

VOTE 6

Provincial Treasury

Operational budget	R648 922 205
Remuneration of the MEC	R 1 977 795
Total amount to be appropriated	R650 900 000
Responsible Executive Authority	MEC for Finance
Administering department	Provincial Treasury
Accounting officer	Accountant-General

1. Overview

Vision

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

Mission statement

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 objectives

Strategic policy direction: The Provincial Treasury will ensure a credible distribution of available funds between departments taking cognisance of the demands for social services and the need to stimulate economic development and growth, and will commit to provide ongoing, effective and efficient support services to internal and external clients. The department will analyse and monitor government revenue and expenditure in the provincial and local spheres, including public entities, undertake robust public policy research and instill prudent financial management and good governance.

The department has set the following goals and strategic objectives:

- To promote sound financial management practices and fiscal management through good governance.
- To ensure targeted financial resources allocation and utilisation that contributes to improved service delivery.
- To enhance the capacity and capability of Supply Chain Management (SCM) in departments, municipalities and public entities to eliminate irregular expenditure.
- To focus on the enhancement of broad-based Black Economic Empowerment (B-BBEE) through effective SCM policies.
- To monitor and facilitate infrastructure delivery in the province and thereby contribute towards job creation.
- To co-ordinate and enhance revenue collection for sustainable service delivery to the citizens.
- To promote sound cash management practices and improve liquidity in the province.

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.
 - 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:

- Annual Division of Revenue Act
- 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 (Act No. 5 of 2000) (PPPFA)
- Provincial Internal Audit Act (Act No. 2 of 2001)
- Provincial Tax Regulation Process Act (Act No. 53 of 2001)
- Public Finance Management Act (Act No. 1 of 1999, as amended) and Treasury Regulations
- Public Audit Act (Act No. 25 of 2004)
- Promotion of Access to Information Act (Act No. 2 of 2000)
- Provincial Appropriation Acts
- The Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996)

2. Review of the 2017/18 financial year

Section 2 provides a review of 2017/18, 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

Infrastructure: In line with National Treasury guidelines for planning, budgeting and delivery of infrastructure, the unit for the first time published the *Estimates of Capital Expenditure (ECE) 2017/18*. This publication was tabled by the MEC for Finance when she tabled the main budget for the financial year. The *ECE* provides a list of all infrastructure projects that the provincial departments are planning to deliver over the MTEF. The unit continued to provide support on infrastructure reporting using the Infrastructure Reporting Model (IRM), Infrastructure Delivery Management System (IDMS), and the Provincial Infrastructure Master Plan (PIMP). The unit further ensured that provincial departments report progress in implementing infrastructure projects and programmes on a monthly basis using the IRM, as well as institutionalising the Infrastructure Delivery Management System (IDMS). The National Treasury instruction note, known as the Standard for Infrastructure Procurement and Delivery Management (SIPDM), received particular attention with the unit facilitating the drafting of the Infrastructure Procurement Policy. Continued technical support was provided towards the development and finalisation of the KZN PIMP. The deployment of the Infrastructure Crack Team continued to be a priority, with projects including the renovations of the Royal palaces which were carried over from the previous

financial year, as well as various projects in municipalities to assist with proper asset registers for infrastructure.

Economic Analysis: The unit continued to produce economic and public policy research, participated in various academic conferences and workshops, undertook district municipality profiling and delivered economic presentations throughout the province. It also provided informative analysis of the provincial Socio-economic Review and Outlook (SERO), Provincial Economic Review and Outlook (PERO) and contributed to municipalities' Integrated Development Plans (IDPs). It provided support to the MEC's office by writing speeches and forewords for presentations and publishing.

Public Finance: The 2017/18 main budget was finalised and tabled on time as stipulated by the PFMA. The main budget was accompanied by the tabling of the *2017/18 Estimates of Provincial Revenue and Expenditure (EPRE)*. This publication provides in-depth analysis of the provincial budget performance per department over the last three years, covers the current financial year and contains plans for the next three years. The unit continued to monitor and report on the performance of the budget and service delivery achievements for all 14 departments, the provincial legislature and 16 public entities to National Treasury, the Provincial Executive Committee, as well as to the Finance Portfolio Committee (FPC). Oversight Committees such as the Provincial Executive Committee, and FPC were briefed on the mid-year and close-out budget performance of the province. The sub-programme also continues to oversee the implementation of cost-cutting measures on non-core items such as events.

Financial Management

Asset and Liabilities Management: Funds were made available to provincial departments as required, in line with their cash flow forecasts and as per the equitable share and conditional grants received from National Treasury. The cash blocking system continued to ensure effective cash management by the departments, as they are unable to disburse payments to suppliers unless they have cash available.

Public Private Partnerships (PPP): The unit continued to provide support on the exit strategy in respect of the Inkosi Albert Luthuli Central Hospital (IALCH), as well as the five-year review and five-year strategy for the iLembe District Municipality water sanitation concession, and assisted in negotiating a supplementary agreement with Sencorp Siza Water. EDTEA registered a project in September 2016 to explore the feasibility and optimal institutional model to develop a public transport solution linking King Shaka International Airport to the cities of Durban, Pietermaritzburg, Richards Bay and Port Shepstone.

Supply Chain Management: The unit provided operational support to departments, municipalities and public entities with regard to SCM policies and procedures and conducted compliance assessments to determine the necessary support interventions and the provision of training, where required. The roll-out of the Contract Management Project (CMP) continued in the municipalities, which included the deployment of Provincial Treasury resources to various municipalities.

The unit continued with the I-Develop project, the Provincial Bids Appeal Tribunal matters and the Municipal Bids Appeal Tribunal (MBAT) training in municipalities, including the provision of active support in the hearing and facilitation of MBAT matters.

Accounting Services: The unit continued to provide financial management support to provincial departments, public entities and municipalities. The support, particularly to identified municipalities and provincial departments, was instrumental in sustaining and improving the 2016/17 audit outcomes. Provincial Treasury once again obtained a clean audit report for the Provincial Revenue Fund for 2016/17, and this is the ninth consecutive clean audit report.

Norms and Standards: The unit was invited by National Treasury to participate in the reference group for National Treasury's Diagnostic Compliance Tool and the Financial Management Capability Maturity Model (FMCMM). This is aimed at assisting the unit to place a concerted focus on compliance monitoring and evaluation within departments, municipalities and public entities to assess financial management compliance and remedial assistance provided to address identified deviations to ensure improved financial management and control.

Support and Interlinked Financial Systems: The initiative to replace all biometric scanners in the province was successfully completed. The update to BAS V5 was successfully completed in April 2017.

Internal Audit

Assurances Services: Internal Audit Services were provided to provincial departments with specific focus on assisting with the enhancement of internal controls, thereby improving overall good governance. The unit conducted risk-based audits, performance audits focusing on value for money reviews, and IT audits.

Risk and Advisory Services: The unit continued to monitor departments' compliance to the minimum risk management standards, as well as follow up on the departments' implementation of recommendations emanating from various risk reports such as risk maturity, business continuity management (BCM), fraud prevention plans and occupational, health and safety (OHS).

Forensic Audit Services: The unit completed 30 investigations, and conducted 65 follow-ups to track the status of implementation of recommendations arising from forensic investigation reports. More detailed follow-up audits were conducted to assess the extent to which investigated entities are implementing forensic investigation recommendations. Fraud prevention strategies of all departments and public entities were reviewed.

Municipal Finance Management

Municipal Finance: The unit continued to provide technical support to municipalities in preparation of their budgets. The roll-out of the Municipal Support Programme (MSP) continued in 2016/17 with the unit assisting municipalities with various work streams, based on their individual needs. The 2017/18 draft budgets and adopted budgets of all the delegated municipalities were received and assessed for accuracy and compliance with the MFMA and Municipal Budget and Reporting Regulations (MBRR). A detailed assessment was done on the draft budgets in order to provide input into the final budgets and a further high level assessment was done on the adopted budgets of municipalities.

3. Outlook for the 2018/19 financial year

Section 3 looks at the key focus areas of 2018/19, 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 2018/19 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: The unit will continue to undertake economic and public policy research, participate in various academic conferences and workshops, undertake district municipality profiling and deliver economic presentations throughout the province. It will also continue to support and facilitate strategic development projects, events and activities in the province.

Infrastructure: The unit will continue to assist and monitor infrastructure planning and delivery performance throughout the province. The IRM will be used to track infrastructure expenditure, while IDMS and SIPDM will continue to be focus areas. The unit will also provide technical support in the development of the PIMP. The unit will also focus on preparing the *2018/19 ECE*.

Public Finance: The unit's functions are largely process driven and are governed by various legislative requirements. As such, the work often remains largely unchanged from year to year in terms of the processes that need to be undertaken. Accordingly, monitoring the spending of departments and public entities will continue in 2018/19, with the aim of keeping provincial spending within budget. The Provincial Executive Committee will continue to be kept informed of the province's budget performance.

Financial Governance

Asset and Liabilities Management: A support service will continue to be offered to departments in respect of pay roll tax and banking functions. The unit will maintain the current practice of monitoring all departmental bank balances on a daily basis to ensure effective cash flow management. Excess funds will be invested with the South African Reserve Bank (SARB) to ensure maximum interest is earned.

Public Private Partnerships: The PPP unit will continue to address the lack of capacity in departments and municipalities in identifying and managing PPP projects. The unit also aims to create and improve

relationships between various stakeholders in the PPP process in order to promote better PPP project flow, and to prevent projects taking place that are not considered to be value for money and/or affordable.

Supply Chain Management: The unit will continue to enforce compliance with all SCM prescripts in provincial departments, municipalities and public entities and establish and maintain a strategic link between financial management reforms and procurement processes. To this end, the unit will implement important SCM reforms in the outer years of the MTEF period. The unit will continue to provide operational support, review of SCM policies and provide training to departments, municipalities and public entities, administration of the Central Supplier Database (CSD), support on the e-Tender portal and undertake comprehensive compliance assessments to ensure that incidents of irregular expenditure relating to SCM processes are reduced. The unit will continue with the I-Develop project, Provincial Bids Appeal Tribunal matters and MBAT training in municipalities, including the provision of active support in the hearing and facilitation of MBAT matters.

Accounting Services: Continued focus will be on hands-on engagement and support to departments and public entities to enhance their financial accounting and reporting performance, as well as continued staff development and training programmes to develop and retain the requisite financial management skills and expertise.

