategic outcomes

The outcomes of the department are as follows:

- To promote sound financial management practices and fiscal management to achieve good governance.
- To ensure targeted financial resource allocation and promote utilisation that contributes to improved service delivery.
- To promote sound processes, controls and improved capabilities in departments, municipalities and public entities in order to reduce unauthorised, irregular, fruitless and wasteful expenditure thereby improving audit outcomes.
- To facilitate and monitor infrastructure delivery in the province thereby contributing towards inclusive economic growth.

Core functions

The core functions of the department include the following:

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

- o Financial systems maintenance.
- Provision of advice on procurement policies and procedures in provincial government.

Legislative mandate

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

- The Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996)
- Public Finance Management Act (PFMA) (Act No. 1 of 1999, as amended) and Treasury Regulations
- Annual Division of Revenue Act (DORA)
- Borrowing Powers of Provincial Governments Act (Act No. 48 of 1996)
- Government Immovable Asset Management Act (Act No. 19 of 2007)
- Intergovernmental Relations Framework Act (Act No. 13 of 2005)
- Municipal Finance Management Act (MFMA) (Act No. 56 of 2003)
- Preferential Procurement Policy Framework Act (PPPFA) (Act No. 5 of 2000) and revised regulations dated 16 January 2023
- Public Audit Act (Act No. 25 of 2004)
- Provincial Tax Regulation Process Act (Act No. 53 of 2001)
- Promotion of Access to Information Act (Act No. 2 of 2000)
- Protection of Personal Information Act (Act No. 4 of 2013)
- Skills Development Act (Act No. 97 of 1998)
- Construction Industry Development Board Act (Act No. 38 of 2000)
- Provincial Appropriation Acts
- KZN Direct Charges Act, 2002 (Act No. 4 of 2002)

Aligning the department's budget to achieve government's prescribed outcomes

The department's activities are directly aligned to the NDP, through the PGDS, and are also aligned to the MTSF. The strategic objectives are aligned to the outcomes of the department and have been incorporated into the APP to ensure strategic alignment. The department mainly contributes to two of the seven priorities, namely:

- Priority 1: A capable, ethical and developmental state.
- Priority 2: Economic transformation and job creation.

During the 2024/25 MTEF, the department will continue to support the development of expertise, develop efficient systems and effective processes to reduce inefficiencies and enhance adherence to ethics and compliance with legislation and building a government that is accountable to its people. The department will also implement programmes that provide assistance and support to provincial departments, public entities and municipalities in improving their financial management and financial operating systems.

2. Review of the 2023/24 financial year

Section 2 provides a review of 2023/24, outlining the main achievements and progress made by the department, as well as providing a brief discussion on challenges and new developments.

Sustainable Resource Management

Economic Analysis: Reports to evaluate and monitor economic trends and to support policy formulation were produced. Two research projects were undertaken, namely a review of the learner transport programme in KZN and the value for money assessment on the property rates that the province pays to municipalities through the DOPW.

The unit also compiled a *Socio-economic Review and Outlook (SERO)* to provide insight regarding

economic trends that could bring about opportunities and/or risks to the provincial fiscus. Economic analysis also contributed technical support to DOH in the compilation of the pre-feasibility study for the construction of a tertiary hospital in the northern region of KZN. Economic Analysis also provided a comprehensive report on the KZN Government's comments towards the Financial and Fiscal Commission's (FFC) recommendations on the 2024/25 annual submission for the Division of Revenue.

Infrastructure: Support was provided on infrastructure planning in accordance with the Infrastructure Delivery Management System (IDMS) and infrastructure reporting using the Infrastructure Reporting Model (IRM). The deployment of the Infrastructure Crack Team continued to be a priority. Projects such as the physical condition assessment and compilation of the Generally Recognised Accounting Practices (GRAP) compliant Immovable Asset Registers at eight municipalities was awarded. Due to non-cooperation to engage proactively by key municipal officials, support to two municipalities was cancelled. Also, as a result of the change in Instruction Note No. 3 of 2021/22 from National Treasury, envisaged support to departments in dealing with recurrent variation orders in construction contracts was cancelled. The Accounting Officers are now accountable for the variation orders beyond 20 per cent, whereas previously these had to come to Provincial Treasury for assessment and recommendation.

Public Finance: Monitoring the spending and revenue collection of departments and public entities against budget continued in 2023/24, with the aim of keeping provincial spending within budget. The Provincial Executive Council was continuously kept informed of the province's budget performance. The 2023/24 *Adjusted Estimates of Provincial Revenue and Expenditure (AEPRE)* and 2024/25 *EPRE* were prepared, as is the norm every year. Departments' and public entities' adherence to the cost-cutting measures continued to be monitored. However, during the year, the Provincial Executive Council resolved that the oversight of the implementation of the cost-cutting measures be devolved to the Accounting Officers of the departments and public entities, with this responsibility no longer assigned to Provincial Treasury. The only exception is the filling of posts process which continues to be overseen jointly by the Office of the Premier and Provincial Treasury.

Public Private Partnerships: Technical and legal advice in support of all provincial PPPs continued to be provided as regulated by the National Treasury guidelines.

Financial Governance

Asset and Liabilities Management: A support service was provided to all departments with regards to their employee tax and banking functions. A risk analysis was conducted on a quarterly basis and departments were advised of the necessary corrective action required to resolve any errors. A written report presenting the summarised risks was provided to the CFO of each department. All PERSAL and BAS expenditure was monitored per department in line with their bank balances and proposed funding schedules to ensure effective cash flow management. Excess funds were invested with the South African Reserve Bank (SARB) to earn maximum interest.

Supply Chain Management: The department continued to conduct routine compliance assessments in departments, municipalities and public entities to ensure compliance with all relevant SCM prescripts and to enhance the level of compliance, governance and accountability in the province. Support interventions were identified and training was provided, where necessary. The department continued to receive complaints and conducted investigations where required, serving as a vigilant watchdog for perceived irregularities. Capacity building interventions were conducted in the SCM components of public sector institutions in order to capacitate them on the implementation of the 2022 Preferential Procurement Regulations. SCM policy reviews were conducted in order to assist with ensuring alignment with the new PPPFA regulations, as well as the latest instruction notes. The department continued with the weekly reporting of flood-related projects expenditure as required by National Treasury. In December 2023, the revised MFMA SCM Regulations were issued and were applicable from the date of publication. The unit issued a circular with the aim of guiding municipalities with regard to the amendments required in their individual SCM policies.

Capacity building interventions were undertaken to capacitate institutions on the implementation of the Contract Management Framework. Contract registers for some institutions were reviewed and guidance provided to ensure compliance with the Contract Management Framework. Continued support was provided to departments, municipalities and public entities to ensure effective use of the Central Supplier

Database (CSD). The Provincial Bid Appeals Tribunal facilitated a number of cases relating to the appeals against bids that were awarded by departments in the province, while the Municipal Bid Appeals Tribunal (MBAT) continued to provide active support in the hearing and facilitation of MBAT matters in municipalities.

Accounting Services: Financial management support was provided to departments and public entities to enhance their financial accounting and asset management reporting to improve audit outcomes. Financial management support included the review of interim and Annual Financial Statements (AFS) for public entities, the deployment of officials to assist departments with asset management, the provision of assistance with updating the supporting working papers of disclosure notes to the AFS, as well as technical guidance. The department continued to play a significant role in the audit readiness support project to enhance financial management of departments and public entities. Support to suppliers to resolve payment disputes continued, as well as the Condonation of Irregular Expenditure Project.

The department is an accredited South African Institute of Chartered Accountants (SAICA) training office that currently runs a three-year training programme, accepting graduates that were recipients of the Thuthuka Education Upliftment Fund (TEUF), who upon completion will be eligible for registration as Chartered Accountants (CAs). The programme was initiated in an attempt to address the scarcity of black CAs in the province, with the intention of improving the financial management constituency. After successful completion of the training contract, participants are then allowed entry into the Management Development Programme, which runs for a further five years. Through this initiative, the department has since produced 12 registered CAs and one eligible CA. Moreover, there are currently nine trainees completing their SAICA training contracts, with three in their third year, three in their second year and three who are currently at the first year level of training.

Norms and Standards: The review process of KZN Provincial Treasury Instruction Notes for departments began with the review of instruction notes on donor funds, gifts, donations and sponsorships, as well as recording and payment of creditors. The unit prepared action plans for departments and public entities, based on audit findings relating to financial policies and procedures for 2021/22 and 2022/23, and provided the required support and monitoring for implementation purposes. All provincial departments and eight provincial public entities were assessed for compliance with financial norms and standards.

Support and Interlinked Financial Systems: Support continued to be provided for financial systems, such as BAS, PERSAL, LOGIS and HardCat in the province, while the OTP handled the functionality and policy implementation on the side of PERSAL. The process of implementing the LOGIS system in all departments was initiated due to interface shortcomings of the HardCat system with BAS.

Internal Audit

Assurance Services: The shared Internal Audit services were implemented across all departments, with the exception of DOH, which had set up its own internal audit function. Risk-based audits as approved by the Provincial Audit and Risk Committee were conducted across all supported departments. Transversal focus areas were covered, such as transfer payments, SCM, performance information and mainstreaming of vulnerable groups, as well as other processes within core services of departments. Greater focus was given to reviewing key financial processes with audits being conducted on key account reconciliations, audit improvement strategies, and conducting A-G follow up assessments. The unit also performed value for money assessments on the area of consultants services in four departments and performed follow-up audits on previous performance audit reports. The unit also continued to track the implementation of action plans on previous internal audit and A-G findings through the consolidated audit logs and progress reports were issued to the Audit Committee and relevant MECs. The new organisational structure of the unit was approved by the DPSA in 2023/24.

Risk and Advisory Services: The revised Provincial Risk Management Framework and the Combined Assurance Framework, as approved by the Provincial Executive Council in 2021, were rolled-out in all 13 departments in 2023/24. The roll-out entailed providing risk management guidelines and training to these departments, while the roll-out of the combined assurance is being piloted at four departments, namely Provincial Treasury, OTP, DOHS, and EDTEA. Risk management support to municipalities was intensified in 2023/24, with 20 risk assessments already facilitated at selected municipalities.

Municipal Finance Management

Municipal Budget: Technical support was provided to delegated municipalities and the preparation of both the tabled and approved budgets was monitored, as well as the performance of municipal budgets. Quarterly MFMA Section 71(7) reports were produced, which included an early warning system to identify municipalities that experience financial problems. The electronic copies of the quarterly reports were published on the departmental website.

Municipal Accounting and Reporting: Technical reviews of the 2022/23 AFS were conducted at seven municipalities, with preliminary results reflecting an improvement in the audit outcomes of several of the municipalities supported. Financial Management Support projects were implemented at six municipalities to implement the key principles of financial management, in order to implement processes, procedures and controls required to prepare GRAP and MFMA compliant AFS and supporting documentation.

Municipal Support Programme: Municipal Support Programme projects were conducted in several municipalities. Nine targeted municipalities were assisted with mSCOA support which was intended to promote the implementation of key processes, controls and procedures which will ultimately aid in the submission of credible data. A specialised support project was piloted at the Mthonjaneni Local Municipality with this project aimed at assisting municipalities in financial distress.

Municipal Revenue and Debt Management: The Revenue and Debt Management projects were implemented at two municipalities, namely the iNkosi Langalibalele and Endumeni Local Municipalities. The projects assessed the municipalities' revenue and debt management policies, processes, procedures and controls with suitable recommendations to address weaknesses identified.

3. Outlook for the 2024/25 financial year

Section 3 looks at the key focus areas of 2024/25, outlining what the department is hoping to achieve, as well as briefly looking at the challenges facing the department, and proposed new developments. The bulk of the department's budget allocation over the 2024/25 MTEF is for financial governance (for general oversight of all departments', municipalities' and public entities' budget processes), internal audit, SCM, as well as support for transversal and interlinked financial systems.

Sustainable Resource Management

Economic Analysis: Economic and public policy research will be undertaken and there will be participation in various academic conferences and workshops. Various research projects will be conducted. The *SERO* for 2025/26 will be prepared. In addition, participation in different technical committees will continue in order to discuss and debate provincial economic policy, fiscal models, catalytic infrastructure projects, and the development of strategic partnerships with other non-governmental institutions.

Infrastructure: Infrastructure planning and delivery performance will continue to be monitored. The IRM will be used to track infrastructure progress and expenditure, while institutionalising the IDMS. The Framework for Infrastructure Delivery and Procurement Management (FIDPM), which gives legality to the IDMS and covers how infrastructure is delivered and how the procurement for infrastructure is managed, will continue to be the focus area for all provincial departments to institutionalise. Collaboration with the other departments in the implementation of department-specific infrastructure service delivery models cognisant of limited internal technical capacity will also feature prominently in the institutionalisation of the IDMS. In this regard, the deployment of the Infrastructure Crack Team will continue to be key.

Owing to the recurrent nature of natural disasters in KZN, assistance will be given to departments to improve their preparedness and responses to the event (assessments of damage, packaging of remedial works, etc). Particular emphasis will be given to procurement processes that ensure compliance and effectiveness in resource mobilisation and deployment.

The 2025/26 *ECE* will be prepared to provide project lists that complement the *EPRE* for tabling in the Provincial Legislature.

Public Finance: The oversight model of monitoring the spending and revenue collection of departments and public entities against budget will continue in 2024/25. This oversight model will be used with the aim of keeping provincial spending within the provincial budget. In this regard, the Provincial Executive Council and the Finance Portfolio Committee will continue to be kept regularly informed of the province's budget performance so that they can respond speedily if any departments are beginning to show projected over-spending, as it is anticipated that the province will continue to face major spending pressures. The 2024/25 AEPRE and 2025/26 EPRE will be prepared.

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

Financial Governance

Asset and Liabilities Management: Support will continue to be offered to departments in respect of payroll tax and banking functions. Current practices of monitoring all departmental bank balances on a daily basis will be maintained to ensure effective cash flow management, which continues to be a serious challenge, with spending patterns being misaligned to the cash received in tranches from National Treasury. Excess funds will be invested with the SARB to earn maximum interest.

Supply Chain Management: Compliance with all SCM prescripts in provincial departments, municipalities and public entities will continue to be monitored, given the changes in both PPPFA and MFMA SCM regulations which result in the amendments of SCM policies. It is anticipated that the draft Public Procurement Bill will be promulgated in 2024/25 and the department will embark on a roll-out of the bill to relevant stakeholders. Guidance and support will be provided to provincial institutions in the review of their SCM policies. SCM and contract management training and support will be undertaken and increased compliance assessments in an effort to institutionalise SCM reforms. SCM policies will be reviewed and operational support will be provided to institutions in the development of standard operating procedures.

Administration of the CSD and support on the e-Tender portal will be undertaken to reduce incidents of irregular expenditure relating to SCM processes. More focus will be given to the roll-out of the e-Tenders Contract Management module and institutions will be supported in uploading their contracts onto e-Tenders. The unit will continue to provide support in the hearing and facilitation of Provincial and Municipal Bid Appeals Tribunals matters.

Accounting Services: Continued focus will be on hands-on engagement and support to departments and public entities to enhance their financial accounting practices, as well as continued staff development and training programmes to develop and retain the requisite financial management skills and expertise as part of the pillars of the Operation Clean Audit strategy. There will also be continued focus on the provincial audit improvement plan, ensuring enhanced financial management by departments and public entities. Support to suppliers to resolve payment disputes with organs of state will be provided. The Condonation of Irregular Expenditure Project will continue to be a priority. The SAICA programme will continue providing work exposure and opportunities to the trainees to develop their professional competence (including behaviours and abilities that will be expected of them as professionals) while applying their technical knowledge in a practical work environment.

Norms and Standards: Four Instruction Notes for departments will be reviewed to ensure that updated frameworks are in place. A follow-up survey will be conducted on the Operation Clean Audit assessment of 2021/22 that was done on financial management qualifications in the Offices of the Chief Financial Officer for departments, to confirm if measures were put into place to resolve the qualification discrepancies and organogram variances that were identified. Training sessions for public entities will be conducted on a quarterly basis.

Support and Interlinked Financial Systems: Enhanced uptime and support will be provided to all departments on the functional and technical aspects of transversal systems. Provincial Treasury in conjunction with SITA will continue to review the Biometrics Access Control System, thus enabling other financial systems such as LOGIS to be integrated. A robust Biometrics Access Control System to include Ransomware and improved cybersecurity aspect will be integrated in 2024/25.

Internal Audit

Assurance Services: Internal audit services will continue to be undertaken in supported departments. Risk-based audits with specific focus on certain governance, risk management and control processes will be performed. Departments will be assisted to determine process enhancements to improve the adequacy and effectiveness of controls. There will be continued focus on IT audit reviews, financial audits, as well as transversal reviews of SCM, transfer payments and performance information with mainstreaming of vulnerable groups included as part of the scope for some of these transversal audits. In order to ensure sustainability of audit efforts, the department will continue to conduct follow-ups of previous audit findings to determine if management actions were successfully implemented and to provide additional recommendations for improvements. The department will continue to implement the new approved structure for the internal audit unit.