Norms and Standards: The unit will provide further assistance to National Treasury in the development and implementation of the compliance to the FMCMM. This will be part of the unit's endeavours to place a concerted focus on compliance monitoring and evaluation within departments, municipalities and public entities, to assess financial management compliance and the remedial assistance provided to address identified deviations to ensure improved financial management and control.

Support and Interlinked Financial Systems: The biometrics system will be enhanced to allow for better reporting for audit and security purposes. This will be presented in the form of a dashboard to improve monitoring of the system.

Internal Audit

Assurance Services: The unit will continue to provide internal audit services to departments by performing risk-based audits, with specific focus on overall good governance. Continued focus will be given to performing IT audit reviews which will include reviews of network vulnerability, software licensing and IT spending.

Risk and Advisory Services: The unit will be rolling out the revised provincial risk policy and framework. The revised framework identifies enhanced risk management minimum standards to be complied with by departments. Risk management operation plans for all departments are aligned to the framework and the provincial risk policy and hence these activities will be monitored closely to ensure implementation.

Forensic Audit Services: More detailed follow-up audits will be conducted to assess the extent to which investigated entities are implementing forensic investigation recommendations. Fraud prevention plan strategies of all departments and public entities will also be reviewed.

Municipal Finance Management

Municipal Finance Management will be a stand-alone budget programme from 2018/19. This programme will be responsible for municipalities' budgets, accounting and reporting and the MSP.

4. Reprioritisation

The department undertook reprioritisation between all programmes, sub-programmes and economic classifications in order to align the budget to its strategic objectives and goals, taking into consideration the implementation of the new budget structure to ensure closer alignment to those of Treasuries.

In 2018/19, the baseline allocation for Programme 1: Administration was increased to cater for on-going projects within IT arising from the function split between the transversal IT such as PERSAL and BAS and IT Management, which includes SITA from Programme 3 to Programme 1 and this programme now provides for Special Interventions budget to client departments and this continues over the MTEF period.

Programmes 2: Sustainable Resource Management increases minimally over the MTEF mainly against *Compensation of employees* for posts that were within the Programme Support sub-programme and this was moved from Programme 5: Municipal Finance Management. Programme 3: Financial Governance undertook reprioritisation from *Interest and rent on land* within Asset and Liabilities Management sub-programme and moved this to the Support and Interlinked Financial Systems sub-programme for IT management for Computer Services.

5. Procurement

The department will continue to develop and implement a plan for procurement exceeding R500 000 and a demand management plan for procurement below R500 000 for 2018/19. The department aims to reduce the turn-around time for procuring goods and services. Internal controls, contract management and inventory management will be strengthened. All quotations and bids will be awarded in a manner which is fair, equitable, transparent, competitive and cost effective.

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 2014/15 to 2020/21. The table also compares actual and budgeted receipts against actual and budgeted payments.

Table 6.1 : Summary of receipts and financing

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20
Equitable share	514 768	611 038	586 154	607 844	606 344	606 344	635 400	677 272	721 408
Conditional grants	-	-	-	-	-	-	-	-	-
Total receipts	514 768	611 038	586 154	607 844	606 344	606 344	635 400	677 272	721 408
Total payments	630 949	604 650	596 115	607 844	631 369	619 187	650 900	677 272	721 408
Surplus/(Deficit) before financing	(116 181)	6 388	(9 961)	-	(25 025)	(12 843)	(15 500)	-	-
Financing of which									
Provincial roll-overs	24 765	218	-	-	10 525	10 525	-	-	-
Provincial cash resources	124 807	69 062	42 000	-	14 500	14 500	15 500	-	-
Surplus/(Deficit) after financing	33 391	75 668	32 039	-	-	12 182	-	-	-

The amount of R24.765 million against provincial roll-overs in 2014/15 relates to roll-overs from 2013/14 for the Strategic Cabinet Initiatives Fund (R6.382 million), the construction of the Shayamoya eco-complex (R13.062 million), and the light industrial park at Bhongweni (R5.321 million).

The provincial cash resources of R124.807 million in 2014/15 include additional allocations for Msunduzi electricity-related development projects, the Infrastructure Crack Team, irregular expenditure projects, Infrastructure Delivery Improvement Programme (IDIP), Operation Pay-on-Time, Education capped leave, AFS training, Operation Clean Audit, the e-Procurement Tool, IALCH floor repairs, Strategic Cabinet Initiatives Fund, and carry-through of previous years' wage agreements.

The under-spending in 2014/15 was mainly due to delays in filling posts and slow spending on the MSP due to unresolved disputes with some service providers.

In 2015/16, the provincial cash resources of R69.062 million comprise suspensions from the previous financial year relating to additional funding for IDIP, Operation Pay-on-Time, Operation Clean Audit, e-Procurement Tool, special audits, forensic investigations, Shayamoya eco-complex, the Bhongweni light industrial park and IALCH floor repairs. An amount of R218 000 was rolled over in respect of the payment of invoices from 2014/15 for the Msunduzi electricity-related development projects.

The under-spending in 2015/16 was mainly due to non-filling of vacant posts, invoices being withheld as a result of unsatisfactory service delivery from service providers, and adherence to cost-cutting measures.

The amount of R42 million against provincial cash resources in 2016/17 comprises once-off additional funding for IDIP Technical Advisors (TAs), Operation Pay-on-Time, Operation Clean Audit, e-Procurement Tool and CMP, as well as funding for the replacement of biometric scanners and the IALCH floor repairs.

The 2016/17 budget was under-spent by R32.039 million mainly in respect of the non-filling of various vacant posts, such as that of Directors: SCM (Asset Management and Loss Control) and Financial Management, as well as two Deputy Directors in IT Management and various Budget Analyst posts.

In 2017/18, approval was granted for a roll-over of R10.525 million from 2016/17, mainly relating to performance audits and forensic investigations taking longer than anticipated, as well as some service providers submitting invoices too late for payment in 2016/17. Several adjustments were made to the department's budget, as summarised below:

- Additional funding of R14.500 million was allocated in the 2017/18 Adjusted Appropriation for the Treasury/Health assistance plan, with a further R15.500 million allocated in 2018/19, from provincial cash resources.
- Offsetting the above amount was a suspension of R1.500 million in both 2017/18 and 2018/19 from Vote 6 to Vote 11: COGTA toward the Mandela Day Marathon. This is reflected against equitable share.

The 2017/18 Revised Estimate shows that the department is anticipating ending the year with under-spending of R12.182 million mainly in respect of the non-filling of vacant posts, due to the moratorium on the filling of posts and lengthy recruitment processes, as well as delays in receiving invoices.

The departmental budget shows steady growth over the 2018/19 MTEF.

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		
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sale of goods and services other than capital assets	322	345	352	226	226	415	227	228	235
Transfers received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	1	-	-	-	-	-	-
Interest, dividends and rent on land	309 569	391 253	284 822	216 842	216 842	310 732	295 219	299 501	314 793
Sale of capital assets	39	790	119	192	192	356	203	204	210
Transactions in financial assets and liabilities	2 513	4 027	3 594	385	385	711	407	410	422
Total	312 443	396 415	288 888	217 645	217 645	312 214	296 056	300 343	315 660

Sale of goods and services other than capital assets is derived from parking fees, game licences, and commission on PERSAL deductions such as insurance premiums and garnishees, tender fees and replacement of lost office property, etc. The revenue growth is conservative over the MTEF due to its unpredictable nature.

Interest, dividends and rent on land mainly relates to interest earned on the Paymaster General (PMG) and inter-governmental cash coordination (IGCC) accounts. The significant improvement in collection against this category in prior years is due to the collective implementation of cost-cutting measures by provincial departments. The high revenue collection in the 2017/18 Revised Estimate was derived from interest earned on positive cash balances and the 2018/19 MTEF revenue budget was adjusted upwards in line with this higher collection trend.

Sale of capital assets relates to the disposal of redundant assets, such as vehicles, office equipment, etc. The department anticipates disposing of motor vehicles and office equipment over the 2018/19 MTEF, in line with its asset disposal policy.

Transactions in financial assets and liabilities comprises recoveries from staff debts such as breached bursary contracts. The high collection in prior years' and the 2017/18 Revised Estimate was due to reversed salary over-payments and payment of private telephone calls relating to previous years, inter-

departmental claims in respect of consultants that were deployed to prepare Interim Financial Statements, movable and immovable asset registers for other departments. The revenue growth is conservative over the MTEF due to its unpredictable nature.

6.3 Donor and agency funding

Table 6.3 and 6.4 provides information on donor funding received and expenditure by the department from 2015/16 to 2018/19, as well as the expenditure incurred.

Table 6.3 : Details of donor and agency funding receipts

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20
Donor funding	-	7 073	57 227	78 400	102 942	102 942	155 383	-	-
Development of KwaZulu-Natal Science Parks	-	7 073	34 527	78 400	78 400	78 400	-	-	-
EU Global Fund: Fight against HIV/AIDS, TB & Malaria	-	-	22 700	-	24 542	24 542	155 383	-	-
Agency receipt	-	-	131	240	240	240	-	-	-
PSETA	-	-	131	240	240	240	-	-	-
Total	-	7 073	57 358	78 640	103 182	103 182	155 383	-	-

Table 6.4 : Details of donor funding and agency funding payment and estimates

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20
Donor funding	-	7 073	45 685	78 400	114 248	114 484	155 383	-	-
Development of KwaZulu-Natal Science Parks	-	7 073	34 291	78 400	78 400	78 636	-	-	-
EU Global Fund: Fight against HIV/AIDS, TB & Malaria	-	-	11 394	-	35 848	35 848	155 383	-	-
Agency receipt	-	-	131	240	240	240	-	-	-
PSETA	-	-	131	240	240	240	-	-	-
Total	-	7 073	45 816	78 640	114 488	114 724	155 383	-	-

In total, KZN received a R120 million grant from the EU related to the development of KZN Science Parks and the project was supposed to run from 2014/15 to 2016/17, however, the three-year term was extended to 2017/18. Three sites have started with fencing, and building construction. The Pietermaritzburg site has not as yet received a Record of Decision for the Environmental Impact Assessment, therefore it is envisaged that no construction will take place this financial year. Both the Port Shepstone and Newcastle technology hubs are progressing well, as is the one in Richards Bay, with overall progress to date at 96 per cent completion. The roof metal sheeting for the Port Shepstone project is almost done, as such construction at these three hubs is expected to be completed in 2018/19.