Risk and Advisory Services: The department will continue to implement the roll-out of the revised Provincial Risk Management Framework, (through the assessment of risk management maturity in provincial departments) and Combined Assurance Framework in all 13 departments. In addition, the department will provide training and awareness on the internal control framework, as well as follow-up on how departments are implementing the risk and combined assurance frameworks, and the business continuity road maps.

Municipal Finance Management

Municipal Budget: Technical support will continue to be provided to delegated municipalities on the preparation of multi-year budgets, as well as the preparation of quarterly MFMA Section 71(7) reports, which include an early warning system to identify municipalities that experience financial problems. Support to municipalities will be provided in order to adopt funded budgets, monitor in-year reports including statutory returns, as well as the preparation of monthly and quarterly reports. Furthermore, the unit will continue with the assessment of the MFMA Section 72 mid-year budget and performance assessment reports to influence the adjustments budget process.

Municipal Accounting and Reporting: The department assists municipalities by supporting and monitoring financial management and compliance with GRAP and relevant legislation. This will be achieved by promoting an understanding of GRAP, monitoring compliance with reporting requirements, providing accounting services and support, so as to implement processes, procedures and controls required to prepare GRAP and MFMA compliant AFS and supporting documentation. The reviews are aimed at improving the quality of the AFS prior to submission to the A-G. Municipalities will also be provided with technical guidance and support during the audit cycle by the A-G. Transferring of skills is a key element of the support initiatives.

Municipal Support Programme: The department will continue to support municipalities and provide technical support to delegated municipalities to promote sound financial management and sustainability with specific focus on conducting assessments to determine the extent to which selected municipalities have implemented Provincial Treasury's recommendations emanating from support provided in the prior year. The department will also be providing support to the Municipal Revenue and Debt Management sub-programme to test the revised methodology for the Cash Management initiative.

Municipal Revenue and Debt Management: The department will continue to provide targeted municipalities with technical revenue and debt management support, as well as assisting delegated municipalities with the implementation of revenue management tools, such as the valuation roll to billing system reconciliation tool and grant management, as well as providing assistance with the implementation of the National Treasury Debt Relief Programme.

4. Reprioritisation

In preparation of the 2024/25 MTEF budget, the department undertook reprioritisation affecting all programmes as summarised below:

- Programme 1: Administration was increased by net amounts of R3.732 million in 2024/25 and R3.836 million in 2025/26 in the *Compensation of employees* category to cater for the carry-through

costs of the unfunded 2023 wage agreement. The full amount of R3.732 million in 2024/25 was moved from *Goods and services* under Programme 5: Municipal Finance Management mainly from agency and support services due to enforced savings as a result of the 2024/25 MTEF fiscal consolidation budget cuts through reduced reliance on consultant services. This will be achieved through limiting the number of engagements with municipalities, as well as a reduction in the number of financial management support, revenue and debt management and specialised projects. In 2025/26, a portion of these funds were moved from *Goods and services* under Programme 5 (R3.022 million) from agency and support services due to enforced savings, and the balance of R814 000 was moved largely from travel and subsistence under *Goods and services* in Programme 4: Internal Audit due to less travel to clients as most meetings are held virtually.

- Programme 3: Financial Governance was increased by net amounts of R3.139 million in 2024/25 and R2.403 million in 2025/26 against *Compensation of employees* to address budget pressures relating to the carry-through costs of the 2023 wage agreement and the SAICA programme. Over the MTEF, the SAICA programme has moved from Programme 1 to Programme 3 without funding as this project was already experiencing budget pressures within Programme 1. Therefore, to provide funding for the SAICA programme, other programmes were requested to find savings within their baseline to assist with these budget pressures. These funds were moved from other programmes as summarised below:
 - Programme 2: Sustainable Resource Management was reduced by a net amount of R2.157 million in 2024/25 and R2.301 million in 2025/26 against *Compensation of employees* due to lower budget required for personnel costs due to staff exits, the abolishment of certain posts and new staff being appointed at the first notch of the respective levels and *Goods and services* due to enforced savings in various operational costs.
 - Programme 4 was reduced by net amounts of R482 000 in 2024/25 and R102 000 in 2025/26 against *Goods and services* due to enforced savings in various operational costs.
 - Programme 5 was reduced by R500 000 in 2024/25 against *Goods and services* mainly from agency and support services due to enforced savings as a result of reduced reliance on consultant services.

In addition, the department undertook reprioritisation across economic classification categories within programmes as follows:

- *Compensation of employees* was increased by net amounts of R12.556 million in 2024/25 and R20.408 million in 2025/26 to cater for the carry-through costs of the 2023 wage agreement. These funds were moved from *Goods and services* mainly against the computer services and agency and support items due to enforced savings.
- *Machinery and equipment* was increased by R359 000 in 2024/25 to cater for the purchase of tools of trade, such as office furniture, laptops, desktops and office equipment. These funds were moved from *Goods and services* (R221 000), *Transfers and subsidies to: Non-profit institutions* and *Transfers and subsidies to: Households* (R138 000) due to enforced savings. In 2025/26, this category was decreased by R1.323 million in respect of transport equipment as the department does not anticipate procuring motor vehicles over the 2024/25 MTEF.

5. Procurement

The department will continue to maintain a fair, equitable, transparent, competitive and cost effective procurement system that will enable economic transformation. Furthermore, the department will continue to strengthen the wider participation by all targeted groups in the various categories of procurement. This will be attained through the implementation of effective and efficient procurement and demand plans that will create an enabling environment for better planning and spend analysis, thus ensuring value for money objectives and client satisfaction in line with the new preferential procurement regulations. The department developed their own policy for procurement in line with the PPPFA and the revised regulations, as promulgated on 16 January 2023.

The major procurement that will be undertaken by the department relates to security services and the upgrading of the Biometric Access Control System (BACS) private clouds in order to strengthen its

security and ransomware features. Major procurement will also include the replacement of old office equipment, such as desktops and laptops, as well as the purchase of tools of trade such as laptops, desktops and office furniture for filled posts.

6. Receipts and financing

6.1 Summary of receipts and financing

Table 6.1 shows the sources of funding for Vote 6 over the seven-year period from 2020/21 to 2026/27. The table also compares actual and budgeted receipts against actual and budgeted payments. The department receives a provincial allocation in the form of an equitable share.

Table 6.1 : Summary of receipts

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2020/21	2021/22	2022/23	2023/24			2024/25	2025/26	2026/27
Equitable share	539 796	653 845	621 178	664 310	649 310	649 310	678 341	707 630	739 511
Conditional grants	-	-	-	-	-	-	-	-	-
Total receipts	539 796	653 845	621 178	664 310	649 310	649 310	678 341	707 630	739 511
Total payments	531 869	576 895	612 802	678 910	663 910	659 313	680 901	710 190	742 071
Surplus/(Deficit) before financing	7 927	76 950	8 376	(14 600)	(14 600)	(10 003)	(2 560)	(2 560)	(2 560)
Financing									
of which									
Provincial roll-overs	10 000	-	-	-	-	-	-	-	-
Provincial cash resources	-	-	-	-	-	-	2 560	2 560	2 560
Suspension to future year	-	(16 952)	1 331	14 600	14 600	14 600	-	-	-
Surplus/(Deficit) after financing	17 927	59 998	9 707	-	-	4 597	-	-	-

In 2020/21, the following adjustments are noted:

- R10 million was rolled over from 2019/20, mainly relating to commitments in respect of the Irregular Expenditure Condonation Project.
- The department surrendered R13 million in the Third Adjustments Estimate to assist the DOE with their spending pressures. These funds were identified against various programmes and economic classifications.

The 2020/21 budget was under-spent by R17.927 million largely due to delays in filling vacant posts, reduction in operational expenditure on items such as travel and subsistence as a result of restrictions under the nationwide lockdown because of Covid-19, as well as an increase in the use of internal resources to carry out special projects such as the Irregular Expenditure Condonation Project, thus placing lower demands on the budget set aside for consultants. Further contributing to the under-spending was slow spending on professional services in respect of Risk Management projects, as well as delays in finalising 2019/20 carry-over Assurance Services projects due to changes in the operational plans which resulted from the Covid-19 nationwide lockdown.

In 2021/22, R16.952 million was suspended from the department's budget as a result of savings identified after extensive budget reviews were undertaken. The department motivated for these funds to be suspended to their 2022/23 budget as part of the 2022/23 MTEF budget process. These funds were suspended against *Compensation of employees* (R12.132 million), as well as *Goods and services* (R4.820 million) in Programmes 2, 4 and 5.

In 2022/23, the department was allocated R15.931 million of the R16.952 million that was suspended from 2021/22. A further R14.600 million was suspended from the department's budget as a result of savings identified during the Adjustments Estimate process. These funds were allocated back to the department in the 2023/24 Main Appropriation, to be used as detailed in Section 7.3 below.

In 2022/23, during the Second Adjustments Estimates process, the department surrendered R47 million towards the provincial reprioritisation exercise that was conducted due to severe fiscal pressures in the province. These funds were suspended from *Compensation of employees* (R23.700 million) due to the non-filling of budgeted critical vacant posts and *Goods and services* (R23.300 million) from savings realised from travel and subsistence, property payments and communication, proportionately from all programmes.

The 2022/23 budget was under-spent by R9.707 million across all programmes, mainly as a result of the following:

- *Compensation of employees* was under-spent by R1.153 million due to delays in filling posts.
- *Goods and services* was under-spent by R3.746 million, mainly against items such as training and development, operating payments and travel and subsistence due to less travel as most meetings were held virtually. The under-expenditure was also due to non-receipt of some invoices from DOPW in relation to lease payments with respect to the buildings occupied by the department. In addition, there was also under-expenditure due to delays in the appointment of consultants who undertake audits at various departments.
- *Machinery and equipment* was under-spent by R4.361 million due to delays in the receipt of office equipment ordered for staff, as well as the department not purchasing tools of trade as a result of not filling budgeted vacant posts.

In 2023/24, the department was allocated R14.600 million suspended from the department's 2022/23 budget as a result of savings identified in the 2022/23 Adjustments Estimate process. These funds were allocated back to the department in the 2023/24 Main Appropriation, to be used as detailed in Section 7.2 below.

During the 2023/24 Adjustments Estimate, the department surrendered an amount of R10 million from its baseline to cater for the provincial Crime Fighting Initiative. Furthermore, an amount of R5 million was suspended from *Compensation of employees* under the Economic Analysis sub-programme within Programme 2 and was surrendered to DOPW to cater for the payment of a transactional advisor in respect of the Provincial Government Precinct project.

Based on the December 2023 IYM, the 2023/24 Revised Estimate shows that the department is anticipating to under-spend its budget by R4.597 million largely due to delays in filling posts, as well as lower operational costs as a result of limited travel and meetings being held virtually.

The department implemented the National Treasury baseline cuts of R6.963 million, R15.956 million and R18.384 million over the 2020/21 MTEF and cuts of R66.871 million, R89.299 million and R120.651 million over the 2021/22 MTEF, as detailed in the 2022/23 *EPRE*. The baseline over the 2024/25 MTEF is impacted by the carry-through effects of the 2021/22 MTEF budget cuts of R126.080 million in 2024/25 and R131.728 million in 2025/26 relating to both *Compensation of employees* and fiscal consolidation, as well as the 2023/24 MTEF budget cuts of R3.441 million, R6.058 million in 2025/26 and R6.331 million in 2026/27 relating to the PES data updates and own revenue reductions.

Over the MTEF, the department received provincial cash resources of R2.560 million in 2024/25, R2.560 million in 2025/26 and R2.560 million in 2026/27 relating to the costs of upgrading BACS to strengthen its security and ransomware features. These funds are allocated to Programme 3 against *Goods and services*. Also, over the 2024/25 MTEF, the department's budget was cut by R27.880 million, R27.549 million and R29.486 million as a result of fiscal consolidation budget cuts made against the PES in view of lower than anticipated economic growth, lower than anticipated revenue collection, the need to manage the country's debt levels, as well as the updates to the data that informs the PES formula. The impact of these budget cuts is discussed in detail under Section 8. The budget for the Vote as a whole shows an increasing trend in the two outer years of the 2024/25 MTEF, due to inflationary adjustments.

6.2 Departmental receipts collection

Table 6.2 gives a summary of the departmental receipts for Vote 6.

The details are presented in the *Annexure – Vote 6: Provincial Treasury*.

Table 6.2 : Summary of departmental receipts collection

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2020/21	2021/22	2022/23	2023/24			2024/25	2025/26	2026/27
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sale of goods and services other than capital assets	310	340	914	300	300	344	314	328	343
Transfers received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	387 691	227 829	342 569	302 000	302 000	470 213	324 341	345 397	360 999
Sale of capital assets	113	5	1 723	144	144	144	150	161	168
Transactions in financial assets and liabilities	1 196	1 402	2 728	488	488	862	509	532	556
Total	389 310	229 576	347 934	302 932	302 932	471 563	325 314	346 418	362 066

Sale of goods and services other than capital assets is derived from parking fees, game licences, commission on PERSAL deductions such as insurance premiums and garnishees, tender fees, etc. The high 2022/23 collection is attributed to inter-departmental invoices issued to DARD and DOH for the purchase of biometric scanners. It is noted that this expenditure was incurred in 2016/17, and not in 2022/23, and hence was journalised to revenue, and not expenditure. Provincial Treasury has exclusive rights to buy biometric scanners on behalf of departments. Inflationary growth is expected over the MTEF.

Interest, dividends and rent on land mainly relates to interest earned on the Paymaster General (PMG) and inter-governmental cash co-ordination (IGCC) accounts. The significant revenue collection against this category in prior years was due to the collective implementation of cost-cutting measures by provincial departments and prudent cash management by Provincial Treasury, as well as the prevailing interest rate charged on the positive cash balance in the bank account. The revenue collection fluctuates from 2020/21 to the 2023/24 Revised Estimate depending on the cash position in the bank account. The low collection in 2021/22 was due to the budget cuts made by National Treasury which resulted in less funds available in the provincial bank accounts. Also, the interest rate was lower when compared to previous years, and this also has an impact on the revenue collected. Inflationary growth is anticipated over the MTEF, noting that growth is conservative when compared to the 2023/24 Revised Estimate.

Sale of capital assets relates to the disposal of redundant motor vehicles and office equipment. The high collection in 2022/23 relates to the sale of motor vehicles and office equipment. The department is expecting to dispose of redundant assets over the 2024/25 MTEF in line with its asset disposal policy.

Transactions in financial assets and liabilities comprises recoveries from previous years' expenditure such as inter-departmental claims, overpaid suppliers, and staff debts such as breached bursary contracts. The high collection in 2022/23 is attributed to the inter-departmental claims invoiced to DOT, DOPW and the Zululand District Municipality for SCM support related to prior years. The budget shows inflationary growth over the MTEF.

6.3 Donor and agency funding – Nil

7. Payment summary

This section provides information pertaining to the Vote as a whole at an aggregated level, including payments and budgeted estimates in terms of programmes and economic classification.

Further details are given in Section 8 below, as well as in the *Annexure – Vote 6: Provincial Treasury*.

7.1 Key assumptions

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

- All inflation related increases are based on CPI projections.
- The department provided for the carry-through cost of the 2023 wage agreement, as well as the cost of living adjustment of 4.4 per cent in 2024/25 and 4.45 per cent in 2025/26 against *Compensation of employees*.

- The department has provided for *Compensation of employees* to increase by 18.4 per cent in 2024/25 (as based on the Revised Estimate) to provide for the carry-through costs of filling critical vacant posts. There is growth of 5.6 per cent in 2025/26 and 4.5 per cent in the outer year of the MTEF. The growth over the 2024/25 MTEF is sufficient to cater for the carry-through costs of the 2023 wage agreement, the filling of 31 vacant posts, 1.5 per cent pay progression, as well as the cost of living adjustment of 4.4 per cent in 2024/25 and 4.45 per cent in 2025/26 as per the National Treasury guidelines.

7.2 Amendments to provincial and equitable share funding: 2022/23 to 2024/25 MTEF

Table 6.3 shows amendments to provincial and equitable share funding received by the department over the 2022/23, 2023/24 and 2024/25 MTEF periods, and excludes conditional grant funding. The carry-through allocations for the outer year (i.e. 2026/27) are based on the incremental percentage used in the 2024/25 MTEF.