Provincial Treasury is one of the eight recipients of the Global Fund programme for the period 1 April 2016 to 31 March 2019 (three years). The main objective of the grant is to address the social and structural drivers of HIV and TB prevention, care and impact, preventing new HIV, STI and TB infections, sustaining health and wellness, as well as ensuring protection of human rights and improving access to justice. The allocation for this project is R202.625 million over the 3 years. It is noted that this source of donor funding was inadvertently omitted from the 2017/18 EPRE.

In respect of PSETA, the department was allocated R240 000 in 2017/18 for work integrated learning, whose aim is to support 20 students from TVET colleges with a stipend of R2 000 per student per month for a period of 18 months which ended in June 2017. This allocation gave learners the opportunity to do in-service training in the department in their area of study.

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 Gaming and Betting budget was suspended from Vote 6: Provincial Treasury and allocated to Vote 1: OTP relating to the movement of both the KZNGBB and the administration unit dealing with Gaming and Betting with effect from 28 September 2016, as determined by Premier's Minute No. 2 of 2016.

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

- All inflation related increases are based on CPI projections.
- In terms of the National Treasury's guidelines, the cost of living adjustment is 8 per cent in 2018/19, 7.8 per cent in 2019/20 and 8 per cent in 2020/21, including the 1.5 per cent pay progression. However, the department provided for a growth in *Compensation of employees* of 12 per cent in 2018/19, 6 per cent in 2019/20 and 6 per cent in 2020/21. The substantial growth in 2018/19 caters for the implementation of the department's proposed new organisational structure and the filling of vacant critical posts. The growth in 2019/20, which is below National Treasury's guidelines, will be reviewed by the department in the next budget process.
- The expanded cost-cutting measures, as reissued by Provincial Treasury in 2017/18, will continue to be adhered to over the 2018/19 MTEF, in conjunction with National Treasury Instruction Note 03 of 2017/18: Cost-containment measures.

7.2 Additional equitable share allocations for the 2016/17 to 2018/19 MTEF

Table 6.5 shows additional equitable share funding received by the department over the 2016/17, 2017/18 and 2018/19 MTEF periods, and excludes conditional grant funding. The carry-through allocations for the outer year (i.e. 2020/21) are based on the incremental percentage used in the 2018/19 MTEF.

Table 6.5 : Summary of additional provincial allocations for the 2016/17 to 2018/19 MTEF

R thousand	2016/17	2017/18	2018/19	2019/20	2020/21
2016/17 MTEF period	(32 488)	(49 477)	(52 627)	(55 574)	(58 631)
Above-budget 2015 wage agreement	4 254	4 555	4 888	5 162	5 446
Replacement of biometric scanners	12 000	-	-	-	-
IALCH floor repairs	3 000	-	-	-	-
Freezing all vacant non-OSD posts	(44 037)	(47 032)	(50 230)	(53 043)	(55 960)
Cutting events' budgets	(340)	(340)	(340)	(359)	(379)
2% Goods and services cut	(7 365)	(6 660)	(6 945)	(7 334)	(7 737)
2017/18 MTEF period		(3 559)	(3 982)	501	529
PES and Provincial Own Revenue reductions		(2 583)	(2 953)	(5 237)	(5 525)
Budget cuts to fund remuneration of <i>Izinduna</i>		(976)	(1 029)	(1 086)	(1 146)
Additional funding from National Treasury		-	-	6 824	7 199
2018/19 MTEF period			14 000	-	6 886
Suspension of Mandela Day Marathon to Vote 11			(1 500)	-	-
Treasury/Health assistance plan			15 500	-	-
Above-budget wage agreement			-	-	6 886
Total	(32 488)	(53 036)	(42 609)	(55 073)	(51 216)

In 2016/17, an amount of R51.742 million was removed from the department due to the freezing of all vacant non-OSD posts, cutting events' budgets, and implementation of a 2 per cent cut on *Goods and services*. Offsetting these reductions was additional funding of R19.254 million for the following:

- R4.254 million in 2016/17 for the carry-through of the above-budget 2015 wage agreement with carry-through.
- R12 million in 2016/17 for the replacement of biometric scanners in all departments.
- R3 million in 2016/17 for IALCH floor repairs.

With regard to the 2017/18 MTEF, the department's budget was reduced due to the following:

- In 2017/18, there was a reduction of the PES allocation due to data updates of the PES formula, fiscal framework reductions, as well as a downward revision of the Provincial Own Revenue. The department's budget cut amounted to R2.583 million with carry-through and was effected proportionately across all programmes and economic classifications.

- As determined by the Provincial Executive Committee on 2 November 2016, the province commenced the process of the remuneration of *Izinduna* in compliance with previously issued Presidential proclamations. The *Izinduna's* remuneration budget was partly funded (50 per cent) through an internal reprioritisation by COGTA and the balance of 50 per cent funded through a proportional cut against all the remaining Votes. As a result, the department's budget is reduced by R976 000 with carry-through. This was proportionately effected against all programmes against *Goods and services*.
- Offsetting these cuts to some extent was additional funding of R6.824 million provided by National Treasury in the outer year.

With regard to 2018/19 MTEF, R1.500 million is removed from the department's budget in 2018/19 only due to the suspension of funds for the Mandela Day Marathon to COGTA, in line with the commitment made by the MEC for Finance.

Offsetting this suspension is an allocation of R15.500 million for the Treasury/Health assistance plan. The Executive Statement presented by the MEC for Finance in the Provincial Legislature on 22 June 2017 indicated that Provincial Treasury would provide support to the DOH. Part of this assistance requires the allocation of resources in areas such as Internal Control and Accounting Services. This is additional to an amount of R14.500 million that was allocated in the 2017/18 Adjustments Estimate. These funds are specifically and exclusively allocated for this purpose.

There is an additional allocation of R6.886 million that is allocated by National Treasury in the outer year (2020/21) to cater for the above-budget wage agreement.

It is noted that further fiscal consolidation cuts were effected against the equitable share over the 2018/19 MTEF. However, due to the lateness of finalising these cuts, it was resolved at a Finance *Lekgotla* that, while Votes were notified of the quantum of their proportional cut, the actual cut will only be effected in the 2018/19 Adjustments Estimate, to allow time for planning. The Provincial Treasury's budget will accordingly be cut by R2.856 million in the 2018/19 Adjustments Estimate.

In 2012/13, additional funds were allocated for improving infrastructure support. Although no longer visible in Table 6.5, this funding was specifically and exclusively appropriated and the department utilises this funding for the Infrastructure Crack Team, which provides infrastructure support in the province. Thus amounts of R8.575 million, R9.072 million and R10.060 million remain ring-fenced for this purpose over the 2018/19 MTEF.

7.3 Summary by programme and economic classification

The services rendered by the department are categorised under five programmes. The department is now largely aligned to the generic programme structure of the sector. It has been agreed between National Treasury and the department that negotiations in this regard will continue in 2017/18 as the organisational structure is not yet fully aligned in the following areas: Programme 1: Administration is fully aligned with the exception of the Internal Audit sub-programme, Programme 2: Sustainable Resource Management is fully aligned except that it excludes the Fiscal Policy sub-programme. Programme 3: Financial Governance is partially aligned as it still maintains SCM and PPP sub-programmes, which are not in the uniform budget structure. Programme 5: Growth and Development has fallen away and has been replaced by Municipal Finance Management, and it is permissible in terms of the sector structure for this to be a separate programme.

Table 6.6 provides a summary of the structural changes that were made in an attempt to improve the alignment to the generic structure of Provincial Treasuries.

As of 2017/18, the budget of Vote 6: Provincial Treasury no longer includes the Gaming and Betting function, and all prior figures were adjusted and restated accordingly.

Table 6.6 : Reconciliation of structural changes: Provincial Treasury

2017/18	2018/19
1. Administration Office of the MEC Head of Department Chief Financial Office Corporate Services	1. Administration Office of the MEC Management Services (HOD) Financial Management (Office of the CFO) Corporate Services
2. Fiscal Resource Management Programme Support Economic Analysis Public Finance Municipal Finance	2. Sustainable Resource Management Programme Support Economic Analysis Public Finance
3. Financial Management Cash Management and Liabilities Public, Private Partnerships Supply Chain Management Financial Reporting Norms and Standards Support and Interlinked Financial Systems Gaming and Betting	3. Financial Governance Programme Support Asset and Liabilities Management Public, Private Partnerships Supply Chain Management Accounting Services (Financial Reporting) Norms and Standards Supporting and Interlinked Financial Systems
4. Internal Audit Assurance Services Risk Management Forensic Services	4. Internal Audit Programme Support Assurance Services Risk Management Forensic Services
5. Growth and Development Budget Communication Special Infrastructure Projects Strategic Cabinet Initiatives Special Projects	5. Municipal Finance Management Programme Support Municipal Budget Municipal Accounting and Reporting Municipal Support Programme

Tables 6.7 and 6.8 provide a summary of the Vote's payments and budgeted estimates over the seven-year period, by programme and by economic classification, respectively.

Table 6.7 : Summary of payments and estimates by programme: Provincial Treasury

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
1. Administration	157 027	145 589	159 101	174 080	175 564	173 703	192 377	193 258	210 775
2. Sustainable Resource Management	39 062	38 257	43 866	38 875	40 744	40 372	40 657	43 122	45 495
3. Financial Governance	268 035	240 163	207 210	213 820	212 389	206 708	209 602	220 541	232 687
4. Internal Audit	130 420	134 604	132 745	123 888	145 491	142 612	144 555	152 845	161 232
5. Municipal Finance Management	36 405	46 037	53 193	57 181	57 181	55 792	63 709	67 506	71 219
Total	630 949	604 650	596 115	607 844	631 369	619 187	650 900	677 272	721 408

Table 6.8 : Summary of payments and estimates by economic classification: Provincial Treasury

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	575 075	569 228	583 277	590 094	613 379	601 433	628 832	655 662	698 678
Compensation of employees	208 675	227 845	252 383	287 664	284 003	276 178	308 148	327 307	345 764
Goods and services	366 400	341 383	330 300	300 696	328 642	324 521	317 184	326 855	351 314
Interest and rent on land	-	-	594	1 734	734	734	3 500	1 500	1 600
Transfers and subsidies to:	41 016	21 041	8 077	10 755	5 755	5 711	3 095	2 947	3 105
Provinces and municipalities	31 794	10 301	24	24	31	31	23	26	27
Departmental agencies and accounts	1	2	-	-	2	2	3	3	3
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	4	7	-	-	-	-	-	-
Non-profit institutions	1 365	4 340	3 857	9 105	4 105	4 053	896	984	1 033
Households	7 856	6 394	4 189	1 626	1 617	1 625	2 173	1 934	2 042
Payments for capital assets	14 854	14 037	4 740	6 995	12 235	12 043	18 973	18 663	19 625
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	14 854	14 037	4 740	6 995	12 235	12 043	18 823	18 405	19 363
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	150	258	272
Payments for financial assets	4	344	21	-	-	-	-	-	-
Total	630 949	604 650	596 115	607 844	631 369	619 187	650 900	677 272	721 408

It is noted that, in the 2016/17 Adjustments Estimate, the Gaming and Betting function was suspended from Vote 6: Provincial Treasury and was allocated to Vote 1: OTP. This function shift related to the movement of both the KZN Gaming and Betting Board (KZNGBB) and the administration unit dealing with Gaming and Betting. The full budget was moved over the 2017/18 MTEF, and the full revenue budget also moved to Vote 1. In this report, all prior year and MTEF amounts have been restated for comparative purposes, meaning that information relating to the Gaming and Betting function is now included under Vote 1: OTP. As such, Programme 3: Financial Governance's figures were also restated.