Table 6.3 : Summary of amendments to provincial and equitable share allocations for the 2022/23 to 2024/25 MTEF

R thousand	2022/23	2023/24	2024/25	2025/26	2026/27
2022/23 MTEF period	15 931	-	-	-	-
Funds suspended from Vote 6 in 2021/22 for reallocation in 2022/23	15 931	-	-	-	-
2023/24 MTEF period		6 091	3 119	578	604
Cost of living adjustment carry-through (3%)		-	6 560	6 636	6 935
PES data update and own revenue reductions		(8 509)	(3 441)	(6 058)	(6 331)
Funds suspended from Vote 6 in 2022/23 for reallocation in 2023/24		14 600	-	-	-
2024/25 MTEF period			(25 320)	(24 989)	(26 926)
Fiscal consolidation reduction by National Treasury			(27 880)	(27 549)	(29 486)
Bank charges returned to be used for BACS upgrades			2 560	2 560	2 560
Total	15 931	6 091	(22 201)	(24 411)	(26 322)

With regard to the 2022/23 MTEF:

- R15.931 million was allocated back to the department in 2022/23 only. These funds were suspended from the department's budget in 2021/22 as a result of savings identified after extensive budget reviews were undertaken, as discussed. The funds were allocated to Programmes 1, 4 and 5 against *Goods and services* in respect of property payments and consultants' costs.

With regard to the 2023/24 MTEF:

- The department was allocated R6.560 million and R6.636 million in 2024/25 and 2025/26, continued in the baseline, for the carry-through costs of the 3 per cent cost of living adjustment allocated to *Compensation of employees* across all programmes.
- The department's budget was reduced by R8.509 million, R3.441 million and R6.058 million from 2023/24 to 2025/26, respectively, with carry-through, as a result of the PES formula updates and own revenue reductions budget cuts. The department effected these budget cuts against *Goods and services* in Programme 1, in respect of consultants' costs in relation to the special projects budget.
- R14.600 million was allocated back to the department in 2023/24. These funds were suspended from the department's budget in 2022/23 as a result of under-spending identified after extensive budget reviews were undertaken. These funds were requested to be allocated back to the department in 2023/24 for the following:
 - R3 million was suspended from Programme 1 against *Compensation of employees* due to delays in filling posts and was allocated to *Goods and services* to cater for the security access system planned to be acquired in 2023/24.
 - R10 million was suspended from Programme 2 against *Goods and services*, to be utilised in 2023/24 for the EPWP job creation programme.
 - R1.600 million was suspended from Programme 4 against *Goods and services*, to be utilised for various internal audit projects to be carried out in 2023/24, such as performance information.

With regard to the 2024/25 MTEF:

- The department received provincial cash resources of R2.560 million in 2024/25, R2.560 million in

2025/26 and R2.560 million in 2026/27 relating to the costs of upgrading the BACS to strengthen its security and ransomware features. The funds are allocated to Programme 3 against *Goods and services*.

- The department's budget was reduced by R27.880 million, R27.549 million and R29.486 million from 2024/25 to 2026/27, respectively, as a result of the fiscal consolidation budget cuts made against the equitable share over the 2024/25 MTEF, in view of lower than anticipated economic growth, lower than anticipated revenue collection, as well as the need to manage the country's debt levels. In addition, the province sees reductions against the equitable share as a result of updates to the data that informs the PES formula. The department effected these budget cuts against *Compensation of employees* and *Goods and services* across all programmes.

7.3 Summary by programme and economic classification

Tables 6.4 and 6.5 provide a summary of the Vote's payments and budgeted estimates by programme and by economic classification, respectively, for the seven-year period. The services rendered by the department are categorised under five programmes, which are largely aligned to the generic programme structure of the sector, with approval to deviate received from National Treasury in 2017/18 where the budget is not aligned.

Note that the 2023/24 Adjusted Appropriation for the *Compensation of employees* and *Goods and services* categories does not tie back to the tabled Adjustments Budget. This is due to an error made in the process where a virement from *Compensation of employees* was overstated and a virement from *Goods and services* was understated by an amount of R5 million within the Economic Analysis sub-programme under Programme 2. Subsequently, a post-Adjustments shift was undertaken from *Goods and services* to *Compensation of employees* in order to reverse this error.

Table 6.4 : Summary of payments and estimates by programme: Provincial Treasury

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2020/21	2021/22	2022/23	2023/24			2024/25	2025/26	2026/27
1. Administration	164 057	183 428	192 675	214 137	227 673	226 094	220 309	229 441	239 840
2. Sustainable Resource Management	43 250	42 403	45 636	61 875	52 922	52 456	51 022	53 270	55 603
3. Financial Governance	178 645	206 265	201 373	221 695	211 857	209 804	229 706	240 428	251 174
4. Internal Audit	91 486	86 216	99 979	108 355	101 470	101 316	108 551	112 715	117 860
5. Municipal Finance Management	54 431	58 583	73 139	72 848	69 988	69 643	71 313	74 336	77 594
Total	531 869	576 895	612 802	678 910	663 910	659 313	680 901	710 190	742 071

Table 6.5 : Summary of payments and estimates by economic classification: Provincial Treasury

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2020/21	2021/22	2022/23	2023/24			2024/25	2025/26	2026/27
Current payments	518 569	555 787	594 246	663 022	642 138	637 968	667 051	697 783	729 094
Compensation of employees	312 944	317 572	312 363	387 578	352 769	352 153	416 812	440 169	460 181
Goods and services	205 534	238 203	281 871	275 317	289 242	285 815	250 106	257 480	268 773
Interest and rent on land	91	12	12	127	127	-	133	134	140
Transfers and subsidies to:	6 563	10 060	7 356	3 673	5 084	5 053	2 659	2 811	2 940
Provinces and municipalities	41	37	29	29	24	24	30	31	32
Departmental agencies and accounts	3	-	-	3	3	3	3	4	4
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	343	-	19	2	-	-	-
Non-profit institutions	527	1 111	1 361	1 599	1 599	1 626	1 308	1 369	1 432
Households	5 992	8 912	5 623	2 042	3 439	3 398	1 318	1 407	1 472
Payments for capital assets	6 657	10 927	11 044	12 215	16 563	16 167	11 191	9 596	10 037
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	6 657	10 927	11 044	12 215	16 522	16 085	11 191	9 596	10 037
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	41	82	-	-	-
Payments for financial assets	80	121	156	-	125	125	-	-	-
Total	531 869	576 895	612 802	678 910	663 910	659 313	680 901	710 190	742 071

Programme 1 shows an increasing trend over the seven-year period, with a marginal decrease in 2024/25. The increase in 2021/22 was due to reprioritisation from Programme 2 to cater for property payments,

computer services and operating leases, which were not adequately budgeted for. The increase in 2022/23 was due to reprioritisation of R4.531 million from Programmes 2, 3, 4 and 5, with carry-through, to cater for budget shortfalls against property payments and operating leases, and to make adequate provision for the TEUF and external bursaries, which were under-budgeted for. The increase is further attributable to additional funding of R3.423 million, received in 2022/23 only, being a portion of the funds that were suspended from the department's budget in 2021/22. These funds were allocated to *Goods and services* in respect of property payments. Additional funding of R3 million, received only in 2023/24, is allocated to this programme, being a portion of the funds that were suspended from the department's budget in 2022/23. These funds were allocated to *Goods and services* for the acquisition of a departmental security access system. Also in 2023/24, the budget was cut by R10 million being the department's contribution to the provincial Crime Fighting Initiative, but this was after these funds were moved to this programme from savings identified in other programmes. The MTEF allocations are affected by the 2024/25 MTEF fiscal consolidation budget cuts, with R8.439 million in 2024/25, R8.425 million in 2025/26 and R6.279 million in 2026/27 cut from this programme across various economic categories. The MTEF provides for filling critical vacant posts and additional office space required by the department to cater for the expanded organisational structure which the department is currently in the process of acquiring.

Programme 2 shows a fluctuating trend over the seven-year period. The decrease in 2021/22 was mainly due to reduced operational costs such as stationery and printing, travel and subsistence, as well as training and development as a result of the Covid-19 pandemic. Further contributing to the decrease was the reprioritisation of savings from the programme's *Compensation of employees* budget after extensive budget reviews were undertaken. This explains the increase in 2022/23 which is after reprioritisation of R1.962 million, with carry-through, was undertaken from *Goods and services* in respect of travel and subsistence and allocated to Programme 1 against *Goods and services*, as mentioned. The increase in the 2023/24 Main Appropriation is attributable to additional funding of R10 million, received in 2023/24 only, being a portion of the funds that were suspended from the department's budget in 2022/23. These funds were allocated against *Goods and services* for the EPWP job creation programme, as mentioned. The MTEF makes provision for salaries of the Technical Advisors (TAs) in relation to the Infrastructure Crack Team responsible for infrastructure support delivery in the province, the filling of critical vacant posts, such as Director: Provincial Budget Management and Economic Analysis Specialist, among others, as well as costs relating to the preparation of the *EPRE* and the *AEPRE*. The MTEF allocations are also affected by fiscal consolidation budget cuts of R2.305 million in 2024/25, R2.136 million in 2025/26 and R3.148 million in 2026/27 effected against *Compensation of employees* and *Goods and services*.

Programme 3 shows a low amount in 2020/21 which was mainly due to the budget cuts in respect of the provincial response to the Covid-19 pandemic and the cost of living adjustment. The increase in 2021/22 was mainly due to once-off spending pressures against administration fees in respect of bank charges resulting from the implementation of new banking laws, as well as computer services costs in respect of transversal systems, including the BAS and PERSAL mainframes, that were under-budgeted for. In 2022/23, the programme under-spent its allocated budget at year-end mainly due to delays in filling posts. The 2024/25 MTEF allocations provide mainly for transversal systems, administrative fees, MBAT, support to departments in respect of financial management to achieve improved audit outcomes, preparation of the AFS for the Provincial Revenue Fund and consolidated AFS of departments and public entities, the provision of training and support to departments and SCM support to municipalities, as well as the filling of critical vacant posts such as the Deputy Director: Provincial Financial Reporting, and the Director: SCM Transformation, among others. The MTEF allocations also provide for the SAICA trainee programme which has been moved from Programme 1 from 2024/25 without funding as this project was already experiencing budget pressures within Programme 1. In this regard, reprioritisation from various programmes was undertaken by the department to cater for the budget pressure over the 2024/25 MTEF, as explained in Section 4. The MTEF allocations are also affected by the fiscal consolidation budget cuts of R10.436 million in 2024/25, R9.042 million in 2025/26 and R7.433 million in 2026/27 effected against *Compensation of employees*, *Goods and services* and *Machinery and equipment* in this programme. The MTEF allocations also include the budget for the costs of upgrading the BACS to strengthen its security and ransomware features.

Programme 4 shows a largely increasing trend over the seven-year period, with the exception of 2021/22. The department undertook reprioritisation of R1.300 million in 2022/23, with carry-through, from *Goods*

and services in respect of consultants' costs. These funds were allocated to Programme 1 to cater for additional office space required to accommodate staff as a result of the expanded organisational structure. The increase in 2022/23 was due to additional funding of R3.501 million, being a portion of the funds that were suspended from the department's budget in 2021/22. These funds were allocated against *Goods and services* in respect of consultants' costs. The 2024/25 MTEF makes provision for assessments, workshops and training on risk/governance management and internal audit capacity building within departments and municipalities, Certified Internal Auditor (CIA) qualification fees, ongoing audits such as IT, financial and governance audits, provision for the Cluster Audit and Risk Committee (CARC), the audit of predetermined objectives of departments and some municipalities, as well as the filling of Internal Audit Specialists posts, in line with the newly approved organisational structure. The MTEF allocations are also affected by the fiscal consolidation budget cuts of R4.481 million in 2024/25, R4.424 million in 2025/26 and R5.624 million in 2026/27 effected entirely against *Compensation of employees* in this programme.

Programme 5 shows a low amount in 2020/21 mainly due to the budget cuts in respect of the provincial response to the Covid-19 pandemic and the cost of living adjustment, as well as the surrender of funds to assist the DOE with their spending pressures, as mentioned. The increase in 2021/22 was due to the receipt of additional funding from National Treasury to cater for the non-pensionable cash allowance. The programme received additional funding of R9.007 million in 2022/23 only, being a portion of the funds that were suspended from the department's budget in 2021/22. These funds were allocated against *Goods and services* in respect of consultants' costs. The 2024/25 MTEF makes provision for the monitoring of tabled and approved budgets, the preparation of quarterly MFMA Section 71(7) reports, assisting, supporting and monitoring municipalities with financial management and compliance with the annual reporting framework. The MTEF allocations are also affected by the fiscal consolidation budget cuts of R2.219 million in 2024/25, R3.522 million in 2025/26 and R7.002 million in 2026/27 effected against *Compensation of employees* and *Goods and services* in this programme.

The significant increase against *Compensation of employees* from 2022/23 to 2025/26 is due to the filling of posts and pay progression for 582 posts on the organisational structure. The department currently has 64 vacant posts but plans to fill only 31 posts in a phased in approach over the 2024/25 MTEF due to the budget cuts implemented against this category. These posts include Deputy Director: Financial Management, Assistant Director: Expenditure Control Services, PERSAL Controller, Director: Provincial Budget Management, Economic Analysis Specialists, Internal Audit Specialists, and Risk Management Specialists, among others. The recruitment process for some of these posts is underway and is anticipated to be finalised in 2024/25. The decrease in the 2023/24 Adjusted Appropriation is attributed to internal delays in filling posts. The category grows by 18.4 per cent in 2024/25, 5.6 per cent in 2025/26 and 4.5 per cent in 2026/27. The increase over the 2024/25 MTEF is sufficient to cater for the 1.5 per cent pay progression, the carry-through costs of the 2023 wage agreement, as well as the cost of living adjustment of 4.4 per cent in 2024/25 and 4.45 per cent in 2025/26, as per National Treasury guidelines.

Goods and services shows a decrease from 2023/24 to 2024/25 and increases at a rate lower than inflation in 2025/26 mainly due to the department's reduced reliance on consultants as a result of filling vacant posts. Further contributing to the decrease are the 2024/25 MTEF fiscal consolidation budget cuts implemented against this category. The high growth in 2021/22 is attributable to the department's budget being cut during the 2020/21 Special Adjustments Estimate to fund the provincial response to the Covid-19 pandemic, as well as the surrender of funds to assist the DOE with their spending pressures. The continued high growth from 2021/22 to 2022/23 is attributable to the suspension of funds from 2021/22 to 2022/23, as mentioned. The allocations over the MTEF cater for operational costs, such as telephone, printing, stationery, administrative fees, computer services, and expenditure relating to various ongoing projects undertaken by Provincial Treasury to assist departments, such as the Infrastructure Crack Team and Operation Clean Audit. The MTEF allocations also include the budget for the costs of upgrading the BACS to strengthen its security and ransomware features, as mentioned.

The MTEF makes provision against *Interest and rent on land* in the event that the province incurs interest charges.

Transfers and subsidies to: Provinces and municipalities caters for motor vehicle licence fees.

Transfers and subsidies to: Departmental agencies and accounts caters for the payment of TV licences.

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

Transfers and subsidies to: Non-profit institutions mainly relates to provision for TEUF, and donations made in relation to OSS/DDM champion responsibilities. The decrease in 2024/25, and the increase over the MTEF is in line with the amounts stipulated in an agreement between the department and the TEUF.

Transfers and subsidies to: Households caters for staff exit costs, injury on duty, as well as bursaries for non-employees. The significant decrease in 2024/25 is due to a portion of the 2024/25 MTEF fiscal consolidation budget cuts implemented against this category in respect of external bursaries. The increase over the MTEF is inflationary.

Spending against *Machinery and equipment* occurs on a cyclical basis, hence the fluctuating trend against this category. The lower amount in 2020/21 was mainly due to the budget cuts in respect of the provincial response to the Covid-19 pandemic which resulted in the department not procuring additional state vehicles in 2020/21. This explains the significant increase in 2021/22 which caters for the purchase of replacement motor vehicles and computers in line with the asset replacement policy. The increase over the MTEF is inflationary and caters for the purchase of new and replacement laptops in line with the planned filling of vacant posts and is lower compared to the prior years due to the department not planning to procure state vehicles over the MTEF.

Software and other intangible assets relates to the purchase of computer software. The increase in the 2023/24 Adjusted Appropriation was to cater for the purchase of new software for equipment procured for a visually impaired Director: Legal Services. The increase from the Adjusted Appropriation to the Revised Estimate was in respect of specialised software purchased for the speech writer for the Office of the MEC. There is no budget over the MTEF due to the department no longer purchasing software above R5 000. The department will upgrade and renew existing software and this cost is allocated against computer services in terms of the SCOA classifications, hence this is budgeted under *Goods and services*.

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

7.4 Summary of conditional grant payments and estimates – Nil

7.5 Summary of infrastructure payments and estimates

Table 6.6 summarises the infrastructure payments and estimates relating to the department. The infrastructure budget of the department is placed against *Infrastructure: Leases* and *Maintenance and repair: Current*.