Programme 1: Administration shows an increase from 2016/17 to 2017/18 mainly due to the filling of vacant funded posts. The increase in the 2017/18 Adjusted Appropriation is mainly due to the separation of functions between the sub-programmes: Support and Interlinked Financial Systems in Programme 3 and Corporate Services (which includes IT Management Support) in Programme 1. The former Programme 5: Growth and Development is now under the Management Services sub-programme. The baseline increase over the 2018/19 MTEF is due to the shifting of the Special Projects sub-programme from Programme 5 to the Management Services sub-programme, as well as inflationary growth. The Management Services sub-programme includes some commitment on special intervention projects, including the Treasury/ Health assistance plan (see Section 6 above).

Programme 2: Sustainable Resource Management shows a decrease from 2016/17 to 2017/18 due to a once-off payment of a salary backpay in 2016/17. The Municipal Finance sub-programme was moved from this programme and established as Programme 5: Municipal Finance Management and historical figures were restated. The increase over the MTEF is inflationary and caters for the Infrastructure Crack Team, the IDIP Technical Advisors, and the Public Finance, Infrastructure, and Economic Analysis units.

Programme 3: Financial Governance reflects a decrease in 2016/17 mainly as a result of the relocation of the PERSAL Mainframe time server from Pietermaritzburg SITA to Centurion, as well as the function shift of IT Management support to Programme 1. The decrease in the 2017/18 Adjusted Appropriation was mainly due to the virement of funds to IT Management for computer services. The increase over the MTEF is inflationary.

Programme 4: Internal Audit shows an increase in the 2017/18 Adjusted Appropriation mainly due to a roll-over from 2016/17, as well as additional funding for *Compensation of employees* and outstanding commitments mainly for risk assessments and OHS reviews. The increase over the MTEF is inflationary.

Programme 5: Municipal Finance Management is a new programme that strengthens the department's alignment to the generic budget structure for all Treasuries. The programme also includes the MSP as a sub-programme to provide municipalities with support such as project implementation and VAT. This function was previously housed as a sub-programme under Programme 2 and the comparative figures were restated. The increase in 2017/18 and over the MTEF is inflationary.

The increase against *Compensation of employees* from 2015/16 to 2016/17 was due to the filling of vacant posts, as well as annual wage adjustments. The department made provision for salaries for contract personnel that will be working on certain departmental projects, such as TAs working on IDIP, Operation pay-on-time, as well as learners, and interns, etc. The increase in 2017/18 and over the MTEF is inflationary, as well as for vacant posts to be filled. The 2018/19 MTEF provides for the carry-through costs of the previous wage adjustments and the 1.5 per cent pay-progression. The department continues with the drive to use contract employees at the DPSA salary levels and scales instead of using consultants with the aim to realise savings from this approach in the next few years. As such, this category will be reviewed in-year by the department. In 2018/19, *Compensation of employees* will grow by 12 per cent, which is 5.5 per cent higher than National Treasury's recommended wage adjustment rate. There are 72 vacant posts such as Director for Support and Interlinked Financial Systems and PPP, Director: Forensic Investigations, Corporate Investigators, Risk Management Specialists, Director: SCM (Asset Management and Loss Control), and Provincial Budget Co-ordinator, among others. The department has not made sufficient budget provision to ensure that 69 critical vacant posts are filled in 2018/19 MTEF. The item grows by 6 per cent in 2019/20 and 2020/21. These growth rates are not sufficient to provide for the filling of all the vacant posts and will be reviewed in-year.

The decrease against *Goods and services* from 2016/17 to 2017/18 was mainly due to additional funding in 2016/17 for consultants in the Internal Audit unit. The substantial increase in the 2017/18 Adjusted Appropriation is due to a roll-over from the previous year, as well as the additional funding in respect of the Treasury/ Health assistance plan. The increased allocation over the 2018/19 MTEF is inflationary.

There was no expenditure against *Interest and rent on land* in 2014/15 and 2015/16 as a result of the improvement in the provincial cash balances. This resulted in a lower interest provision, hence the decrease from the 2017/18 Main to Adjusted Appropriation. The negative growth over the MTEF is mainly due to the previously mentioned budget cuts, with minimal provision made for interest payments remaining in the event that the province goes back into overdraft and thus incurs interest charges.

The expenditure reflected against *Transfers and subsidies to: Provinces and municipalities* in 2014/15 was mainly for Shayamoya eco-complex, Bhongweni light industrial park, as well Msunduzi electricity development. The allocation in 2015/16 is in respect of the payment of motor vehicle licenses, as well as a provision for once-off special infrastructure projects which included Msunduzi electricity-related development projects, the Bhongweni light industrial park, and the Shayamoya eco-complex. The allocation in 2017/18 and over the MTEF is for motor vehicle 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.

The amounts against *Transfers and subsidies to: Non-profit institutions* from 2014/15 to 2016/17 catered for the transfer payments made to NPOs such as Coastal Horse Care Unit and the Financial Literacy Programme, which is now an independent entity called the Financial Literacy Association (FLA). An amount of R3.150 million was budgeted for the FLA in 2016/17. The decrease in 2017/18 Adjusted Appropriation is attributable to the suspension of funds to COGTA towards the Mandela Marathon Event as mentioned. The allocation over the 2018/19 MTEF is for donations towards schools, crèches, and old age homes as part of OSS.

Transfers and subsidies to: Households caters for staff exit costs, injury on duty, as well as bursaries for non-employees. This category includes funding for the Thuthuka Bursary Fund for SAICA students which was discontinued from 2018/19. The fluctuations can be ascribed to the difficulty in budgeting for this category due to its uncertain nature. The allocations over the MTEF cater mainly for external bursaries.

Spending against *Machinery and equipment* occurs on a cyclical basis, hence the fluctuating trend against this category. The higher amount in 2014/15 relates to the upgrade of the server refresher hardware in respect of the department's computer network system. The high spending in 2015/16 was mainly due to the installation of biometric servers, the configuration at Treasury House, purchase of departmental vehicles, as well as the replacement of boardroom furniture at Nomalanga Building. The allocation in 2017/18 and over the MTEF is mainly a provision for the purchase of departmental vehicles, as well as the replacement of computers and furniture in line with the replacement policy.

Payments for financial assets relates to the write-off of staff debts, such as the breach of 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 6.9 summarises the infrastructure payments and estimates relating to the department. The infrastructure budget of the department is placed solely against *Infrastructure transfers: Capital*.

The expenditure of R31.665 million in 2014/15 comprises R13.321 million for the Bhongweni light industrial park, R5.282 million for Msunduzi electricity-related development projects, as well as R13.062 million for the Shayamoya eco-complex. The amount of R10.280 million in 2015/16 comprises R2.062 million for the Shayamoya eco-complex, R8 million for the Bhongweni light industrial park, and R218 000 for Msunduzi electricity-related development projects. Provincial Treasury is not currently undertaking any infrastructure projects nor are any planned over the MTEF period.

Table 6.9 : Summary of infrastructure payments and estimates by category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20
Existing infrastructure assets	-	-	-	-	-	-	-	-	-
Maintenance and repair: Current	-	-	-	-	-	-	-	-	-
Upgrades and additions: Capital	-	-	-	-	-	-	-	-	-
Refurbishment and rehabilitation: Capital	-	-	-	-	-	-	-	-	-
New infrastructure assets: Capital	-	-	-	-	-	-	-	-	-
Infrastructure transfers	31 665	10 280	-	-	-	-	-	-	-
Infrastructure transfers: Current	-	-	-	-	-	-	-	-	-
Infrastructure transfers: Capital	31 665	10 280	-	-	-	-	-	-	-
Infrastructure: Payments for financial assets	-	-	-	-	-	-	-	-	-
Infrastructure: Leases	-	-	-	-	-	-	-	-	-
Non infrastructure	-	-	-	-	-	-	-	-	-
Total	31 665	10 280	-	-	-	-	-	-	-
Capital infrastructure	31 665	10 280	-	-	-	-	-	-	-
Current infrastructure	-	-	-	-	-	-	-	-	-

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

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 6.10 gives a summary of departmental transfers to other entities, details of which are given below.

Table 6.10 : Summary of departmental transfers to public entities (listed i.t.o Schedule 3 of the PFMA) and other entities

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20
Transfers to public entities	-	-	-	-	-	-	-	-	-
Transfers to other entities	5 127	8 437	7 191	9 643	4 643	4 613	896	984	1 033
Coastal Horse Care Unit	-	860	269	-	-	-	-	-	-
Donations	138	398	438	520	955	903	896	984	1 033
Financial Literacy Association	-	3 082	3 150	3 585	3 150	3 150	-	-	-
Futurelife Foundation Trust	-	-	-	5 000	-	-	-	-	-
uMgungundlovu Academy of Sport	1 227	-	-	-	-	-	-	-	-
Thuthuka Bursary Fund	3 762	4 097	3 333	-	-	-	-	-	-
Total	5 127	8 437	7 190	9 105	4 105	4 053	896	984	1 033

A donation of R860 000 in 2015/16 was made towards the Coastal Horse Care Unit to cater for the education and rehabilitation relating to horses, and a further R269 000 in 2016/17. There is no provision made over the MTEF for further donations in this regard.