Table 6.6 : Summary of infrastructure payments and estimates by category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2020/21	2021/22	2022/23	2023/24			2024/25	2025/26	2026/27
Existing infrastructure assets	-	-	308	325	625	111	300	300	313
Maintenance and repair: Current	-	-	308	325	625	111	300	300	313
Upgrades and additions: Capital	-	-	-	-	-	-	-	-	-
Refurbishment and rehabilitation: Capital	-	-	-	-	-	-	-	-	-
New infrastructure assets: Capital	-	-	-	-	-	-	-	-	-
Infrastructure transfers	-	-	-	-	-	-	-	-	-
Infrastructure transfers: Current	-	-	-	-	-	-	-	-	-
Infrastructure transfers: Capital	-	-	-	-	-	-	-	-	-
Infrastructure: Payments for financial assets	-	-	-	-	-	-	-	-	-
Infrastructure: Leases	18 744	22 858	17 701	22 377	22 902	22 421	25 300	26 433	27 649
Non infrastructure¹	-	-	-	-	-	-	-	-	-
Total	18 744	22 858	18 009	22 702	23 527	22 532	25 600	26 733	27 962
Capital infrastructure	-	-	-	-	-	-	-	-	-
Current infrastructure	18 744	22 858	18 009	22 702	23 527	22 532	25 600	26 733	27 962

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

The infrastructure items that the department budgets for include lease payments and maintenance and repairs relating to its office buildings such as Treasury House, Nomalanga Building and the Marine Building. The trends in these two categories are summarised as follows:

- *Maintenance and repair: Current* relates to property maintenance of the leased buildings which is not covered by the lease agreement, such as air conditioners, elevators and the maintenance of gardens and grounds. The department used to budget for this against *Goods and services* but this was inadvertently omitted in this table in the prior years. A shift was only processed in 2022/23, but the prior years were not restated for comparative purposes. The increase in the 2023/24 Adjusted Appropriation was to cater for the maintenance and repairs of other machinery such as air conditioners which was not contracted with the landlords. The decrease in the Revised Estimate is due to lower than anticipated repairs and maintenance undertaken. The provision over the MTEF is kept constant and grows by inflation in the outer year of the MTEF.
- *Infrastructure: Leases* relates to the leasing of office buildings from the DOPW. The increase in 2021/22 was due to the payment of prior year invoices because of delays in the receipt of invoices from DOPW, explaining the decrease in 2022/23 to an extent. The increase in 2023/24 was due to anticipated increased costs for leases in respect of new office space required by the department which is in the process of being acquired and is expected to be finalised in 2024/25 due to procurement delays, hence the Revised Estimate is over-stated. The growth over the MTEF is inflationary.

7.6 Summary of Public Private Partnerships – Nil

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

Table 6.7 gives a summary of departmental transfers to other entities, details of which are given below. Various donations are made in terms of the department's community outreach responsibility, with these made to co-operatives, old age homes, schools and NPOs. It is noted that donations include those made by the MEC in line with her OSS responsibilities. These donations are categorised into two types, i.e. cash donations and tangible inventory items. Non-cash donations are classified under *Goods and services*.

Table 6.7 : Summary of departmental transfers to public entities (listed i.t.o. Schedule 3 of the PMFA) and other entities

R thousand	Sub-programme	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
		2020/21	2021/22	2022/23	2023/24			2024/25	2025/26	2026/27
Transfer to public entities		-	-	-	-	-	-	-	-	-
Transfers to other entities		527	1 111	1 361	1 599	1 599	1 626	1 308	1 369	1 432
Donations	1.2 Office of the HOD	-	-	17	99	99	99	40	44	46
Thuthuka Ed. Upliftment Fund	1.4 Corporate Services	527	1 111	1 344	1 500	1 500	1 500	1 268	1 325	1 386
Donations - SAICA	3.5 Accounting Services	-	-	-	-	-	27	-	-	-
Total		527	1 111	1 361	1 599	1 599	1 626	1 308	1 369	1 432

In 2022/23, the department made a donation of R17 000 to the Association for the Advancement of Black Accountants of Southern Africa (ABASA) toward their annual dinner. The provision in 2023/24 and over the MTEF relates to donations made in line with the OSS/DDM responsibilities.

Transfers to TEUF amounted to R527 000 in 2020/21 and show a largely increasing trend over the seven-year period. The transfers to the TEUF are made in line with the stipulated amounts and number of students being funded in the agreement between the department and TEUF. The fluctuations against this transfer are informed by the number of students admitted into TEUF and those who graduate.

The 2023/24 Revised Estimate of R27 000 against Donations – SAICA relates to the donation made by the department in respect of the SAICA gala dinner.

7.8 Transfers to local government – Nil

7.9 Transfers and subsidies

Table 6.8 is a summary of *Transfers and subsidies* by programme and main category. *Transfers and subsidies* fluctuates and increases over the MTEF as explained after Table 6.8.

Table 6.8 : Summary of transfers and subsidies by programme and main category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2020/21	2021/22	2022/23	2023/24			2024/25	2025/26	2026/27
1. Administration	5 352	2 057	6 049	3 364	4 617	4 708	2 386	2 526	2 642
Provinces and municipalities	41	37	29	29	24	24	30	31	32
Motor vehicle licences	41	37	29	29	24	24	30	31	32
Departmental agencies and accounts	3	-	-	3	3	3	3	4	4
SABC TV Licences	3	-	-	3	3	3	3	4	4
Public corporations and private enterprises	-	-	343	-	19	2	-	-	-
Claims against the state	-	-	343	-	19	2	-	-	-
Non-profit institutions	527	1 111	1 361	1 599	1 599	1 599	1 308	1 369	1 432
Donations	-	-	17	99	99	99	40	44	46
Thuthuka Education Upliftment Fund	527	1 111	1 344	1 500	1 500	1 500	1 268	1 325	1 386
Households	4 781	909	4 316	1 733	2 972	3 080	1 045	1 122	1 174
Staff exit costs	3 561	304	3 216	124	1 363	507	64	66	69
External bursary	677	605	1 100	1 609	1 609	2 573	981	1 056	1 105
Claims against the state	543	-	-	-	-	-	-	-	-
2. Sustainable Resource Management	561	135	94	-	28	27	-	-	-
Households	561	135	94	-	28	27	-	-	-
Staff exit costs	561	135	94	-	28	27	-	-	-
3. Financial Governance	294	6 978	1 085	241	318	277	273	285	298
Non-profit institutions	-	-	-	-	-	27	-	-	-
Donations: SAICA	-	-	-	-	-	27	-	-	-
Households	294	6 978	1 085	241	318	250	273	285	298
Staff exit costs	294	1 196	1 085	241	318	250	273	285	298
Claims against the state	-	5 782	-	-	-	-	-	-	-
4. Internal Audit	276	170	128	68	91	11	-	-	-
Households	276	170	128	68	91	11	-	-	-
Staff exit costs	276	131	128	68	91	11	-	-	-
Act of grace	-	39	-	-	-	-	-	-	-
5. Municipal Finance Management	80	720	-	-	30	30	-	-	-
Households	80	720	-	-	30	30	-	-	-
Staff exit costs	80	720	-	-	30	30	-	-	-
Total	6 563	10 060	7 356	3 673	5 084	5 053	2 659	2 811	2 940

- *Provinces and municipalities* in Programme 1 relates to motor vehicle licence fees.
- *Departmental agencies and accounts* against Programme 1 relates to the payment of TV licences.
- Transfers to *Non-profit institutions* in respect of both Programmes 1 and 3 relating to donations and TEUF were explained in Section 7.7 above.
- *Public corporations and private enterprises* against Programme 1 in 2022/23 relates to the payment of an unexpected claim against the state by Agape Car Hire for damage to a hired vehicle, and the payment of levies to SMEC South Africa for a bid they made for a contract with EDTEA in which they were unsuccessful and therefore lodged an appeal with the Bid Appeals Tribunal. The High Court was in favour of SMEC South Africa, and a court order was made against the department. The increase in the 2023/24 Adjusted Appropriation was to cater for an unexpected claim against the state for damage to a hired vehicle by an official of the department.
- *Households* across all programmes caters for staff exit costs, as well as other transfers. The significantly high amount in 2020/21 was due to a payment made to the GEPP for the pension liability of the former HOD, which explains the significant decrease in 2022/23. In 2021/22, the department made an act of grace payment to an employee due to personal belongings being damaged during relocation. The claims against the state in 2021/22 relate to a court order against the department as it was required to reinstate an employee who was wrongfully dismissed, with retrospective effect from the date of her dismissal. Over the 2024/25 MTEF, the department will continue to provide external bursaries to needy and deserving students, though the budget was reduced as a result of the fiscal consolidation budget cuts.

8. Programme description

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

8.1 Programme 1: Administration

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

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

Tables 6.9 and 6.10 provide a summary of payments and budgeted estimates pertaining to the programme over the seven-year period from 2020/21 to 2026/27. As mentioned, Programme 1's budget was increased by R3.423 million in 2022/23, only, in respect of additional funds which were allocated back to the department after being suspended in 2021/22. These funds were allocated under the Corporate Services sub-programme against *Goods and services* in respect of property payments. An additional amount of R3 million was re-allocated back to the department in 2023/24 in Programme 1, being funds that were suspended from the programme in 2022/23. These funds were allocated under the Management Services (HOD) sub-programme against *Goods and services* and were utilised in 2023/24 for the acquisition of a departmental security access system.

Table 6.9 : Summary of payments and estimates by sub-programme: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2020/21	2021/22	2022/23	2023/24			2024/25	2025/26	2026/27
1. Office of the MEC	24 370	22 362	29 208	31 302	34 402	35 392	30 710	32 000	33 432
2. Management Services (HOD)	17 123	8 633	9 973	11 757	12 960	12 703	14 082	14 709	15 347
3. Financial Management (CFO)	28 153	27 562	30 582	32 540	32 540	32 181	33 891	35 287	36 872
4. Corporate Services	94 411	124 871	122 912	138 538	147 771	145 818	141 626	147 445	154 189
Total	164 057	183 428	192 675	214 137	227 673	226 094	220 309	229 441	239 840

Table 6.10 : Summary of payments and estimates by economic classification: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2020/21	2021/22	2022/23	2023/24			2024/25	2025/26	2026/27
Current payments	153 913	175 017	179 462	201 379	212 360	211 305	211 751	221 044	231 057
Compensation of employees	83 967	88 614	91 438	107 806	110 704	105 925	115 481	122 027	127 640
Goods and services	69 855	86 391	88 012	93 573	101 656	105 380	96 270	99 017	103 417
Interest and rent on land	91	12	12	-	-	-	-	-	-
Transfers and subsidies to:	5 352	2 057	6 049	3 364	4 617	4 708	2 386	2 526	2 642
Provinces and municipalities	41	37	29	29	24	24	30	31	32
Departmental agencies and accounts	3	-	-	3	3	3	3	4	4
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	343	-	19	2	-	-	-
Non-profit institutions	527	1 111	1 361	1 599	1 599	1 599	1 308	1 369	1 432
Households	4 781	909	4 316	1 733	2 972	3 080	1 045	1 122	1 174
Payments for capital assets	4 789	6 289	7 102	9 394	10 639	10 024	6 172	5 871	6 141
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	4 789	6 289	7 102	9 394	10 598	9 942	6 172	5 871	6 141
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	41	82	-	-	-
Payments for financial assets	3	65	62	-	57	57	-	-	-
Total	164 057	183 428	192 675	214 137	227 673	226 094	220 309	229 441	239 840

In 2020/21, a portion of the department's budget cuts were effected under Programme 1 under the Management Services (HOD) sub-programme against *Compensation of employees*. Furthermore, Programme 1 was subjected to the fiscal consolidation cuts over the 2021/22 MTEF against *Compensation of employees* across all sub-programmes. This programme was also affected by the 2023/24 MTEF budget cuts of R3.417 million in 2023/24, R1.385 million in 2024/25 and R2.438 million in 2025/26 across all sub-programmes, as detailed in the 2023/24 *EPRE*. In the 2023/24 Adjustments Estimate, R10 million was cut from this programme, against the Management Services (HOD) sub-programme, being the department's contribution to the provincial Crime Fighting Initiative, but this was after funds were moved to this programme from savings identified in the other programmes. Furthermore, this programme was affected by the 2024/25 MTEF budget cuts of R8.439 million in 2024/25, R8.425 million in 2025/26 and R6.279 million in 2026/27 across all sub-programmes, but mainly under the Corporate Services sub-programme against *Compensation of employees*, *Goods and services*, *Transfers and subsidies to: Households* and *Machinery and equipment* in respect of the purchasing of tools of trade. However, this reduction is offset to an extent by the reprioritisation undertaken from Programme 5. These budget cuts will result in a reduction in the number of posts to be filled over the MTEF, as well as on operational costs such as communication, agency and support services, property payments, catering and travel and subsistence.

The sub-programme: Office of the MEC, which includes parliamentary liaison, fluctuates over the first three years and shows an increasing trend over the 2024/25 MTEF. The significant increase from the 2023/24 Main to Adjusted Appropriation was to cater for the spending pressures in respect of advertising, contractors, and venues and facilities costs in relation to the MEC's community outreach programme and OSS projects. The decrease in 2024/25 is due to the high base in 2023/24, to an extent. Further contributing to the decrease is the 2024/25 MTEF budget cut of R1.268 million, with carry-through, implemented against this sub-programme, as well as the reprioritisation of R1.420 million from this sub-programme. The growth over the MTEF is inflationary and provides for the operational costs for the running of the Office of the MEC, legal services in relation to gaming and betting legal matters which were previously provided for under the former MEC, as well as the community outreach engagements such as post-budget roadshows and 16 Days of Activism, among others. The MTEF allocations are affected by the fiscal consolidation budget cuts of R1.268 million in 2024/25, R1.251 million in 2025/26 and R1.339 million in 2026/27.

The sub-programme: Management Services (HOD) provides for the operational costs of running the HOD's office. The risk function for the department is also included under this sub-programme. The sub-programme fluctuates over the first three years and shows an increasing trend on the last four years. The significant decrease in 2021/22 was due to the budget cuts effected against this sub-programme, as well as the reprioritisation undertaken from this sub-programme to the Corporate Services sub-programme within this programme to align the budget with the approved organisational structure. The growth over the MTEF is inflationary and provides for the operational costs for the running of the Office of the HOD. The MTEF allocations are affected by the fiscal consolidation budget cuts of R581 000 in 2024/25, R575 000 in 2025/26 and R616 000 in 2026/27.

The sub-programme: Financial Management (CFO) is responsible for various functions such as budget control, internal SCM, asset management, loss control, etc., and fluctuates over the first three years and shows an increasing trend over the 2024/25 MTEF. The growth over the MTEF is inflationary and provides for the operational costs for the running of the Office of the CFO, including external audit fees. The MTEF allocations are affected by the fiscal consolidation budget cuts of R1.379 million in 2024/25, R1.360 million in 2025/26 and R1.456 million in 2026/27.

The sub-programme: Corporate Services fluctuates over the first three years and an increasing trend over the 2024/25 MTEF. The significant increase in 2021/22 was due to the reprioritisation from the Management Services (HOD) sub-programme to align the budget with the approved organisational structure, as mentioned. The growth over the MTEF is inflationary and provides for HR, legal services, strategic management and auxiliary services. This includes provision for centralised costs such as operating leases for office accommodation, fleet services, fuel price escalations, bursaries for employees and non-employees, as well as legal fees. The MTEF allocations are affected by the fiscal consolidation budget cuts of R5.211 million in 2024/25, R5.239 million in 2025/26 and R5.435 million in 2026/27.

Compensation of employees shows an increasing trend over the seven-year period. The decrease from the 2023/24 Adjusted Appropriation to the Revised Estimate is due to delays in filling posts. This category increases by 9 per cent in 2024/25, 5.7 per cent in 2025/26 and 4.6 per cent in 2026/27, despite the fiscal consolidation budget cuts of R4.545 million in 2024/25, R4.573 million in 2025/26 and R3.762 million in 2026/27 effected against this category. The increase over the 2024/25 MTEF is sufficient to cater for the 1.5 per cent pay progression, cost of living adjustment, the carry-through costs of existing posts, as well as the filling of 11 critical vacant posts within the programme. These posts include Deputy Director: Financial Management, Assistant Director: Expenditure Control Services, and Persal Controller, among others and these posts are adequately funded over the MTEF. The impact of the budget cuts will be the reduction in the number of posts to be filled, thus affecting the turnaround times of support services provided by the programme to both internal and external clients due to reduced capacity.

Goods and services shows a largely increasing trend over the seven-year period. The decrease from the 2023/24 Revised Estimate to 2024/25 is due to the budget cut of R2.392 million effected against this category in 2024/25. The below inflation growth of 2.9 per cent in 2025/26 is due to the 2024/25 MTEF budget cut of R2.356 million effected against this category in 2025/26. The growth in 2026/27 is largely inflationary. The MTEF caters for advertising, contractors, venues and facilities and travel and subsistence in respect of the MEC's community outreach programme and OSS projects, audit costs in respect of the external audit costs, communication in respect of departmental cellphones and data contracts, computer services in respect of the transversal financial system support for the province and the department's IT management, operating leases for the leasing of office buildings, as well as property payments for municipal, cleaning and security services, among others. This category is affected by the fiscal consolidation budget cuts and the impact will be the reduction in operational costs, reduction in internal and external bursaries intake, as well as support services provided to internal and external clients thus affecting turnaround times.

Transfers and subsidies to: Provinces and municipalities caters for motor vehicle licence fees.

Transfers and subsidies to: Departmental agencies and accounts provides for the payment of SABC TV licences.

Transfers and subsidies to: Non-profit institutions mainly relates to provision made for TEUF. The decrease in 2024/25, and the increase over the MTEF is in line with the amounts stipulated in an agreement between the department and the TEUF, as mentioned.

Transfers and subsidies to: Households caters for staff exit costs and external bursaries. The significant decrease in 2024/25 is due to a portion of the fiscal consolidation budget cuts implemented against this category in respect of external bursaries. The increase over the MTEF is inflationary.

Machinery and equipment over the MTEF provides for the procurement of state vehicles and tools of trade, which occurs on a cyclical basis, hence the fluctuating trend against this category. The MTEF allocations are affected by the fiscal consolidation budget cuts of R778 000 in 2024/25 and 2025/26, respectively and R621 000 in 2026/27.

Software and other intangible assets relates to the purchase of computer software, as explained.

Payments for financial assets relates to provision for staff debts written-off.

Service delivery measures: Administration

Table 6.11 illustrates the service delivery measures pertaining to Programme 1.

Table 6.11 : Service delivery measures: Administration

Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2023/24	2024/25	2025/26	2026/27
1	Financial Management (CFO)				
1.1.	Improve Governance of Assurance & Internal Control in departments				
	<ul style="list-style-type: none"> No material audit findings Percentage of supplier's valid invoices paid within 30 days 	Unqualified audit opinion 99%	Unqualified audit opinion 100%	Unqualified audit opinion 100%	Unqualified audit opinion 100%

Table 6.11 : Service delivery measures: Administration

Outputs	Performance indicators	Estimated performance	Medium-term targets			
			2023/24	2024/25	2025/26	2026/27
1.2	Improved participation of targeted groups in the economy of the province	• Percentage of procurement awarded to targeted groups	New	80%	80%	80%

8.2 Programme 2: Sustainable Resource Management

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

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

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

Tables 6.12 and 6.13 provide a summary of payments and budgeted estimates pertaining to this programme for the period 2020/21 to 2026/27.

In 2023/24, the department undertook reprioritisation of R10 million, from various programmes and economic classification categories, such as *Compensation of employees and Machinery and equipment* in respect of job massification (EPWP initiatives). These funds were suspended from the programme in 2022/23 and were re-allocated back to the department in 2023/24 in Programme 2. These funds are allocated under the Economic Analysis sub-programme against *Goods and services* and were utilised for various EPWP initiatives, as mentioned.

Note that the 2023/24 Adjusted Appropriation for the *Compensation of employees* and *Goods and services* categories does not tie back to the tabled Adjustments Budget. This is due to an error made in the process where a virement from *Compensation of employees* was overstated and the *Goods and services* virement was understated by an amount of R5 million within the Economic Analysis sub-programme. Subsequently, a post Adjustments Estimated shift was undertaken from *Goods and services* to *Compensation of employees* in order to reverse this error.

There was also reprioritisation undertaken by the department over the 2024/25 MTEF towards budget pressures in Programme 3 in relation to the SAICA programme.

Table 6.12 : Summary of payments and estimates by sub-programme: Sustainable Resource Management

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2020/21	2021/22	2022/23	2023/24			2024/25	2025/26	2026/27
1. Programme Support	3 669	3 683	3 138	3 607	3 307	3 284	3 501	3 743	3 876
2. Economic Analysis	15 372	14 598	19 654	33 323	27 984	27 985	21 565	22 231	23 215
3. Public Finance	17 604	18 343	18 030	18 612	17 311	16 902	20 948	22 129	23 108
4. Public Private Partnerships	6 605	5 779	4 814	6 333	4 320	4 285	5 008	5 167	5 404
Total	43 250	42 403	45 636	61 875	52 922	52 456	51 022	53 270	55 603

Table 6.13 : Summary of payments and estimates by economic classification: Sustainable Resource Management

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2020/21	2021/22	2022/23	2023/24			2024/25	2025/26	2026/27
Current payments	42 335	41 560	44 860	61 367	52 259	51 857	50 155	52 627	54 929
Compensation of employees	40 204	39 988	37 065	45 897	33 301	37 726	45 985	49 058	51 237
Goods and services	2 131	1 572	7 795	15 470	18 958	14 131	4 170	3 569	3 692
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	561	135	94	-	28	27	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	561	135	94	-	28	27	-	-	-
Payments for capital assets	354	708	682	508	635	572	867	643	674
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	354	708	682	508	635	572	867	643	674
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	43 250	42 403	45 636	61 875	52 922	52 456	51 022	53 270	55 603

In 2020/21, a portion of the department's budget cuts was effected proportionately across all sub-programmes under Programme 2 against *Compensation of employees*. Programme 2's budget was also reduced as a result of the wage freeze and fiscal consolidation budget cuts. The cuts were effected proportionately across all sub-programmes against *Compensation of employees*. This programme was also affected by the 2023/24 MTEF budget cuts, with carry-through, effected across all sub-programmes against *Compensation of employees*, *Goods and services* and *Transfers and subsidies to: Households* in respect of social benefits. Furthermore, this programme was affected by the 2024/25 MTEF fiscal consolidation budget cuts of R2.305 million in 2024/25, R2.136 million in 2025/26 and R3.148 million in 2026/27 against *Compensation of employees* and *Goods and services* across all sub-programmes, except the PPP sub-programme. These budget cuts will result in the department reducing the number of posts to be filled over the MTEF, as well as a reduction on operational costs such as catering, travel and subsistence and training and development.

The sub-programme: Programme Support reflects a fluctuating trend over the seven years. The growth over the 2024/25 MTEF is steady and provides for the operational costs for the office of the DDG: Sustainable Resource Management, as well as the office support team who provide administration and financial support to the programme as a whole. The MTEF is affected by the fiscal consolidation budget cuts of R423 000 in 2024/25, R435 000 in 2025/26 and R508 000 in 2026/27 and these are effected against *Compensation of employees*, resulting in the Administrative Officer post being frozen.

The sub-programme: Economic Analysis includes funding for the Infrastructure Crack Team to assist departments, public entities and municipalities in the delivery of infrastructure projects, as well as additional funding for the TAs, which is mainly allocated against *Compensation of employees*. The MTEF also provides for infrastructure site visits, the publication of the *ECE*, research to be undertaken by the Economic Analysis unit, and the production of the *SERO*. In addition, the allocations over the MTEF cater for the filling of vacant posts, such as Economic and Infrastructure specialists, among others. The increase in the 2023/24 Main Appropriation is mainly attributable to the provision of R10 million for job massification (which is an EPWP initiative to involve graduates on undertaking condition assessments of various infrastructure projects), being a portion of the funds suspended from 2022/23. The decrease in the 2023/24 Adjusted Appropriation was due to unexpected delays in the finalisation of the job massification programme strategy by the infrastructure unit. The significant decrease in 2024/25 is partly explained by the allocation in respect of the job massification programme not provided for beyond 2023/24. Further contributing to the decrease are the 2024/25 MTEF fiscal consolidation budget cuts of R1.155 million, with carry-through, effected against this sub-programme, as well as the reprioritisation of R1.872 million undertaken to Programme 3 in respect of the SAICA programme. The MTEF baseline is affected by fiscal consolidation budget cuts of R2.308 million in 2025/26 and R1.348 million in 2026/27, hence the low growth. The impact of these cuts will be the reduction of travel and subsistence costs by holding more

virtual engagements, and the reduction in the number of posts to be filled over the MTEF with posts such as Assistant Director: Infrastructure and Secretary being frozen.

The sub-programme: Public Finance fluctuates over the first four years and steady growth over the 2024/25 MTEF. The MTEF provides for costs relating to the preparation and printing of the *EPRE* and the *AEPRE*, as well as oversight over the provincial budget and provincial spending. The allocations over the MTEF also cater for the filling of critical vacant posts, such as the Director: Provincial Budget and Provincial Budget Analyst. The MTEF allocations are affected by fiscal consolidation budget cuts of R727 000 in 2024/25, R545 000 in 2025/26 and R595 000 in 2026/27 and these were effected entirely against *Compensation of employees*. The impact of these budget cuts will be the reduction in the number of posts that will be filled over the MTEF with posts such as the Director: Public Finance being frozen.

The sub-programme: Public, Private Partnerships shows a fluctuating trend over the seven-year period. The MTEF provides for ongoing support to departments, municipalities and public entities in terms of conducting feasibility studies and technical support for PPP contracts. The allocations over the MTEF also cater for the filling of critical vacant posts such as Specialist: Project Technical Advisory Services and Project Co-ordinator. This sub-programme was not affected by the fiscal consolidation budget cuts and reprioritisation over the MTEF.

Compensation of employees declines in 2021/22 and 2022/23 but shows a steady increase over the 2024/25 MTEF. This category increases by 21.9 per cent in 2024/25 from the 2023/24 Revised Estimate, 6.7 per cent in 2025/26 and 4.4 per cent in 2026/27, despite the fiscal consolidation budget cuts effected against this category. The increase over the 2024/25 MTEF is sufficient to cater for the filling of three vacant posts, the 4.4 per cent and 4.45 per cent cost of living adjustment in 2024/25 and 2025/26 with no provision for 2026/27 as per National Treasury guidelines. The allocation also provides for the 1.5 per cent pay progression and medical and housing adjustments.

Goods and services shows a fluctuating trend over the seven-year period. The significant increase in 2023/24 was due to the reprioritisation in respect of the EPWP job creation programme, as well as infrastructure projects, such as the physical condition assessment and compilation of a GRAP Compliant Immovable Asset Register for municipalities, among others. The MTEF allocations include funding for the TAs, the Infrastructure Crack Team, as well as provision for the printing of the *EPRE*, *AEPRE*, *ECE* and *SERO*, etc. The significant decrease in 2024/25 and 2025/26 is partly explained by the allocation in respect of the job massification programme not provided for. Further contributing to the decrease are the 2024/25 MTEF fiscal consolidation budget cuts, as well as the reprioritisation undertaken to Programme 3 in respect of the SAICA programme. The programme will hold more virtual engagements and will travel less so as to remain within the reduced budget.

Transfers and subsidies to: Households caters for staff exit costs.

Machinery and equipment provides mainly for the purchase of laptops and desktops, and shows a fluctuating trend over the seven-year period due to the seasonal nature of this category. The 2024/25 MTEF allocations provide for the finance leases in respect of departmental cellphones, the purchase of new and replacement laptops for new and existing staff.

Service delivery measures: Sustainable Resource Management

Table 6.14 illustrates the service delivery measures pertaining to Programme 2.

The department largely follows the measures used in previous years, with some of the outputs and performance indicator descriptions having changed to ensure alignment with the department's 2024/25 APP.

Note that there is a measure that will be deleted over the 2024/25 MTEF and this is denoted as "n/a" from 2024/25 to 2026/27.

Table 6.14 : Service delivery measures: Sustainable Resource Management

Outputs		Performance indicators	Estimated performance	Medium-term targets		
			2023/24	2024/25	2025/26	2026/27
1	Infrastructure Management & Economic Analysis					
1.1.	Socio-economic report produced	• No. of socio-economic reports produced (SERO)	1	1	1	1
	Value for money assessment reports produced	• No. of value for money assessment reports produced	1	1	1	1
	Research reports produced	• No. of research reports produced	1	1	1	1
1.2.	Estimates of Capital Expenditure (ECE) Plan produced	• No. of ECE plans produced	1	1	1	1
1.3	ECE monitoring reports of departments produced	• No. of quarterly monitoring reports produced on capital expenditure	4	4	4	4
		• No. of monitoring reports produced on departments using IDMS	4	4	4	4
2.	Public Finance					
2.1.	Optimal provincial budget allocation	• Final provincial budget produced	1	1	1	1
		• Adjustments provincial budget produced	1	1	1	1
2.2.	Early warning system reports produced	• No. of early warning system reports produced	18	20	20	20
3.	Public, Private Partnerships					
3.1.	Public sector institutions supported on PPPs	• No. of public sector institutions supported on PPPs	5	5	5	5
	PPP service delivery solutions	• No. of proposals produced to government entities on PPP service delivery solutions	1	n/a	n/a	n/a
3.2.	Compliance report on the implementation of PPFA in PPP projects, including target for targeted groups	• No. of PPPFA compliance reports produced	2	2	2	2

8.3 Programme 3: Financial Governance

This programme consists of six sub-programmes, namely Programme Support, Asset and Liabilities Management, Support and Interlinked Financial Systems, Supply Chain Management, Accounting Services and Norms and Standards.

The purpose of this programme is to provide audit readiness support to provincial departments and public entities with the objective of improving audit outcomes in the province, as well as to conduct SCM compliance assessments, policy and contract support services to provincial institutions. The main services undertaken by this programme are:

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

Tables 6.15 and 6.16 provide a summary of payments and budgeted estimates pertaining to Programme 3 for the period 2020/21 to 2026/27.

Table 6.15 : Summary of payments and estimates by sub-programme: Financial Governance

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2020/21	2021/22	2022/23	2023/24			2024/25	2025/26	2026/27
1. Programme Support	4 688	5 180	5 416	5 684	5 773	5 773	6 082	6 325	6 616
2. Asset and Liabilities Management	14 351	18 671	18 532	20 517	22 826	22 826	19 838	21 664	22 623
3. Support and Interlinked Financial Systems	98 447	113 764	117 101	118 000	114 359	114 359	121 017	126 276	131 929
4. Supply Chain Management	34 426	44 083	39 873	43 270	42 370	40 317	44 569	46 453	48 551
5. Accounting Services	19 737	18 455	15 238	27 125	19 430	19 430	31 158	32 364	33 809
6. Norms and Standards	6 996	6 112	5 213	7 099	7 099	7 099	7 042	7 346	7 646
Total	178 645	206 265	201 373	221 695	211 857	209 804	229 706	240 428	251 174

Table 6.16 : Summary of payments and estimates by economic classification: Financial Governance

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2020/21	2021/22	2022/23	2023/24			2024/25	2025/26	2026/27
Current payments	177 354	197 495	198 160	219 866	208 729	206 778	227 447	238 456	249 110
Compensation of employees	70 137	72 158	70 033	92 286	81 784	81 374	99 059	104 036	108 700
Goods and services	107 217	125 337	128 127	127 453	126 818	125 404	128 255	134 286	140 270
Interest and rent on land	-	-	-	127	127	-	133	134	140
Transfers and subsidies to:	294	6 978	1 085	241	318	277	273	285	298
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	27	-	-	-
Households	294	6 978	1 085	241	318	250	273	285	298
Payments for capital assets	924	1 749	2 124	1 588	2 770	2 709	1 986	1 687	1 766
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	924	1 749	2 124	1 588	2 770	2 709	1 986	1 687	1 766
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	73	43	4	-	40	40	-	-	-
Total	178 645	206 265	201 373	221 695	211 857	209 804	229 706	240 428	251 174

In 2020/21, a portion of the department's budget cuts were effected proportionately across all sub-programmes against *Compensation of employees* and *Goods and services* under Programme 3. This programme's budget was also reduced as a result of the 2021/22 MTEF wage freeze and fiscal consolidation budget cuts. Again, the cuts were effected proportionately across all sub-programmes against *Compensation of employees* and *Goods and services*. This programme was affected by the 2023/24 MTEF budget cuts under the Programme Support, Supply Chain Management, Accounting Services, as well as the Norms and Standards sub-programmes against *Compensation of employees* and *Goods and services*. Furthermore, this programme was also affected by the 2024/25 MTEF fiscal consolidation budget cuts of R10.436 million in 2024/25, R9.042 million in 2025/26 and R10.402 million in 2026/27 effected against *Compensation of employees*, *Goods and services* and *Machinery and equipment* across all sub-programmes. These budget cuts will result in the department reducing the number of posts to be filled over the MTEF, and a reduction in operational costs such as consultants and professional services, advertising, agency and support services, consumable supplies and travel and subsistence.

The sub-programme: Programme Support is responsible for providing strategic leadership support to the Financial Governance programme. The growth over the MTEF is largely inflationary and the MTEF allocations provide for the operational costs for the office of the Accountant-General, as well as the office support team who provide administration and financial support to the programme as a whole. This sub-programme is not affected by the fiscal consolidation budget cuts.

The sub-programme: Asset and Liabilities Management shows a largely increasing trend over the seven-year period, except for the decrease in 2024/25. The decrease in 2024/25 is largely due to the 2024/25 MTEF fiscal consolidation budget cuts effected against this sub-programme, as well as reprioritisation undertaken to the Accounting Services sub-programme in respect of the SAICA programme. The 2024/25 MTEF caters for various operational costs of the unit, including bank charges for the IGCC account, provision for interest should the IGCC account go into overdraft, provision for conducting an annual tax information seminar with all departments and entities, as well as ensuring

compliance to tax legislation, among others. The MTEF allocations are affected by the fiscal consolidation budget cuts of R1.516 million in 2024/25, R682 000 in 2025/26 and R2.034 million in 2026/27 effected entirely against *Compensation of employees*.