As a result of a change in the MEC's approach to community outreach, from 2014/15 onward, donations are made to co-operatives, old age homes, schools and NPOs. It is noted that donations include those made by the HOD in line with his OSS responsibilities.

From 2015/16 to 2017/18, funds are allocated by the department for transfer to the Financial Literacy Association (FLA). This project was initiated by the MEC for Finance with the aim of educating the citizens of KZN about using their money wisely and also on various aspects such as encouraging savings and financial discipline. There is no budget in 2018/19 as the MOU was for three years, starting from 2015/16 and ending in 2017/18.

In 2017/18, a donation of R5 million was planned to be made to the Futurelife Foundation Trust to provide porridge to the disadvantaged children in the uMgungundlovu District, where the MEC for Finance is a district champion in terms of OSS. However, this donation will no longer be made and it was reduced to zero in the Adjustments Estimate. This amount was not transferred to the Foundation in 2017/18 because the agreement and terms of reference were not finalised. The department requested a change of the purpose for these funds so that they can be utilised to offset spending pressures in other areas.

A once-off amount of R1.227 million in 2014/15 that was transferred to the uMgungundlovu Academy of Sport for various sports equipment and activities (these funds were paid on behalf of the DSR).

Transfers to the Thuthuka Bursary Fund amounted to R3.762 million in 2014/15, R4.097 million in 2015/16 and R3.333 million in 2016/17.

The Thuthuka Bursary Fund ceased from 2017/18 onward, because the agreement for which the funds were exclusively appropriated has come to an end.

7.8 Transfers to local government

Table 6.11 provides a summary of transfers to local government. It is noted that *Transfers to local government* includes funds in respect of motor vehicle licences. However, these funds will not be transferred to any municipality and, hence, the amounts are not reflected in Tables 6.11 and 6.12.

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

Table 6.11 : Summary of departmental transfers to local government by category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20
Category A	-	-	-	-	-	-	-	-	-
Category B	31 665	10 280	-	-	-	-	-	-	-
Category C	-	-	-	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-	-	-	-
Total	31 665	10 280	-	-	-	-	-	-	-

Table 6.12 : Summary of departmental transfers to local government by grant name

R thousand	Sub-programme	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
		2014/15	2015/16	2016/17				2017/18	2018/19	2019/20
Shayamoya eco-complex	1.2.Office of the HOD	9 552	8 000	-	-	-	-	-	-	
Bhongweni light industrial park	1.2.Office of the HOD	16 830	2 062	-	-	-	-	-	-	
Msunduzi electricity-related dev	1.2.Office of the HOD	5 283	218	-	-	-	-	-	-	
Total		31 665	10 280	-	-	-	-	-	-	

Category B transfers provide for the development of the Shayamoya eco-complex, the Bhongweni light industrial park, as well as Msunduzi electricity-related development projects. There are no transfers to municipalities planned over the 2018/19 MTEF.

7.9 Transfers and subsidies

Table 6.13 is a summary of spending on *Transfers and subsidies* by programme and main category. *Transfers and subsidies* fluctuates over the seven-year period and reduces significantly over the 2018/19 MTEF due to the following:

- Amounts against *Provinces and municipalities* in Programme 1 are in respect of motor vehicle licence fees, as well as transfers to municipalities for different projects which ended in 2015/16, as explained in Section 7.8.
- *Departmental agencies and accounts* against Programme 1 relates to the payment of TV licences
- Transfers to *Non-profit institutions* in respect of both Programme 1 and Programme 3 have been explained in Section 7.7 above.
- *Public corporations and private enterprises* against Programme 1 and Programme 4 in 2016/17 relates to a third party claiming excess against the state for a motor vehicle accident.
- *Households* across all programmes caters for staff exit costs, and the external bursaries amount against *Households* under Programme 1 between 2014/15 and 2015/16 is an allocation toward the Thuthuka Bursary Fund, which is being discontinued, as mentioned. This is because the agreement for which the funds were exclusively appropriated has come to an end. However, the department will continue to provide external bursaries to needy and deserving students. The 2014/15 amount includes a severance package of R957 000 for the former MEC for Finance. The MTEF allocation for staff exit is high because it includes pension payouts relating to former development board members who took early retirement when the development boards were amalgamated with the Provincial Administration.

Table 6:13 : Summary of transfers and subsidies by programme and main category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
1. Administration	38 779	19 304	7 484	9 767	4 853	4 919	2 050	1 795	1 889
Provinces and municipalities	31 794	10 301	24	24	31	31	23	26	27
Motor vehicle licences	129	21	24	24	31	31	23	26	27
Shayamoya eco-complex	9 552	8 000	-	-	-	-	-	-	-
Development of light industrial park	16 830	2 062	-	-	-	-	-	-	-
Msunduzi electricity-related development	5 283	218	-	-	-	-	-	-	-
Departmental agencies and accounts	1	2	-	-	2	2	3	3	3
SABC TV Licences	1	2	-	-	2	2	3	3	3
Public corporations and private enterprises	-	-	7	-	-	-	-	-	-
Claims against the state	-	-	7	-	-	-	-	-	-
Non-profit institutions	138	4 340	3 857	9 105	4 105	4 053	896	984	1 033
Financial Literacy Association	-	3 082	3 150	3 585	3 150	3 150	-	-	-
Futurelife Foundation Trust	-	-	-	5 000	-	-	-	-	-
Donations	138	398	438	520	955	903	896	984	1 033
Coastal Horse Care Unit	-	860	269	-	-	-	-	-	-
Households	6 846	4 661	3 596	638	715	833	1 128	782	826
Staff exit costs	3 084	564	263	100	177	273	100	106	112
Thuthuka Bursary Fund	3 762	4 097	3 333	-	-	-	-	-	-
External bursary	-	-	-	538	538	560	1 028	676	714
2. Sustainable Resource Management	-	50	-	-	67	67	-	-	-
Households	-	50	-	-	67	67	-	-	-
Staff exit costs	-	50	-	-	67	67	-	-	-
3. Financial Governance	2 067	975	492	885	654	552	939	1 040	1 098
Non-profit institutions	1 227	-	-	-	-	-	-	-	-
uMgungundlovu Academy of Sport	1 227	-	-	-	-	-	-	-	-
Households	840	975	492	885	654	552	939	1 040	1 098
Staff exit costs	840	975	492	885	654	552	939	1 040	1 098
4. Internal Audit	170	684	101	103	181	144	106	112	118
Public corporations and private enterprises	-	4	-	-	-	-	-	-	-
Third party claim (excess)	-	4	-	-	-	-	-	-	-
Households	170	680	101	103	181	144	106	112	118
Staff exit costs	170	680	101	103	181	144	106	112	118
5. Municipal Finance Management	-	28	-	-	-	29	-	-	-
Households	-	28	-	-	-	29	-	-	-
Staff exit costs	-	28	-	-	-	29	-	-	-
Total	41 016	21 041	8 077	10 755	5 755	5 711	3 095	2 947	3 105

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*.

It must be noted that in 2017/18, the department was granted approval by National Treasury to deviate from the generic structure of Provincial Treasuries. Programme 5: Growth and Development was combined with Programme 1: Administration, and Municipal Finance which was previously part of Programme 2 is now established as a stand-alone Programme 5: Municipal Finance Management. The names of Programmes 2 and 3 were changed to fall in line with the generic structure. As already mentioned in Section 7.3, the structure is not yet fully aligned in some areas, except for Programme 1, which is fully aligned.

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 with the exception of the exclusion of Internal Audit sub-programme, as mentioned.

It must be noted that Programme 5: Growth and Development was retrospectively incorporated into Programme 1 from the 2018/19 MTEF onward to ensure better alignment with the generic structure of Treasuries and the comparative figures were restated.

The main services under this programme 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 Provincial Treasury.
- To provide funding for special projects and interventions.

Tables 6.14 and 6.15 provide a summary of payments and budgeted estimates pertaining to the programme over the seven-year period from 2014/15 to 2020/21.

Table 6.14 : Summary of payments and estimates by sub-programme: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20
1. Office of the MEC	29 687	26 491	29 124	33 371	31 871	33 385	28 506	31 594	33 333
2. Management Services (HOD)	46 687	39 105	27 580	29 447	23 345	22 675	46 263	37 530	46 480
3. Financial Management (CFO)	23 014	19 117	21 830	30 560	35 614	31 214	30 894	34 337	36 226
4. Corporate Services	57 639	60 876	80 567	80 702	84 734	86 429	86 714	89 797	94 736
Total	157 027	145 589	159 101	174 080	175 564	173 703	192 377	193 258	210 775

Table 6.15 : Summary of payments and estimates by economic classification: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20
Current payments	114 903	124 094	148 999	158 938	165 136	163 868	178 049	178 933	195 666
Compensation of employees	55 836	59 586	67 170	83 766	80 923	76 015	87 152	94 099	99 324
Goods and services	59 067	64 508	81 829	75 172	84 213	87 853	90 897	84 834	96 342
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	38 779	19 304	7 484	9 767	4 853	4 919	2 050	1 795	1 889
Provinces and municipalities	31 794	10 301	24	24	31	31	23	26	27
Departmental agencies and accounts	1	2	-	-	2	2	3	3	3
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	7	-	-	-	-	-	-
Non-profit institutions	138	4 340	3 857	9 105	4 105	4 053	896	984	1 033
Households	6 846	4 661	3 596	638	715	833	1 128	782	826
Payments for capital assets	3 345	2 113	2 598	5 375	5 575	4 916	12 278	12 530	13 220
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	3 345	2 113	2 598	5 375	5 575	4 916	12 128	12 272	12 948
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	150	258	272
Payments for financial assets	-	78	20	-	-	-	-	-	-
Total	157 027	145 589	159 101	174 080	175 564	173 703	192 377	193 258	210 775

The sub-programme: Office of the MEC, which includes security and communications, as well as parliamentary liaison, shows a steady increase throughout the seven-year period except in 2018/19 due to the fact that the transfer of funds to the FLA ends in 2017/18. The decrease from the 2017/18 Main to Adjusted Appropriation relates to the suspension of funds to Vote 11 in respect of the Mandela Marathon Event, as well as the non-transfer to Futurelife Foundation. Despite the MTEF cuts, the budget shows inflationary growth over the 2018/19 MTEF.