The sub-programme: Support and Interlinked Financial Systems includes costs relating to all transversal systems, such as BAS, PERSAL and HardCat for the entire province. The allocations over the MTEF include provision for personnel costs. The growth over the 2024/25 MTEF is low due to the fiscal consolidation budget cuts of R4.894 million in 2024/25, R5.176 million in 2025/26 and R6.005 million in 2026/27 effected against this sub-programme, as well as reprioritisation to the Accounting Services sub-programme to assist with budget pressures in respect of the SAICA programme. The budget cuts were effected against *Compensation of employees*, *Goods and services* and *Machinery and equipment*. The impact of these cuts will be reduced capacity as the unit will reduce the number of posts that will be filled over the MTEF and operational costs, such as consultants services, thus affecting the meantime for resolving transversal systems calls. The MTEF allocations include the budget for the costs of upgrading the BACS to strengthen its security and ransomware features.

The sub-programme: Supply Chain Management shows growth over the 2024/25 MTEF and caters for the operational costs of the SCM unit, as well as MBAT and SCM support and interventions in departments and municipalities. These interventions are provided to all departments and municipalities on a needs basis and include pre-order assessments, as well as contract management. The MTEF allocations further cater for the filling of various critical vacant posts such as Director: SCM Transformation, Deputy Director: SCM Bid Appeals Tribunal and Assistant Director: SCM Policy and Capacity Development, among others. The MTEF allocations are affected by the fiscal consolidation budget cuts of R1.945 million in 2024/25, R1.847 million in 2025/26 and R2.179 million in 2026/27 effected against *Compensation of employees* and *Goods and services*. The impact of these cuts will be reduced capacity as the unit will reduce the number of posts that will be filled over the MTEF and operational costs, such as agency and support/ outsourced services, thus affecting the turnaround time with respect to client support.

With regards to the sub-programme: Accounting Services, the MTEF allocations cater for various projects including the financial management support to departments and public entities to achieve improved audit outcomes, preparation of the AFS for the Provincial Revenue Fund and consolidated financial statements for the province and public entities, providing the required training to departments and public entities, among others. The significant increase in 2024/25 is attributable to the SAICA programme moving from Programme 1 to Programme 3 and the reprioritisation undertaken to address the budget pressures in relation to the SAICA programme. The MTEF allocations are affected by the fiscal consolidation budget cuts of R1.513 million in 2024/25, R769 000 in 2025/26 and R762 000 in 2026/27 effected entirely against *Compensation of employees*. The impact of these cuts will be the reduction in the number of posts that will be filled over the MTEF, thus affecting the unit's capacity.

The sub-programme: Norms and Standards shows an erratic trend over the MTEF, with a decreasing trend for the first three years, an increase in 2023/24, a slight decrease in 2024/25 and an increase in the last two years of the MTEF. The increase over the MTEF mainly provides for personnel costs, various operational costs of the unit, as well as the review of instruction notes and standard operating procedures for departments and public entities, among others. The MTEF allocations further cater for the filling of various vacant posts. The MTEF allocations are affected by the fiscal consolidation budget cuts of R568 000 in 2024/25 and 2025/26, respectively and R667 000 in 2026/27 effected entirely against *Compensation of employees*, resulting in the freezing of one post over the MTEF.

Compensation of employees shows an overall upward trend from 2020/21 to 2026/27, with a marginal decrease in 2022/23 and the 2023/24 Revised Estimate due to internal delays in filling vacant funded posts and staff exits. The category grows by 21.7 per cent in 2024/25, 5 per cent in 2026/27 and 4.5 per cent in 2026/27, despite a portion of the fiscal consolidation budget cuts of R3.915 million in 2024/25, R3.322 million in 2025/26 and R1.432 million in 2026/27 effected against this category. The increase over the 2024/25 MTEF is sufficient to cater for the carry-through costs of the 2023 wage agreement, the filling of eight critical vacant posts, the 1.5 per cent pay progression as well as the cost of living adjustment of 4.4 per cent in 2024/25 and 4.45 per cent in 2025/26, as per National Treasury guidelines.

Goods and services over the MTEF caters for MBAT, support to departments in respect of financial management support, preparation of the AFS for the Provincial Revenue Fund, consolidated AFS for the province and public entities, training, financial management support to departments, as well as supply chain management support to departments, public entities and municipalities. The department will cut back on operational costs as a result of the fiscal consolidation budget cuts by holding more virtual engagements, etc. The MTEF allocations include the budget for the costs of upgrading the BACS to strengthen its security and ransomware features.

Interest and rent on land makes provision for the event that the province goes into overdraft.

Transfers and subsidies to: Households provides for staff exit costs.

Machinery and equipment is purchased on a cyclical basis, hence the fluctuating trend against this category. The MTEF allocations cater for the purchase of new and replacement desktops and laptops.

Service delivery measures: Financial Governance

Table 6.17 shows the main service delivery measures for Programme 3. Note that there are no sector measures for this sector. The department largely follows measures used in previous years, and some of the outputs and performance indicators have changed to ensure alignment with the 2024/25 APP.

Table 6.17 : Service delivery measures: Financial Governance

Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2023/24	2024/25	2025/26	2026/27
1. Supply Chain Management					
1.1. SCM initiatives implemented at public sector institutions to improve compliance with SCM prescripts	• No. of SCM policies reviewed in line with SCM legislation	16	16	16	16
Training on contract management	• No. of contract management training sessions conducted	4	4	4	4
1.2 Report on distribution of procurement spend to the targeted groups	• No. of reports produced on the distribution of procurement spent on the targeted groups	4	4	4	4
2. Accounting Services					
2.1. Financial management support initiatives in order to improve audit outcomes	• No. of financial management support initiatives provided to departments	8	8	8	8
	• No. of financial management support initiatives provided to public entities	5	6	6	6
2.2 Reports on institutions' level of compliance on payment of suppliers within 30 days	• No. of consolidated Instruction Note 34 reports produced	12	12	12	12
3. Financial Information Management Systems (FIMS)					
3.1 Financial transversal systems available	• Percentage availability of financial transversal systems	97%	97%	97%	98%
	• Mean time to resolve calls for transversal systems	8 Hours	8 Hours	8 Hours	8 Hours

8.4 Programme 4: Internal Audit

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

- Assist provincial departments and municipalities to develop risk registers and mitigation strategies.
- To review accounting and management processes and systems of internal control for efficiency and effectiveness in terms of their design and operation and provide recommendations for improvement.
- To develop, facilitate implementation and monitor integrated risk management strategies and fraud prevention strategies.
- To provide training and development programmes in areas such as risk management, strategy development and management, project management, design and improvement of systems of internal control, financial management and reporting, leadership, forensic investigations, governance, etc.

- To provide a consulting function as per requests by relevant MECs and HODs.
- To prepare special reviews on computerised systems and performance.

Tables 6.18 and 6.19 provide a summary of payments and budgeted estimates pertaining to Programme 4 over the seven-year period from 2020/21 to 2026/27. As mentioned, Programme 4's budget was increased by R3.501 million in 2022/23, only, in respect of funds which were allocated back to the department after being suspended in 2021/22. These funds were allocated under the Assurance Services sub-programme against *Goods and services* in respect of consultants' costs. A further amount of R1.600 million was re-allocated back in 2023/24, being funds that were suspended from the programme in 2022/23. These funds were allocated against *Goods and services* to cater for various internal audit projects.

Table 6.18 : Summary of payments and estimates by sub-programme: Internal Audit

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2020/21	2021/22	2022/23	2023/24			2024/25	2025/26	2026/27
1. Programme Support	4 346	2 539	2 373	4 815	4 087	4 020	8 021	8 498	8 889
2. Assurance Services	66 500	64 738	77 757	76 680	73 139	73 052	76 082	78 299	81 862
3. Risk Management	20 640	18 939	19 849	26 860	24 244	24 244	24 448	25 918	27 109
Total	91 486	86 216	99 979	108 355	101 470	101 316	108 551	112 715	117 860

Table 6.19 : Summary of payments and estimates by economic classification: Internal Audit

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2020/21	2021/22	2022/23	2023/24			2024/25	2025/26	2026/27
Current payments	90 901	85 177	98 745	107 877	99 411	98 997	107 587	112 134	117 253
Compensation of employees	78 247	76 771	71 740	86 339	75 709	75 877	98 284	103 861	108 601
Goods and services	12 654	8 406	27 005	21 538	23 702	23 120	9 303	8 273	8 652
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	276	170	128	68	91	11	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	276	170	128	68	91	11	-	-	-
Payments for capital assets	309	856	1 016	410	1 940	2 280	964	581	607
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	309	856	1 016	410	1 940	2 280	964	581	607
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	13	90	-	28	28	-	-	-
Total	91 486	86 216	99 979	108 355	101 470	101 316	108 551	112 715	117 860

In 2020/21, a portion of the department's budget cuts were effected proportionately against *Compensation of employees* and *Goods and services* against all sub-programmes under Programme 4. The programme's allocations over the 2021/22 MTEF was affected by the wage freeze and fiscal consolidation budget cuts, which were effected proportionately against *Compensation of employees* and *Goods and services* against all sub-programmes. This programme was affected by the 2023/24 MTEF budget cuts under the Assurance Services and Risk Management sub-programmes against *Compensation of employees* and *Goods and services*. Furthermore, this programme was affected by the 2024/25 MTEF budget cuts of R4.481 million in 2024/25, R4.424 million in 2025/26 and R5.624 million in 2026/27 which were effected against *Compensation of employees* under the Assurance Services sub-programme. These budget cuts will result in a lower number of posts being filled over the MTEF.

The sub-programme: Programme Support is responsible for providing strategic leadership support to the Internal Audit unit. The steady increase over the 2024/25 MTEF provides for the running costs of the office of the DDG: Internal Audit, Secretary and the Office Manager. The MTEF includes provision for the filling of the Director: Internal Audit Technical Support, Deputy Director, Quality Assurance and Internal Audit Support and Assistant Director: Audit Committee Support posts, among others.

The sub-programme: Assurance Services shows a fluctuating trend over the seven-year period. The spending in 2022/23 includes an amount of R3.501 million suspended from 2021/22, as mentioned. These

funds related to carry-over Assurance Services projects and were allocated against *Goods and services*. The MTEF provides for various operational costs of the unit, provision for learners towards the CIA qualification fees, ongoing audits such as IT, financial and governance audits, provision for CARC members, as well as the audit of predetermined objectives of departments and municipalities. The allocations over the MTEF also cater for the filling of several Internal Audit Specialist vacancies under the recently approved organisational structure, such as Director: Financial Audits, Deputy Director: Performance Auditing and four Deputy Director: IT Audits, among others. The MTEF was affected by the 2024/25 MTEF budget cuts of R4.481 million in 2024/25, R4.424 million in 2025/26 and R5.624 million in 2026/27 which were effected entirely against *Compensation of employees* in this sub-programme.

The sub-programme: Risk Management shows a fluctuating trend over the seven-year period. The growth over the MTEF is steady and makes provision for assessments, workshops and training on risk/governance management and internal audit capacity building within departments and municipalities. The allocations over the MTEF also cater for the filling of seven Risk Management Practitioner posts and two Secretary posts under the newly approved structure.

Compensation of employees shows an increasing trend over the 2024/25 MTEF. The category grows by 29.5 per cent in 2024/25, 5.7 per cent in 2025/26 and 4.6 per cent in 2026/27. The increase over the 2024/25 MTEF is sufficient to cater for the carry-through costs of the 2023 wage agreement, the filling of critical vacant posts, the 1.5 per cent pay progression, as well as the cost of living adjustment of 4.4 per cent in 2024/25 and 4.45 per cent in 2025/26, as per the National Treasury guidelines. The MTEF also caters for the filling of critical vacant posts such as Deputy Director: Quality Assurance, Director: Financial Audits, Deputy Director: Performance Auditing, Risk Management Practitioners and two Assistant Director: Cluster Audits, among others, in line with the newly approved organisational structure. The 2024/25 MTEF fiscal consolidation budget cut was effected entirely against this category and the impact is that the newly approved structure will be filled in phases as and when funds become available. The new structure is being funded by moving funds from *Goods and services* and thus reducing the reliance on consultants.

Goods and services fluctuates over the seven-year period and relates to performance audits, fraud risk assessments, municipal financial capability assessments, capacity building workshops/ training on risk management and internal control, training and development programmes including learnerships and IT risk assessments on the BAS application system. The significant decrease in 2024/25 relates to the reprioritisation made by the department from agency and support services to *Compensation of employees* to fill posts in line with the approved organisational structure and thus reducing reliance on consultants.

Transfers and subsidies to: Households caters mainly for staff exit costs.

Machinery and equipment is purchased on a cyclical basis, hence the fluctuating trend against this category. The 2024/25 MTEF mainly caters for equipment for new staff appointments.

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

Service delivery measures: Internal Audit

Table 6.20 illustrates the main service delivery measures for Programme 4. The department largely follows the measures used in previous years, with some outputs and performance indicator descriptions having changed to ensure alignment with the department's 2024/25 APP. Note that one measure will be deleted over the 2024/25 MTEF and this has been denoted as "n/a" from 2024/25 to 2026/27.

Table 6.20 : Service delivery measures: Internal Audit

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2023/24	2024/25	2025/26	2026/27	
1. Assurance Services						
1.1. Internal audit reviews conducted	<ul style="list-style-type: none"> No. of internal audit reviews conducted No. of follow-up audit reviews conducted 	95	90	90	90	
		48	28	28	28	
1.2. Oversight reports to strengthen accountability by public sector institutions	<ul style="list-style-type: none"> No. of oversight reports issued to MECs of provincial departments 	56	56	56	56	

Table 6.20 : Service delivery measures: Internal Audit

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2023/24	2024/25	2025/26	2026/27	
2. Risk Management						
2.1. Strengthened risk management in the public sector institutions.	<ul style="list-style-type: none"> No. of risk assessments conducted in municipalities No. of internal audit function reviews conducted at selected municipalities No. of departments monitored on compliance with the minimum risk management standards 	16	18	20	20	
		6	6	8	8	
		13	13	13	13	
2.2. Strengthened internal control and risk management in the province	<ul style="list-style-type: none"> Provincial Internal Control Framework developed 	1	n/a	n/a	n/a	

8.5 Programme 5: Municipal Finance Management

The main purpose of the programme is to provide oversight, technical support and guidance to delegated municipalities. This programme aligns to the generic structure for provincial treasuries. The following services are rendered by the unit:

- Promote optimal and sustainable municipal budgets as well as promote optimal implementation of budgets by municipalities and reporting on related compliance.
- Assist, support and monitor municipalities with financial management and compliance with the GRAP and relevant legislation.
- Assist and provide technical support to delegated municipalities to promote sound financial management and sustainability.
- Assist and provide technical support to delegated municipalities on revenue and debt management.

Tables 6.21 and 6.22 illustrate the payments and budgeted estimates pertaining to Programme 5. As mentioned, Programme 5's budget was increased by R9.007 million in 2022/23, only, in respect of funds which were allocated back to the department after being suspended in 2021/22. These funds were allocated under the Municipal Support Programme (R8.344 million) and Municipal Revenue and Debt Management (R663 000) sub-programmes against *Goods and services* in respect of consultants' costs.

In 2020/21, a portion of the department's budget cuts were effected proportionately against *Compensation of employees* and *Goods and services* against all sub-programmes under Programme 5. The programme's allocations over the 2021/22 MTEF were affected by the wage freeze and fiscal consolidation budget cuts. These cuts were effected proportionately against *Compensation of employees* and *Goods and services* against all sub-programmes. This programme was also affected by the 2023/24 MTEF budget cuts under the Municipal Accounting and Reporting, Municipal Support Programme, as well as the Municipal Revenue and Debt Management sub-programmes against *Goods and services*, as detailed in the 2023/24 EPRE. Furthermore, the programme was affected by the 2024/25 MTEF fiscal consolidation budget cuts of R2.219 million in 2024/25, R3.522 million in 2025/26 and R7.002 million in 2026/27 effected against *Compensation of employees* and *Goods and services* across all sub-programmes, except Programme Support. These budget cuts will result in a lower number of posts being filled over the MTEF and a reduction in operational costs such as agency and support services and travel and subsistence, resulting in reduced capacity and engagements being undertaken virtually.