The sub-programme: Management Services (HOD) shows steady growth from 2016/17 to 2018/19. It must be noted that this sub-programme makes provision for a special interventions budget for client departments, public entities and municipalities should the need arise. The decrease from the 2017/18 Main

to Adjusted Appropriation is mainly due to funds that were moved from *Goods and services* in this sub-programme to offset spending pressures in the same category in other programmes. In 2017/18, there was an under-spending on special projects, including departmental interventions, as well as funds set aside for the tendering process/ procurement for the PPP Government Precinct and Legislature Complex. The growth over the 2018/19 MTEF is inflationary and provides for *Compensation of employees*, operational costs of running the HOD's office, replacement of machinery and equipment, as well as donations by the HOD in terms of his OSS responsibilities.

The sub-programme: Financial Management (CFO), which is responsible for various functions such as budget control, internal SCM, asset management, loss control, etc., reflects a steady increase apart from a spike in 2014/15 relating to payments made towards SIU investigations. The growth over the 2018/19 MTEF is inflationary and the budget provides for *Compensation of employees*, operational costs for the running of the Office of the CFO, as well as audit fees.

The sub-programme: Corporate Services reflects an increase from 2014/15 to 2020/21, and the significant increase in 2016/17 was mainly due to the function shift of IT Management support from Programme 3 to this sub-programme. The allocation in 2017/18 and over the MTEF is inflationary and provides for HR, legal services, strategic management and auxiliary services under this sub-programme. This includes providing for centralised costs such as operating leases for office accommodation, security services, fleet services, bursaries for employees and non-employees, legal fees, etc.

Compensation of employees shows an increasing trend over the seven-year period. This item increases by 15 per cent per cent in 2018/19, 8 per cent in 2019/20 and 6 per cent in 2020/21 to provide for filling of posts. These increases are in line with National Treasury wage adjustment rates in 2018/19 and 2019/20, with the exception of 2020/21, which is not in line with National Treasury's recommended rates and will be reviewed in the next budget process. The increase over the 2018/19 MTEF caters for the carry-through of previous wage agreements, contract employees, interns, learners, and in-service trainees, as well as the filling of critical vacant posts. There are 17 posts budgeted to be filled within Programme 1 over the 2018/19 MTEF, such as that of Human Resource Practitioner, Deputy Director: IT Management and Development, Parliamentary Liaison Officer, and IT Help Desk Co-ordinator. The increase over the MTEF is not sufficient to provide for the filling of all 17 posts, as well as the carry-through of previous wage agreement. The department will review its *Compensation of employees'* budget in next budget process.

The category *Goods and services* fluctuates throughout the seven-year period. The increase from the 2017/18 Main to Adjusted Appropriation is attributed to the provision towards the Treasury/Health assistance plan. The increase in 2018/19 is the continuation of the Treasury/Health assistant plan project and the growth in budget from 2019/20 is inflationary.

Transfers and subsidies to: Provinces and municipalities relates to motor vehicle licences, the Shayamoya eco-complex, development of light industrial park, and Msunduzi electricity-related development project.

The allocation against *Transfers and subsidies to: Non-profit institutions* is mainly in respect of transfers to the FLA and the Futurelife Foundation Trust, Coastal Horse Care Unit, as well as donations for the OSS outreach programme, as mentioned. The budget over the MTEF is for donations in terms of MEC's and HOD's OSS responsibilities.

Transfers and subsidies to: Households caters for staff exit costs, and external bursaries. For years prior to 2018/19, spending partly included transfers to the Thuthuka Bursary Fund which is being discontinued, as mentioned. Bursaries awarded to external and non-employees will continue over the MTEF.

The fluctuating trend against *Machinery and equipment* can be attributed to the cyclical nature of this category and includes the procurement of the MEC's and departmental vehicles. The 2018/19 MTEF provides for the replacement of departmental fleet.

Payments for financial assets was in respect of the write-off of staff debts.

8.2 Programme 2: Sustainable Resource Management

The programme is largely in line with the generic structure but the Fiscal Policy sub-programme is not being utilised.

The main purpose of the programme is to effectively manage and monitor the provincial and fiscal resources. The objectives and services of this programme 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.

As mentioned, Municipal Finance Management was moved from Programme 2 and established as a stand-alone programme, namely Programme 5: Municipal Finance Management, with effect from 2018/19. All financial years have been restated.

Tables 6.16 and 6.17 provide a summary of payments and budgeted estimates pertaining to this programme for the period 2014/15 to 2020/21.

Table 6.16 : Summary of payments and estimates by sub-programme: Sustainable Resource Management

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20
1. Programme Support	1 150	2 721	7 824	3 270	4 820	4 675	3 650	3 894	4 109
2. Economic Analysis	26 301	21 848	22 244	21 415	21 415	21 129	20 760	21 685	22 878
3. Public Finance	11 611	13 688	13 798	14 190	14 509	14 568	16 247	17 543	18 508
Total	39 062	38 257	43 866	38 875	40 744	40 372	40 657	43 122	45 495

Table 6.17 : Summary of payments and estimates by economic classification: Sustainable Resource Management

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20
Current payments	38 874	37 997	43 567	38 654	40 456	40 106	40 499	42 956	45 325
Compensation of employees	21 411	27 951	34 957	30 377	33 179	33 011	34 259	36 773	38 963
Goods and services	17 463	10 046	8 016	8 277	7 277	7 095	6 240	6 183	6 362
Interest and rent on land	-	-	594	-	-	-	-	-	-
Transfers and subsidies to:	-	50	-	-	67	67	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	50	-	-	67	67	-	-	-
Payments for capital assets	188	208	299	221	221	199	158	166	170
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	188	208	299	221	221	199	158	166	170
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	2	-	-	-	-	-	-	-
Total	39 062	38 257	43 866	38 875	40 744	40 372	40 657	43 122	45 495

The sub-programme: Programme Support reflects a fluctuating trend over the seven years due to the non-filling of vacant posts. The substantial increase in 2016/17 relates to back pay salary costs. The growth over the MTEF is inflationary 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 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 IDIP TAs. The budget for 2017/18 and over the 2018/19 MTEF provides for inflationary increases and pertains mainly to the Infrastructure Crack Team, IDIP TAs, conducting of infrastructure site visits, as well as the development of the PIMP. In addition to this, the Economic Analysis team compiles SEROs, PEROs, assists municipalities with IDPs, provides and facilitate a platform for economic information sharing, dialogues, debates and stakeholder participation, etc. The sub-programme is also responsible for the publication of the *ECE*.

The sub-programme: Public Finance shows a steady increase from 2014/15 and over the MTEF. The slight increase from 2018/19 is to cater for the filling of critical vacant posts, such as a Budget Co-ordinator post. The budget over the 2018/19 MTEF provides for the costs relating to the preparation of the *EPRE* and the *AEPRE*, as well as oversight over the provincial budget.

Compensation of employees shows steady growth from 2014/15 onward except for the spike in 2016/17 as a result of a salary back pay as mentioned. In 2018/19, this item grows by 4 per cent, which is less than the National Treasury recommended rate. The 2019/20 budget grows by 7 per cent, and 6 per cent in 2020/21, which is also not in line with National Treasury forecasts. The growth rate in 2018/19 and 2020/21 is not sufficient to provide for the filling of vacant posts and will be reviewed in-year. There are three posts to be filled under this programme, including that of a Budget Co-ordinator.

Goods and services fluctuates over the seven-year period. The 2018/19 MTEF includes funding for IDIP TAs, Infrastructure Crack Team, as well as the provision for the printing of the *EPRE*, *AEPRE*, *ECE* and *PERO*, etc.

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

The fluctuating trend against *Machinery and equipment* results from the fact that machinery and equipment are purchased on a cyclical basis. The budget over the 2018/19 MTEF provides mainly for the replacement of computers and laptops.

Payments for financial assets in 2015/16 was in respect of the write-off of staff debts that were deemed irrecoverable.

Service delivery measures: Sustainable Resource Management

Table 6.18 below illustrates the service delivery measures pertaining to Programme 2.

Note that there are no sector measures for this sector. Some of the outputs and performance indicator descriptions have been changed to ensure alignment with the department's 2018/19 APP. The department reviewed its service delivery measures for 2018/19, and hence four new targets are included, indicated by "New" in the 2017/18 column.

Table 6.18 : Service delivery measures: Sustainable Resource Management

Outputs	Performance indicators	Estimated performance		Medium-term targets	
		2017/18	2018/19	2019/20	2020/21
1.1 Economic Analysis					
1.1.1 To determine and evaluate economic parameters and socio-economic imperatives to inform provincial and local resource allocation	<ul style="list-style-type: none"> No. of economic analysis reports for the province 	Produce 5 provincial dept. economic reports Produce 1 PERO Produce 1 SERO Produce 9 districts socio-economic reports	Produce 4 provincial dept. economic reports Produce 1 PERO Produce 1 SERO Produce 9 districts socio-economic reports	Produce 4 provincial dept. economic reports Produce 1 PERO Produce 1 SERO Produce 9 districts socio-economic reports	Produce 4 provincial dept. economic reports Produce 1 PERO Produce 1 SERO Produce 9 districts socio-economic reports
	<ul style="list-style-type: none"> Timeous Economic Analysis inputs to the <i>Estimates of Provincial Revenue and Expenditure (EPRE)</i> 	February 2018	February 2019	February 2020	February 2021

Table 6.18 : Service delivery measures: Sustainable Resource Management

Outputs	Performance indicators	Estimated performance		Medium-term targets		
		2017/18	2018/19	2019/20	2020/21	
1.1.2	To provide a platform to enhancing regional economic growth and development	<ul style="list-style-type: none"> No. of quality research for regional policy analysis 	Produce 6 economic research projects	Produce 4 economic research projects	Produce 4 economic research projects	Produce 4 economic research projects
1.1.3	Provide and facilitate a platform for economic information sharing, dialogue and debate and stakeholder participation	<ul style="list-style-type: none"> No. of information sharing sessions conducted 	New	8 information sharing sessions conducted	8 information sharing sessions conducted	8 information sharing sessions conducted
1.2	Infrastructure					
1.2.1	Efficient infrastructure management in KZN that contributes to effective economic and social infrastructure	<ul style="list-style-type: none"> No. of assessment reports on the User Asset Management Plans (U-AMPs) 	Compile a consolidated assessment report on U-AMPs	Compile a consolidated assessment report on U-AMPs	Compile a consolidated assessment report on U-AMPs	Compile a consolidated assessment report on U-AMPs
1.2.2	To facilitate implementation and institutionalisation of the IDMS in all KZN provincial depts and municipalities	<ul style="list-style-type: none"> No. of reports on the implementation of IDMS in KZN No. of reports on the infrastructure site visits conducted No. of progress reports on infrastructure budgets and delivery plans using IRM data Timeous Infrastructure input for EPRE No. of Estimates for Capital Expenditure (ECE) developed and published 	Produce 4 reports on the implementation of IDMS in KZN Submit 4 reports on the site visits conducted Submit 4 reports on the infrastructure expenditure in KZN February 2018 New	Produce 4 reports on the implementation of IDMS in KZN Submit 4 reports on the site visits conducted Submit 4 reports on the infrastructure expenditure in KZN February 2019 Develop and publish the ECE on time for tabling with the annual provincial budget	Produce 4 reports on the implementation of IDMS in KZN Submit 4 reports on the site visits conducted Submit 4 reports on the infrastructure expenditure in KZN February 2020 Develop and publish the ECE on time for tabling with the annual provincial budget	Produce 4 reports on the implementation of IDMS in KZN Submit 4 reports on the site visits conducted Submit 4 reports on the infrastructure expenditure in KZN February 2021 Develop and publish the ECE on time for tabling with the annual provincial budget
1.2.3	To assist and provide technical support to the development of the KZN Provincial Infrastructure Master Plan	<ul style="list-style-type: none"> No. of assessment reports on the Infrastructure Programme Management Plan (IPMP) compiled No. of reports on infrastructure funding mechanisms and opportunities to support the provincial fiscal framework 	New Produced 4 reports on the infrastructure mechanisms in the province	Compile a consolidated assessment report on annual infrastructure plans Produce 4 reports on the infrastructure mechanisms in the province	Compile a consolidated assessment report on annual infrastructure plans Produce 4 reports on the infrastructure mechanisms in the province	Compile a consolidated assessment report on annual infrastructure plans Produce 4 reports on the infrastructure mechanisms in the province
2.	Public Finance					
2.1	Provincial Budget Management					
2.1.1	Promote effective and optimal financial resource allocation for provincial govt.	<ul style="list-style-type: none"> No. of chapters in MTEC report Timeous tabling of EPRE Timeous tabling of Adjusted Estimates of Provincial Revenue and Expenditure (AEPRE) 	1 report with 15 chapters completed 1 working day before MTEC as per budget process timetable EPRE on time for tabling AEPRE on time for tabling	1 report with 15 chapters completed 1 working day before MTEC as per budget process timetable March 2019 November 2018	1 report with 15 chapters completed 1 working day before MTEC as per budget process timetable March 2020 November 2019	1 report with 15 chapters completed 1 working day before MTEC as per budget process timetable March 2021 November 2020
2.1.2	Ensure efficient budget and expenditure management and accurate financial reporting for provincial govt. (incl. public entities)	<ul style="list-style-type: none"> No. of section 32 report (Monthly provincial IYM report) No. of quarterly performance reports for provincial depts 	12 IYM reports p/a (submitted to NT by 22 nd monthly) 3 quarterly performance reports	12 IYM reports p/a (submitted to NT by 22 nd monthly) 4 quarterly performance reports	12 IYM reports p/a (submitted to NT by 22 nd monthly) 4 quarterly performance reports	12 IYM reports p/a (submitted to NT by 22 nd monthly) 4 quarterly performance reports
2.2	Provincial Own Revenue					
2.2.1	Promote optimal and sustainable revenue generation and collection by provincial depts and public entities	<ul style="list-style-type: none"> No. of quarterly Provincial Revenue Forums conducted and co-ordinated No. of revenue quarterly performance report Timeous revenue input into Overview of Provincial Revenue and Expenditure (OPRE) and EPRE 	1 Forum per year 3 revenue quarterly performance reports November 2017 and March 2018	1 Forum per year 4 revenue performance reports per annum March 2018	1 Forum per year 4 revenue performance reports per annum March 2019	1 Forum per year 4 revenue performance reports per annum March 2020

Table 6.18 : Service delivery measures: Sustainable Resource Management

Outputs	Performance indicators	Estimated performance		Medium-term targets		
		2017/18	2018/19	2019/20	2020/21	
2.3	Special Advisory Support Services					
2.3.1	Promote effective and optimal financial resource allocation for provincial govt. (including public entities)	<ul style="list-style-type: none"> Timeous input into the revision and maintenance of Division Of Revenue Act (DORA) No. of reports on institutionalising framework for the monitoring of provincial public entities No. of MTEC reports completed 	November 2017	November 2018	November 2019	November 2020
		48	2	2	2	
		1 report with 16 chapters completed 1 day before MTEC	1 report completed 1 day before MTEC	1 report completed 1 day before MTEC	1 report completed 1 day before MTEC	

8.3 Programme 3: Financial Governance

It must be noted that the programme's name and some of its sub-programme names have been changed following attempts to ensure better alignment to the generic budget structure of all Treasuries as from 2018/19. The programme is not yet completely in line with the generic structure of Treasuries. In respect of the sector structure, this programme also includes Provincial Internal Audit and excludes Assets and Liabilities Management, PPP and SCM, with these sub-programmes falling under other programmes.

The purpose of this programme is to ensure effective and efficient management of physical and financial assets for provincial and local government.

The main services undertaken by this programme are:

- To ensure the effective and efficient management of assets and implementation of PPP projects.
- 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 and municipalities 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 and municipalities as prescribed.
- To implement and support transversal financial systems across the province.

Tables 6.19 and 6.20 provide a summary of payments and budgeted estimates pertaining to Programme 3. The programme as a whole reflects a steady trend over the period, as explained in detail below.

Table 6.19 : Summary of payments and estimates by sub-programme: Financial Governance

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20
1. Programme Support	-	-	-	-	-	-	3 892	4 235	4 468
2. Asset and Liabilities Management	12 125	13 931	14 101	17 070	18 335	18 385	19 219	14 969	15 809
3. Support and Interlinked Financial Systems	119 882	122 056	107 833	109 891	101 891	96 576	94 182	103 198	108 875
4. Supply Chain Management	70 492	52 062	39 769	44 272	44 276	44 472	44 731	47 735	50 360
5. Public, Private Partnerships	5 673	4 916	5 493	8 288	8 288	8 270	8 288	8 785	9 268
6. Accounting Services	55 847	42 626	35 087	28 331	33 631	33 060	32 668	34 535	36 433
7. Norms and Standards	4 016	4 572	4 927	5 968	5 968	5 945	6 622	7 084	7 474
Total	268 035	240 163	207 210	213 820	212 389	206 708	209 602	220 541	232 687

Table 6.20 : Summary of payments and estimates by economic classification: Financial Governance

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	255 388	227 890	206 011	212 442	206 202	200 656	203 156	214 620	226 500
Compensation of employees	52 304	55 409	56 955	71 759	63 139	62 511	74 456	79 316	83 916
Goods and services	203 084	172 481	149 056	138 949	142 329	137 411	125 200	133 804	140 984
Interest and rent on land	-	-	-	1 734	734	734	3 500	1 500	1 600
Transfers and subsidies to:	2 067	975	492	885	654	552	939	1 040	1 098
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	1 227	-	-	-	-	-	-	-	-
Households	840	975	492	885	654	552	939	1 040	1 098
Payments for capital assets	10 580	11 237	707	493	5 533	5 500	5 507	4 881	5 089
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	10 580	11 237	707	493	5 533	5 500	5 507	4 881	5 089
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	61	-	-	-	-	-	-	-
Total	268 035	240 163	207 210	213 820	212 389	206 708	209 602	220 541	232 687

The sub-programme: Programme Support is responsible for providing strategic leadership support to the Financial Governance programme. The post of the Accountant General and his secretary and their running costs fall under this sub-programme from 2018/19 onward. Historic figures of this sub-programme are not restated because this sub-programme was not included in previous financial years' structure and the financial records were not kept at this level.

The sub-programme: Asset and Liabilities Management shows a slight peak in 2017/18 mainly due to the increased number of speed point machines supplied to municipalities for payments of motor vehicle licences where municipalities are used as entities, which resulted in the increase in the bank charges. The 2018/19 MTEF provides mainly for the bank charges for the IGCC, as well as the provision for *Interest and rent on land* should the IGCC account go into overdraft, conducting of an annual tax information seminar with all departments and public entities, ensuring compliance of tax legislation, among others.

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. This sub-programme provides technical and functional support with regard to the transversal systems. The funds over the 2018/19 MTEF will be utilised towards SITA charges, software licenses, systems development related costs, biometric access control system, as well as the operational costs of the business unit.

The sub-programme: Supply Chain Management shows a decrease in 2016/17 due to the suspension of some projects within this unit. There is a steady increase from the 2017/18 Adjusted Appropriation and over the 2018/19 MTEF. The MTEF provides mainly for CMP, MBAT, SCM support interventions in departments and municipalities, as well as the operational costs of the unit.

The sub-programme: Public, Private Partnerships shows flat growth over the MTEF, and provides for operational costs of the unit, as well as support to departments, municipalities and public entities.

The spending against the sub-programme: Accounting Services mainly provides for projects such as reconciliation of all provincial and municipal government accounts, Operation Pay-on-Time, which aims to improve payment of invoices by departments and to assist with the payment of arrear accounts to municipalities and service providers, etc. The 2018/19 MTEF provides for various operational costs of the unit, Operation Pay-on-Time, support to departments in respect of preparation and consolidating and reviewing of their AFS, preparing consolidated AFS, training of departments and municipalities, financial management assistance, as well as the inter-governmental debt project.

The sub-programme: Norms and Standards shows a steady increase. Funding over the 2018/19 MTEF mainly provides for various operational costs of the unit, as well as preparation of instruction notes and standard operating procedures for departments, public entities and municipalities, among others.

Compensation of employees shows a steady increase to 2016/17. The decrease in the 2017/18 Adjusted Appropriation was mainly due to funds reprioritised to other items as a result of spending pressures. The filling of critical funded posts is in line with the department's organisational structure taking into account the moratorium on the filling of posts. The budget grows by 19 per cent in 2018/19, followed by a growth rate of 7 per cent and 6 per cent in 2019/20 and 2020/21 respectively. The growth rate in 2019/20 and 2020/21 is not in line with National Treasury recommended rates and will be reviewed in the next budget process. The increase over the 2018/19 MTEF is ascribed to the inflationary wage adjustments with carry-through of the previous year's wage adjustment, as well as the filling of vacant posts over the 2018/19 MTEF. These posts include Director: Financial Management and Reporting, Assistant Director: HARDCAT Financial System Support, and Director: Supply Chain Management.