Table 6.21 : Summary of payments and estimates by sub-programme: Municipal Finance Management

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2020/21	2021/22	2022/23	2023/24			2024/25	2025/26	2026/27
1. Programme Support	2 298	2 932	4 472	5 543	5 783	5 783	6 167	6 365	6 657
2. Municipal Budget	24 656	26 376	25 037	27 686	27 931	27 942	30 436	31 591	33 004
3. Municipal Accounting and Reporting	15 516	11 652	10 736	16 125	11 095	10 981	13 974	14 749	15 388
4. Municipal Support Programme	11 961	13 986	25 756	15 389	16 635	16 496	13 131	13 612	14 197
5. Municipal Revenue and Debt Management	-	3 637	7 138	8 105	8 544	8 441	7 605	8 019	8 348
Total	54 431	58 583	73 139	72 848	69 988	69 643	71 313	74 336	77 594

Table 6.22 : Summary of payments and estimates by economic classification: Municipal Finance Management

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2020/21	2021/22	2022/23	2023/24			2024/25	2025/26	2026/27
Current payments	54 066	56 538	73 019	72 533	69 379	69 031	70 111	73 522	76 745
Compensation of employees	40 389	40 041	42 087	55 250	51 271	51 251	58 003	61 187	64 003
Goods and services	13 677	16 497	30 932	17 283	18 108	17 780	12 108	12 335	12 742
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	80	720	-	-	30	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	80	720	-	-	30	30	-	-	-
Payments for capital assets	281	1 325	120	315	579	582	1 202	814	849
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	281	1 325	120	315	579	582	1 202	814	849
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	4	-	-	-	-	-	-	-	-
Total	54 431	58 583	73 139	72 848	69 988	69 643	71 313	74 336	77 594

The sub-programme: Programme Support is responsible for providing strategic leadership and administrative support to the Municipal Finance Management unit. The sub-programme caters for the Programme Manager, the Secretaries and Strategic Executive Support, as well as their running costs.

The sub-programme: Municipal Budget reflects a fluctuating trend over the seven-year period, with steady growth over the MTEF. The allocations over the 2024/25 MTEF cater for providing technical support to delegated municipalities. The allocation of this sub-programme is affected by the 2024/25 MTEF budget cuts of R100 000 in 2024/25, 2025/26 and 2026/27 respectively.

The sub-programme: Municipal Accounting and Reporting shows inflationary growth over the MTEF and makes provision for assisting, supporting and monitoring municipalities with financial management and compliance with the annual reporting framework. This is achieved by promoting an understanding of accounting standards, monitoring compliance with reporting requirements, providing accounting services and support, implementing systems and processes to improve sound financial management, reviewing the quality of AFS, as well as monitoring, evaluating and reporting on municipal asset management. The decrease in the 2023/24 Adjusted Appropriation relates to savings against *Compensation of employees* due to delays in filling posts and these savings were moved to *Goods and services* to cater for budget pressures under Programme 1. The allocation of this sub-programme is affected by the 2024/25 MTEF budget cuts of R1.228 million in 2024/25, R2.503 million in 2025/26 and R3.526 million in 2026/27 effected entirely against *Compensation of employees*. The impact of these cuts will be the reduction in the number of posts that will be filled over the MTEF, thus reducing capacity for the unit.

The sub-programme: Municipal Support Programme's in 2022/23 includes additional funding of R8.344 million against *Goods and services* in respect of consultants' costs, which was suspended in 2021/22. These funds were used for the continuation of existing projects. Over the MTEF, this sub-programme will continue to assist and provide technical support to delegated municipalities. This sub-programme is affected by the 2024/25 MTEF budget cuts of R526 000 in 2024/25, R554 000 in 2025/26 and R576 000 in 2026/27 effected entirely against *Goods and services*. The impact of these cuts will be the reduction in agency and support/ outsourced services through reduced reliance on consultants.

The sub-programme: Municipal Revenue and Debt Management was implemented from 2021/22, through the use of short-term contract employees and supplemented through the use of consultants. The process to fill the newly created Director, Deputy Director and Assistant Director posts commenced in 2021/22 and all nine posts were filled by the end of the third quarter of 2023/24. The budget caters for establishing and formulating support strategies to address weaknesses within the revenue and debt management processes of delegated municipalities. The allocation in 2022/23 includes additional funding of R663 000 against *Goods and services* in respect of consultants' costs, which was suspended from 2021/22, as mentioned. The decrease in 2024/25 of R365 000, with carry-through, is due to the 2024/25 MTEF budget cuts being

implemented against this sub-programme. In addition, there was reprioritisation of funds from this sub-programme to Programme 1 to cater for budget pressures in respect of the 2023 wage agreement. The allocation of this sub-programme is affected by the 2024/25 MTEF budget cuts of R365 000 in 2024/25, 2025/26 and 2026/27 respectively effected entirely against *Goods and services*. The impact of these cuts will be the reduction in the number of projects undertaken and engagements with municipalities.

Compensation of employees shows a largely increasing trend over the seven-year period, with a decrease only in 2021/22. The category grows by 13.2 per cent in 2024/25, 5.5 per cent in 2025/26 and 4.6 per cent in 2026/27 despite a portion of the fiscal consolidation budget cuts of R1.228 million in 2024/25, R2.503 million in 2025/26 and R2.370 million in 2026/27 effected against this category. The increase over the 2024/25 MTEF is sufficient to cater for the carry-through costs of the 2023 wage agreement, the filling of two critical vacant posts, the 1.5 per cent pay progression, as well as the cost of living adjustment of 4.4 per cent in 2024/25 and 4.45 per cent in 2025/26, as per National Treasury guidelines.

Goods and services reflects a fluctuating trend over the seven-year period. The high allocation in 2022/23 includes additional funding of R9.007 million to cater for consultants' costs, which was suspended from 2021/22, as discussed. These funds were used for the continuation of existing projects. The reduction of R991 000 in 2024/25, R1.019 million in 2025/26 and R3.290 million in 2026/27 relates to part of the budget cuts being implemented against this category. In addition, there was reprioritisation of funds from this category to Programme 1 to provide for the carry-through costs of the 2023 wage agreement and to Programme 3 to cater for the budget pressures against the SAICA programme.

Transfers and subsidies to: Households relates to staff exit costs and there is no provision over the MTEF as this category is difficult to budget for. This will be reviewed in-year.

Machinery and equipment caters for the purchase of equipment for newly filled posts and the replacement and upgrading of equipment.

Service delivery measures: Municipal Finance Management

Table 6.23 reflects the main service delivery measures pertaining to Programme 5. The department largely follows the measures used in previous years, with some of the outputs and performance indicator descriptions having changed to ensure alignment with the department's 2024/25 APP.

Table 6.23 : Service delivery measures: Municipal Finance Management

Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2023/24	2024/25	2025/26	2026/27
1. Municipal Budget					
1.1 Annual budgets of delegated municipalities evaluated, and feedback provided	<ul style="list-style-type: none"> No. of tabled budgets evaluated No. of approved budgets evaluated 	51	51	51	51
1.2 Early warning reports on municipal budget performance	<ul style="list-style-type: none"> No. of Section 71(7) quarterly budget performance reports produced 	4	4	4	4
2. Municipal Accounting and Reporting					
2.1 Financial statements reviews conducted at targeted municipalities	<ul style="list-style-type: none"> No. of municipal financial statements reviews conducted 	7	7	7	7
2.2 Financial management support projects implemented at targeted municipalities	<ul style="list-style-type: none"> No. of financial management support projects implemented 	6	5	5	5
3. Municipal Support Programme					
3.1 Specialised projects implemented at targeted municipalities	<ul style="list-style-type: none"> No. of specialised projects implemented 	10	8	8	8
4. Municipal Revenue and Debt Management					
4.1 Enhance revenue and debt management in the province	<ul style="list-style-type: none"> No. of revenue and debt management projects implemented 	2	1	1	1

9. Other programme information

9.1 Personnel numbers and costs

Table 6.24 provides detail of the department's approved establishment and personnel numbers, per level and programme. The table also gives a breakdown of employees' dispensation classification.

The total personnel number for the department is 438 employees in 2023/24, and increases to 610 in 2024/25 as a result of the phased implementation of the newly approved organisational structure. The 144 additional posts indicated in Table 6.24 include 113 existing contract posts and 31 posts to be filled over the MTEF. The budget includes provision for salaries for contract personnel that will be working on certain departmental projects, such as TAs working on IDIP, Contract Management Project, etc.

Table 6.24 : Summary of departmental personnel numbers and costs by component

R thousands	Audited Outcome						Revised Estimate				Medium-term Estimates						Average annual growth over MTEF 2023/24 - 2026/27		
	2020/21		2021/22		2022/23		2023/24				2024/25		2025/26		2026/27		Pers. growth rate	Costs growth rate	% Costs of Total
	Pers. Nos. ¹	Costs	Pers. Nos. ¹	Costs	Pers. Nos. ¹	Costs	Filled posts	Addit. posts	Pers. Nos. ¹	Costs	Pers. Nos. ¹	Costs	Pers. Nos. ¹	Costs	Pers. Nos. ¹	Costs			
Salary level																			
1 – 7	130	55 907	144	41 165	166	46 136	129	37	166	44 733	153	45 114	153	47 200	153	49 372	(2.7%)	3.3%	11.3%
8 – 10	210	92 661	131	80 704	189	85 071	125	64	189	90 699	175	95 812	174	101 040	174	105 531	(2.7%)	5.2%	23.7%
11 – 12	176	99 644	130	105 677	154	98 874	126	28	154	125 927	159	161 252	158	170 434	158	178 195	0.9%	12.3%	37.9%
13 – 16	74	63 137	67	88 019	72	80 215	57	15	72	88 504	74	103 837	74	110 283	74	115 357	0.9%	9.2%	25.1%
Other	1	1 595	1	2 007	1	2 067	1	-	1	2 290	49	10 797	49	11 212	49	11 726	265.9%	72.4%	2.0%
Total	591	312 944	473	317 572	582	312 363	438	144	582	352 153	610	416 812	608	440 169	608	460 181	1.5%	9.3%	100.0%
Programme																			
1. Administration	174	83 967	162	88 614	204	91 438	170	34	204	105 925	216	115 481	216	122 027	216	127 640	1.9%	6.4%	28.4%
2. Sustainable Resource Management	38	40 204	44	39 988	50	37 065	43	7	50	37 726	47	45 985	47	49 058	47	51 237	(2.0%)	10.7%	11.0%
3. Financial Governance	155	70 137	106	72 158	133	70 033	101	32	133	81 374	149	99 059	148	104 036	148	108 700	3.6%	10.1%	23.5%
4. Internal Audit	162	78 247	111	76 771	126	71 740	64	62	126	75 877	134	98 284	134	103 861	134	108 601	2.1%	12.7%	23.0%
5. Municipal Finance Management	62	40 389	50	40 041	69	42 087	60	9	69	51 251	64	58 003	63	61 187	63	64 003	(3.0%)	7.7%	14.1%
Total	591	312 944	473	317 572	582	312 363	438	144	582	352 153	610	416 812	608	440 169	608	460 181	1.5%	9.3%	100.0%
Employee dispensation classification																			
PSA appointees not covered by OSDs	590	311 349	472	315 565	581	310 296	437	144	581	349 863	561	406 015	559	428 957	559	448 455	(1.3%)	8.6%	98.0%
Legal Professionals	1	1 595	1	2 007	1	2 067	1	-	1	2 290	1	2 290	1	2 290	1	2 394	-	1.5%	0.6%
Total	591	312 944	473	317 572	582	312 363	438	144	582	352 153	610	416 812	608	440 169	608	460 181	1.5%	9.3%	100.0%

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

Employees such as interns and in-service trainees employed by the department are provided for under Programme 1 and the SAICA trainee accountants are provided for under Programme 3. The number of personnel reflects a steady increase, and the budget shows steady growth from 2020/21 to 2026/27, despite the budget cuts implemented over the 2021/22, 2023/24 and 2024/25 MTEF periods. The budget allocation includes provision for the carry-through of the 2023 wage agreement, the filling of 31 critical vacant posts, the projected cost of living adjustments of 4.4 per cent and 4.45 per cent for 2024/25 and 2025/26, respectively, as well as the 1.5 per cent pay progression and other medical and housing adjustments over the MTEF period.

9.2 Training

Table 6.25 shows the department's actual spending and estimates on training per programme. The department complies largely with the Skills Development Act – i.e. it budgets for approximately 1 per cent of its salary expense going toward staff training. The budget for training aligns with the allocation under the *Training and development* item under *Goods and services* in *Annexure 6.B – Provincial Treasury*.

Table 6.25 : Information on training: Provincial Treasury

Audited Outcome				Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
R thousand	2020/21	2021/22	2022/23	2023/24			2024/25	2025/26	2026/27
Number of staff	591	473	582	582	582	582	610	608	608
Number of personnel trained	225	448	448	448	448	448	448	448	448
<i>of which</i>									
Male	100	199	199	199	199	199	199	199	199
Female	125	249	249	249	249	249	249	249	249
Number of training opportunities	320	1 019	1 019	1 019	1 019	1 019	1 019	436	436
<i>of which</i>									
Tertiary	6	46	46	46	46	46	46	47	47
Workshops	274	909	909	909	909	909	909	325	325
Seminars	40	64	64	64	64	64	64	64	64
Other	-	-	-	-	-	-	-	-	-
Number of bursaries offered	12	20	20	20	20	20	20	6	6
Number of interns appointed	28	-	25	25	25	25	25	25	25
Number of learnerships appointed	-	25	25	25	25	25	25	-	-
Number of days spent on training	132	462	462	462	462	462	462	462	462
Payments on training by programme									
1. Administration	270	278	379	983	750	671	410	563	589
2. Sustainable Resource Management	8	118	283	426	86	75	178	187	196
3. Financial Governance	28	69	161	690	410	194	591	593	620
4. Internal Audit	477	254	695	738	1 780	1 600	717	749	784
5. Municipal Finance Management	4	13	18	172	135	142	317	267	279
Total	787	732	1 536	3 009	3 161	2 682	2 213	2 359	2 468

ANNEXURE – VOTE 6: PROVINCIAL TREASURY

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

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2020/21	2021/22	2022/23				2024/25	2025/26	2026/27
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sale of goods and services other than capital assets	310	340	914	300	300	344	314	328	343
Sale of goods and services produced by department (excluding capital assets)	310	340	914	300	300	343	314	328	343
Sale by market establishments	98	114	117	115	115	120	118	123	129
Administrative fees	99	123	66	61	61	60	64	67	70
Other sales	113	103	731	124	124	163	132	138	144
Of which									
Commission	86	86	75	88	88	80	92	96	102
Tender documents	1	9	3	2	2	2	2	2	2
Sale of assets < R5 000	25	7	652	33	33	79	37	39	41
Replacement of lost office property	1	1	1	1	1	1	1	1	1
Sale of scrap, waste, arms and other used current goods (excluding capital assets)	-	-	-	-	-	1	-	-	-
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	387 691	227 829	342 569	302 000	302 000	470 213	324 341	345 397	360 999
Interest	387 691	227 829	342 569	302 000	302 000	470 213	324 341	345 397	360 999
Dividends	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Sale of capital assets	113	5	1 723	144	144	144	150	161	168
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Other capital assets	113	5	1 723	144	144	144	150	161	168
Transactions in financial assets and liabilities	1 196	1 402	2 728	488	488	862	509	532	556
Total	389 310	229 576	347 934	302 932	302 932	471 563	325 314	346 418	362 066

Estimates of Provincial Revenue and Expenditure

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

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2020/21	2021/22	2022/23	2023/24			2024/25	2025/26	2026/27
Current payments	518 569	555 787	594 246	663 022	642 138	637 968	667 051	697 783	729 094
Compensation of employees	312 944	317 572	312 363	387 578	352 769	352 153	416 812	440 169	460 181
Salaries and wages	280 700	285 352	279 465	341 995	313 548	313 452	367 378	388 471	406 101
Social contributions	32 244	32 220	32 898	45 583	39 221	38 701	49 434	51 698	54 080
Goods and services	205 534	238 203	281 871	275 317	289 242	285 815	250 106	257 480	268 773
Administrative fees	8 497	11 992	12 735	14 737	16 415	16 729	13 071	14 430	15 054
Advertising	1 709	4 283	4 382	3 250	4 274	3 815	3 492	2 872	3 004
Minor assets	276	175	346	514	357	402	912	735	767
Audit cost: External	3 681	4 497	6 002	5 049	5 049	5 445	4 550	4 209	4 364
Bursaries: Employees	717	801	364	814	814	813	821	389	407
Catering: Departmental activities	93	268	910	743	1 105	1 095	1 334	1 105	1 156
Communication (G&S)	1 159	1 448	1 175	2 743	2 444	2 159	3 098	3 143	3 285
Computer services	108 869	124 803	128 142	124 024	122 151	122 795	126 148	132 711	138 659
Cons. & prof serv: Business and advisory services	8 623	6 306	8 781	5 175	12 666	7 252	5 752	4 717	4 935
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	2 024	3 621	2 019	2 480	1 828	1 402	2 069	1 767	1 811
Contractors	2 279	8 028	8 400	7 123	5 585	8 323	6 785	6 549	6 850
Agency and support / outsourced services	32 180	26 306	55 363	38 789	43 676	41 874	11 271	10 748	11 164
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including government motor transport)	858	1 308	2 395	1 522	2 958	3 362	2 111	2 112	2 209
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	5	254	586	400	200	200	300	300	314
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	213	5	248	318	355	277	272	305	319
Inventory: Chemicals, fuel, oil, gas, wood and coal	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	9	-	114	-	76	116	76	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	48	1 739	996	1 753	1 007	805	1 298	1 521	1 591
Consumable supplies	1 138	830	793	1 288	2 275	2 305	2 021	2 002	2 092
Consumable: Stationery, printing and office supplies	688	1 263	1 776	2 596	2 151	1 997	2 543	2 775	2 902
Operating leases	16 291	21 235	17 701	22 755	23 280	22 423	25 300	26 433	27 649
Property payments	11 325	11 948	16 742	19 038	18 354	18 040	17 645	18 910	19 780
Transport provided: Departmental activity	-	-	105	125	980	1 180	1 262	1 112	1 163
Travel and subsistence	2 402	3 773	7 739	13 377	9 257	11 917	10 520	10 887	11 195
Training and development	787	732	1 536	3 009	3 161	2 682	2 213	2 359	2 468
Operating payments	1 661	2 551	2 504	3 373	3 726	3 309	2 955	3 100	3 241
Venues and facilities	2	37	17	322	5 098	5 098	2 287	2 289	2 394
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	91	12	12	127	127	-	133	134	140
Interest	91	12	12	127	127	-	133	134	140
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	6 563	10 060	7 356	3 673	5 084	5 053	2 659	2 811	2 940
Provinces and municipalities	41	37	29	29	24	24	30	31	32
Provinces	41	37	29	29	24	24	30	31	32
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	41	37	29	29	24	24	30	31	32
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	3	-	-	3	3	3	3	4	4
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	3	-	-	3	3	3	3	4	4
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	343	-	19	2	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	343	-	19	2	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	343	-	19	2	-	-	-
Non-profit institutions	527	1 111	1 361	1 599	1 599	1 626	1 308	1 369	1 432
Households	5 992	8 912	5 623	2 042	3 439	3 398	1 318	1 407	1 472
Social benefits	4 772	1 801	4 523	433	910	825	337	351	367
Other transfers to households	1 220	7 111	1 100	1 609	2 529	2 573	981	1 056	1 105
Payments for capital assets	6 657	10 927	11 044	12 215	16 563	16 167	11 191	9 596	10 037
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	6 657	10 927	11 044	12 215	16 522	16 085	11 191	9 596	10 037
Transport equipment	-	499	1 324	2 683	-	-	1 200	1 200	1 255
Other machinery and equipment	6 657	10 428	9 720	9 532	16 522	16 085	9 991	8 396	8 782
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	41	82	-	-	-
Payments for financial assets	80	121	156	-	125	125	-	-	-
Total	531 869	576 895	612 802	678 910	663 910	659 313	680 901	710 190	742 071

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

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2020/21	2021/22	2022/23	2023/24			2024/25	2025/26	2026/27
Current payments	153 913	175 017	179 462	201 379	212 360	211 305	211 751	221 044	231 057
Compensation of employees	83 967	88 614	91 438	107 806	110 704	105 925	115 481	122 027	127 640
Salaries and wages	73 813	78 399	80 612	93 364	97 817	93 558	100 442	106 108	110 988
Social contributions	10 154	10 215	10 826	14 442	12 887	12 367	15 039	15 919	16 652
Goods and services	69 855	86 391	88 012	93 573	101 656	105 380	96 270	99 017	103 417
Administrative fees	43	47	225	420	410	449	291	295	308
Advertising	1 687	3 517	3 796	2 873	4 074	3 442	3 129	2 699	2 823
Minor assets	194	66	83	248	178	226	403	412	431
Audit cost: External	3 681	4 497	6 002	5 049	5 049	5 445	4 550	4 209	4 364
Bursaries: Employees	717	801	364	814	814	813	821	389	407
Catering: Departmental activities	58	163	408	525	640	677	859	791	829
Communication (G&S)	891	1 010	956	1 139	1 830	1 701	1 657	1 734	1 814
Computer services	18 643	19 817	20 037	17 889	19 011	19 441	17 121	18 940	19 811
Cons. & prof serv: Business and advisory services	455	916	231	420	508	501	247	280	293
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	1 175	3 186	1 904	2 255	1 703	1 277	1 869	1 567	1 602
Contractors	2 249	8 026	8 352	7 067	5 448	8 195	6 771	6 534	6 834
Agency and support / outsourced services	8 827	4 467	916	-	982	975	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including government motor transport)	858	1 308	2 395	1 522	2 958	3 362	2 111	2 112	2 209
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	5	254	586	400	200	200	300	300	314
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	213	5	248	318	355	277	272	305	319
Inventory: Chemicals, fuel, oil, gas, wood and coal	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	9	-	114	-	76	116	76	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Meddas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	48	1 739	996	1 753	1 007	805	1 298	1 521	1 591
Consumable supplies	1 089	717	562	651	862	924	939	892	932
Consumable: Stationery, printing and office supplies	358	663	1 371	1 411	1 442	1 370	1 500	1 589	1 662
Operating leases	16 291	21 235	17 701	22 755	23 280	22 422	25 300	26 433	27 649
Property payments	11 325	11 948	16 742	19 038	18 354	18 040	17 645	18 910	19 780
Transport provided: Departmental activity	-	-	105	125	980	1 180	1 262	1 112	1 163
Travel and subsistence	348	608	2 468	4 625	3 829	6 618	4 421	4 446	4 573
Training and development	270	278	379	983	750	671	410	563	589
Operating payments	419	1 123	1 054	995	1 818	1 155	746	711	743
Venues and facilities	2	-	17	298	5 098	5 098	2 272	2 273	2 377
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	91	12	12	-	-	-	-	-	-
Interest	91	12	12	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	5 352	2 057	6 049	3 364	4 617	4 708	2 386	2 526	2 642
Provinces and municipalities	41	37	29	29	24	24	30	31	32
Provinces	41	37	29	29	24	24	30	31	32
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	41	37	29	29	24	24	30	31	32
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	3	-	-	3	3	3	3	4	4
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	3	-	-	3	3	3	3	4	4
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	343	-	19	2	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	343	-	19	2	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	343	-	19	2	-	-	-
Non-profit institutions	527	1 111	1 361	1 599	1 599	1 599	1 308	1 369	1 432
Households	4 781	909	4 316	1 733	2 972	3 080	1 045	1 122	1 174
Social benefits	3 561	304	3 216	124	443	507	64	66	69
Other transfers to households	1 220	605	1 100	1 609	2 529	2 573	981	1 056	1 105
Payments for capital assets	4 789	6 289	7 102	9 394	10 639	10 024	6 172	5 871	6 141
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	4 789	6 289	7 102	9 394	10 598	9 942	6 172	5 871	6 141
Transport equipment	-	499	1 324	2 683	-	-	1 200	1 200	1 255
Other machinery and equipment	4 789	5 790	5 778	6 711	10 598	9 942	4 972	4 671	4 886
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	41	82	-	-	-
Payments for financial assets	3	65	62	-	57	57	-	-	-
Total	164 057	183 428	192 675	214 137	227 673	226 094	220 309	229 441	239 840

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

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2020/21	2021/22	2022/23	2023/24			2024/25	2025/26	2026/27
Current payments	42 335	41 560	44 860	61 367	52 259	51 857	50 155	52 627	54 929
Compensation of employees	40 204	39 988	37 065	45 897	33 301	37 726	45 985	49 058	51 237
Salaries and wages	36 510	36 461	33 629	41 348	29 559	34 017	40 796	43 740	45 674
Social contributions	3 694	3 527	3 436	4 549	3 742	3 709	5 189	5 318	5 563
Goods and services	2 131	1 572	7 795	15 470	18 958	14 131	4 170	3 569	3 692
Administrative fees	6	5	13	90	21	18	38	41	43
Advertising	-	-	64	114	132	131	-	-	-
Minor assets	20	23	34	33	50	43	34	35	36
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	-	-	4	36	29	26	24	26	27
Communication (G&S)	75	64	39	187	52	72	65	68	69
Computer services	209	219	-	-	-	-	-	-	-
Cons. & prof serv: Business and advisory services	973	-	-	-	5 000	-	-	-	-
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	-	-
Contractors	-	-	-	5	5	-	-	-	-
Agency and support / outsourced services	-	155	6 194	12 032	12 032	12 239	2 213	1 511	1 542
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including government motor transport)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Chemicals, fuel, oil, gas, wood and coal	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	24	28	32	66	46	43	38	40	42
Consumable: Stationery, printing and office supplies	63	111	117	310	152	91	146	157	164
Operating leases	-	-	-	-	-	1	-	-	-
Property payments	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	208	244	418	1 389	338	334	584	630	660
Training and development	8	118	283	426	86	75	178	187	196
Operating payments	545	605	597	782	1 015	1 058	850	874	913
Venues and facilities	-	-	-	-	-	-	-	-	-
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	561	135	94	-	28	27	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	561	135	94	-	28	27	-	-	-
Social benefits	561	135	94	-	28	27	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	354	708	682	508	635	572	867	643	674
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	354	708	682	508	635	572	867	643	674
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	354	708	682	508	635	572	867	643	674
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	43 250	42 403	45 636	61 875	52 922	52 456	51 022	53 270	55 603

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

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2020/21	2021/22	2022/23	2023/24			2024/25	2025/26	2026/27
Current payments	177 354	197 495	198 160	219 866	208 729	206 778	227 447	238 456	249 110
Compensation of employees	70 137	72 158	70 033	92 286	81 784	81 374	99 059	104 036	108 700
Salaries and wages	62 366	64 296	61 826	81 108	71 520	71 111	86 830	91 332	95 411
Social contributions	7 771	7 862	8 207	11 178	10 264	10 263	12 229	12 704	13 289
Goods and services	107 217	125 337	128 127	127 453	126 818	125 404	128 255	134 286	140 270
Administrative fees	8 395	11 887	12 400	13 917	15 890	16 172	12 531	13 872	14 471
Advertising	22	556	369	263	68	85	133	173	181
Minor assets	16	20	195	167	39	44	234	180	187
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	-	92	413	89	354	348	348	181	189
Communication (G&S)	48	100	23	791	166	174	298	332	349
Computer services	89 256	103 955	107 338	104 821	102 825	103 056	107 894	112 586	117 609
Cons. & prof serv: Business and advisory services	2 967	3 054	3 772	1 541	2 862	2 588	2 477	1 792	1 875
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	849	435	115	225	125	125	200	200	209
Contractors	-	-	10	51	48	48	14	15	16
Agency and support / outsourced services	4 692	3 724	730	965	69	(1 221)	-	-	1
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including government motor transport)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Chemicals, fuel, oil, gas, wood and coal	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Meddas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	11	53	154	533	1 335	1 318	969	1 022	1 068
Consumable: Stationery, printing and office supplies	124	199	185	397	241	218	352	436	456
Operating leases	-	-	-	-	-	-	-	-	-
Property payments	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	611	950	2 017	2 565	2 120	1 800	1 904	2 471	2 585
Training and development	28	69	161	690	410	194	591	593	620
Operating payments	198	243	245	414	266	455	295	417	437
Venues and facilities	-	-	-	24	-	-	15	16	17
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	127	127	-	133	134	140
Interest	-	-	-	127	127	-	133	134	140
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	294	6 978	1 085	241	318	277	273	285	298
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	27	-	-	-
Households	294	6 978	1 085	241	318	250	273	285	298
Social benefits	294	1 196	1 085	241	318	250	273	285	298
Other transfers to households	-	5 782	-	-	-	-	-	-	-
Payments for capital assets	924	1 749	2 124	1 588	2 770	2 709	1 986	1 687	1 766
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	924	1 749	2 124	1 588	2 770	2 709	1 986	1 687	1 766
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	924	1 749	2 124	1 588	2 770	2 709	1 986	1 687	1 766
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	73	43	4	-	40	40	-	-	-
Total	178 645	206 265	201 373	221 695	211 857	209 804	229 706	240 428	251 174

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

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2020/21	2021/22	2022/23	2023/24			2024/25	2025/26	2026/27
Current payments	90 901	85 177	98 745	107 877	99 411	98 997	107 587	112 134	117 253
Compensation of employees	78 247	76 771	71 740	86 339	75 709	75 877	98 284	103 861	108 601
Salaries and wages	70 766	69 367	65 004	76 701	68 657	68 831	87 825	92 990	97 229
Social contributions	7 481	7 404	6 736	9 638	7 052	7 046	10 459	10 871	11 372
Goods and services	12 654	8 406	27 005	21 538	23 702	23 120	9 303	8 273	8 652
Administrative fees	51	47	63	259	65	61	171	178	186
Advertising	-	20	153	-	-	157	130	-	-
Minor assets	26	18	34	48	4	4	223	90	94
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	35	13	21	93	81	43	103	107	111
Communication (G&S)	24	135	80	490	214	45	577	478	499
Computer services	667	708	767	1 314	315	298	1 023	1 069	1 118
Cons. & prof serv: Business and advisory services	4 228	2 336	4 778	3 214	4 296	4 163	3 028	2 645	2 767
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	-	-
Contractors	-	2	-	-	48	45	-	-	-
Agency and support / outsourced services	5 604	2 517	18 206	11 101	14 482	14 103	544	504	527
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including government motor transport)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Chemicals, fuel, oil, gas, wood and coal	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Meddas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	7	24	37	29	19	4	61	34	36
Consumable: Stationery, printing and office supplies	66	114	42	240	53	40	247	284	297
Operating leases	-	-	-	-	-	-	-	-	-
Property payments	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	1 083	1 785	1 765	3 182	1 918	2 111	1 783	1 425	1 490
Training and development	477	254	695	738	1 780	1 600	717	749	784
Operating payments	386	396	364	830	427	446	696	710	743
Venues and facilities	-	37	-	-	-	-	-	-	-
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	276	170	128	68	91	11	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	276	170	128	68	91	11	-	-	-
Social benefits	276	131	128	68	91	11	-	-	-
Other transfers to households	-	39	-	-	-	-	-	-	-
Payments for capital assets	309	856	1 016	410	1 940	2 280	964	581	607
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	309	856	1 016	410	1 940	2 280	964	581	607
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	309	856	1 016	410	1 940	2 280	964	581	607
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	13	90	-	28	28	-	-	-
Total	91 486	86 216	99 979	108 355	101 470	101 316	108 551	112 715	117 860

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

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2020/21	2021/22	2022/23	2023/24			2024/25	2025/26	2026/27
Current payments	54 066	56 538	73 019	72 533	69 379	69 031	70 111	73 522	76 745
Compensation of employees	40 389	40 041	42 087	55 250	51 271	51 251	58 003	61 187	64 003
Salaries and wages	37 245	36 829	38 394	49 474	45 995	45 935	51 485	54 301	56 799
Social contributions	3 144	3 212	3 693	5 776	5 276	5 316	6 518	6 886	7 204
Goods and services	13 677	16 497	30 932	17 283	18 108	17 780	12 108	12 335	12 742
Administrative fees	2	6	34	51	29	29	40	44	46
Advertising	-	190	-	-	-	-	100	-	-
Minor assets	20	48	-	18	86	85	18	18	19
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	-	-	64	-	1	1	-	-	-
Communication (G&S)	121	139	77	136	182	167	501	531	554
Computer services	94	104	-	-	-	-	110	116	121
Cons. & prof serv: Business and advisory services	-	-	-	-	-	-	-	-	-
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	-	-
Contractors	30	-	38	-	36	35	-	-	-
Agency and support / outsourced services	13 057	15 443	29 317	14 691	16 111	15 778	8 514	8 733	9 094
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including government motor transport)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Chemicals, fuel, oil, gas, wood and coal	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	7	8	8	9	13	16	14	14	14
Consumable: Stationery, printing and office supplies	77	176	61	238	263	278	298	309	323
Operating leases	-	-	-	-	-	-	-	-	-
Property payments	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	152	186	1 071	1 616	1 052	1 054	1 828	1 915	1 887
Training and development	4	13	18	172	135	142	317	267	279
Operating payments	113	184	244	352	200	195	368	388	405
Venues and facilities	-	-	-	-	-	-	-	-	-
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	80	720	-	-	30	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	-	-	-	-	-	-	-	-	-
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	80	720	-	-	30	30	-	-	-
Social benefits	80	35	-	-	30	30	-	-	-
Other transfers to households	-	685	-	-	-	-	-	-	-
Payments for capital assets	281	1 325	120	315	579	582	1 202	814	849
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	281	1 325	120	315	579	582	1 202	814	849
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	281	1 325	120	315	579	582	1 202	814	849
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	4	-	-	-	-	-	-	-	-
Total	54 431	58 583	73 139	72 848	69 988	69 643	71 313	74 336	77 594