Goods and services reflects a fluctuating trend. The increase from the Main to Adjusted Appropriation was mainly due to higher than budgeted bank charges, as well as consultant fees. This category caters mainly for bank charges, computer services (SITA), and the bulk of this allocation is towards consultants and administration and support staff, as well as consumables. This allocation is shown under *Goods and services* instead of *Compensation of employees* because of a recommendation by National Treasury to reflect this expenditure under Consultants. This may be reviewed in the course of the year. The budget over the 2018/19 MTEF mainly provides for support to departments in respect of preparation and the review of AFS, as well as for the preparation of consolidated AFS for the province as a whole.

Transfers and subsidies to: Non-profit institutions: reflects an amount in 2014/15 which was a once-off payment made on behalf of the DSR for the uMgungundlovu Academy of Sport as already mentioned.

Transfers and subsidies to: Households provided for staff exit costs of pension payouts relating to former development board members who took early retirement when the development boards were amalgamated with the Provincial Administration. The increase over the MTEF is inflationary.

Machinery and equipment is purchased on a cyclical basis, hence the fluctuating trend against this category. The amount reflected over the 2018/19 MTEF will be utilised toward the upgrade of the biometric servers, the hardware refresher servers, as well as the biometric access control system.

Payments for financial assets provides for the write-off of irrecoverable debts.

Service delivery measures: Financial Governance

Table 6.21 show the main service delivery measures for Programme 3. Note that there are no sector measures for this sector.

The department is largely following the measures used in previous years, with some of the outputs and performance indicator descriptions having been changed to ensure alignment with the department's 2018/19 APP.

Table 6.21 : Service delivery measures: Financial Governance

Outputs	Performance indicators	Estimated performance		Medium-term targets	
		2017/18	2018/19	2019/20	2020/21
1. Asset and Liabilities Management					
1.1. To assist depts. in improving cash management	<ul style="list-style-type: none"> No. of tax information seminars conducted annually No. of risk analysis reports per dept. to ensure compliance to tax legislation No. of quarterly assessment reports to depts. on status of bank related suspense accounts No. of monthly bank reconciliations per dept. No. of quarterly reports on withdrawals from municipal bank accounts 	1 session	1 session	1 session	1 session
		56 reports	56 reports	56 reports	56 reports
		56 assessment reports	56 assessment reports	56 assessment reports	56 assessment reports
		168 reconciled bank reconciliation	168 reconciled bank reconciliation	168 reconciled bank reconciliation	168 reconciled bank reconciliation
		4 reports on withdrawals from municipal bank accounts	4 reports on withdrawals from municipal bank accounts	4 reports on withdrawals from municipal bank accounts	4 reports on withdrawals from municipal bank accounts

Table 6.21 : Service delivery measures: Financial Governance

Outputs	Performance indicators	Estimated performance		Medium-term targets		
		2017/18	2018/19	2019/20	2020/21	
2. Public, Private Partnerships (PPP)						
2.1.	To provide technical, financial and legal advice in support of all provincial PPP projects in line with PPP project cycle as regulated by National Treasury guidelines	<ul style="list-style-type: none"> Seminars/workshops conducted for provincial depts, public entities, municipalities, municipal entities and the private sector No. of reports for Provincial Treasury management and National Treasury PPP unit No. of contract management reports on closed deals 	2 12 12	2 12 12	2 12 12	2 12 12
3. Provincial Supply Chain Management						
3.1.	Support and monitor adherence of state institutions to SCM prescripts	<ul style="list-style-type: none"> No. of SCM training sessions and information sessions conducted No. of SCM compliance assessments conducted No. of policies reviewed and updated No. of contract management analysis conducted 	Conduct 12 SCM training, information sessions, workshops and forums for state institutions Conduct 84 SCM assessments in depts, munic. and public entities and investigate complaints Review and update 4 policies Conduct 212 contract management reviews for state institutions	Conduct 12 SCM training, information sessions, workshops and forums for state institutions Conduct 84 SCM assessments in depts, munic. and public entities and investigate complaints Review and update 4 policies Conduct 106 contract management reviews for state institutions	Conduct 12 SCM training, information sessions, workshops and forums for state institutions Conduct 84 SCM assessments in depts, munic. and public entities and investigate complaints Review and update 4 policies Conduct 106 contract management reviews for state institutions	Conduct 12 SCM training, information sessions, workshops and forums for state institutions Conduct 84 SCM assessments in depts, munic. and public entities and investigate complaints Review and update 4 policies Conduct 106 contract management reviews for state institutions
4. Accounting Services						
4.1.	To assist depts and public entities in the attainment of a clean audit outcome for the province	<ul style="list-style-type: none"> Consolidated AFS for provincial depts to the Legislature Consolidated AFS for public entities to the Legislature Timeous submission of consolidated AFS for Revenue Fund to the Legislature No. of trainings conducted to provincial depts and public entities to strengthen financial management No. of progress reports on financial management support based on identified needs/audit findings Annual pre-audit review conducted on depts preparing AFS on MCS basis Annual pre-audit review conducted on public entities 	Audited Consolidated AFS for FY 2016/17 by 30 November 2017 Audited Consolidated AFS for FY 2016/17 by 30 November 2017 Audited Revenue Fund to A-G for FY 2016/17 by 30 November 2017 1 training workshop by 30 September 2017 Progress reports on financial management support based on specific requests received from depts Pre-audit review of AFS at depts preparing AFS on the MCS basis Pre-audit review of AFS at 7 public entities	Audited Consolidated AFS for FY 2017/18 tabled by 30 November 2018 to the Legislature Audited Consolidated AFS for FY 2017/18 tabled by 30 November 2018 to the Legislature Audited Consolidated AFS for FY 2017/18 submitted by 30 November 2018 to the Legislature 1 training workshop by 30 April 2018 3 progress reports on financial management support based on specific requests received from depts Pre-audit review of AFS at depts preparing AFS on the MCS basis Pre-audit review of AFS at 7 public entities	Audited Consolidated AFS for FY 2018/19 tabled by 30 November 2019 to the Legislature Audited Consolidated AFS for FY 2018/19 tabled by 30 November 2019 to the Legislature Audited Consolidated AFS for FY 2018/19 submitted by 30 November 2019 to the Legislature 1 training workshop by 30 April 2019 3 progress reports on financial management support based on specific requests received from depts Pre-audit review of AFS at depts preparing AFS on the MCS basis Pre-audit review of AFS at 7 public entities	Audited Consolidated AFS AG for FY 2019/20 tabled by 30 November 2020 to the Legislature Audited Consolidated AFS AG for FY 2019/20 tabled by 30 November 2020 to the Legislature Audited Consolidated AFS AG for FY 2019/20 submitted by 30 November 2020 to the Legislature 1 training workshop by 30 April 2020 3 progress reports on financial management support based on specific requests received from depts Pre-audit review of AFS at depts preparing AFS on the MCS basis Pre-audit review of AFS at 7 public entities
5. Norms and Standards						
5.1.	To develop, facilitate implementation and monitor compliance with financial norms and standards in provincial depts, municipalities and public entities	<ul style="list-style-type: none"> No. of instruction notes/standard operating procedures/policies developed and reviewed for depts, municipalities and their respective entities 	48 instruction notes, standard operating procedures and policies developed and/or reviewed based on needs analysis	12 standard operating procedures and 12 corresponding instruction notes reviewed for 14 departments and developed as required 12 policies reviewed for 2 identified municipalities and developed as required	12 standard operating procedures and 12 corresponding instruction notes reviewed for 14 departments and developed as required 12 policies reviewed for 2 identified municipalities and developed as required	12 standard operating procedures and 12 corresponding instruction notes reviewed for 14 departments and developed as required 12 policies reviewed for 2 identified municipalities and developed as required

Table 6.21 : Service delivery measures: Financial Governance

Outputs	Performance indicators	Estimated performance		Medium-term targets		
		2017/18	2018/19	2019/20	2020/21	
	<ul style="list-style-type: none"> No. of depts/public entities assessed and monitored 	All depts and 2 public entities assessed and monitored	14 depts assessed and monitored 2 entities assessed and monitored	14 depts assessed and monitored 2 entities assessed and monitored	14 depts assessed and monitored 2 entities assessed and monitored	
6. Support and Interlinked Financial Systems						
6.1.	To provide technical and functional support to supporting and interlinked financial systems	<ul style="list-style-type: none"> MTTR (transversal systems) 	8-16 hr MTTR	8-16 hr MTTR	8-16 hr MTTR	8-16 hr MTTR

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:

- To conduct risk assessments on behalf of the Accounting Officers and Chief Executive Officers of provincial departments and public entities, develop comprehensive risk profiles and recommend improvements on significant risk exposures for each client.
- 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 conduct forensic investigations and facilitate prosecution, perform misconduct enquiries and recovery in liaison with other state law enforcement agencies.
- 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 Heads of Departments.
- To prepare special reviews on computerised systems and performance.

Tables 6.22 and 6.23 provide a summary of payments and budgeted estimates pertaining to Programme 4.

Table 6.22 : Summary of payments and estimates by sub-programme: Internal Audit

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
1. Programme Support	-	-	-	-	-	-	3 575	3 729	3 934
2. Assurance Services	73 585	78 647	78 037	65 275	75 802	76 817	78 993	84 583	89 217
3. Risk Management	56 835	55 957	24 441	19 055	30 055	29 531	25 055	25 055	26 433
4. Forensic Services	-	-	30 267	39 558	39 634	36 264	36 932	39 478	41 648
Total	130 420	134 604	132 745	123 888	145 491	142 612	144 555	152 845	161 232

Table 6.23 : Summary of payments and estimates by economic classification: Internal Audit

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	129 803	133 455	131 683	123 024	144 549	141 195	143 564	151 800	160 129
Compensation of employees	54 987	59 441	67 544	70 976	75 976	74 543	79 104	81 746	86 243
Goods and services	74 816	74 014	64 139	52 048	68 573	66 652	64 460	70 054	73 886
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	170	684	101	103	181	144	106	112	118
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	4	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	170	680	101	103	181	144	106	112	118
Payments for capital assets	443	262	960	761	761	1 273	885	933	985
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	443	262	960	761	761	1 273	885	933	985
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	4	203	1	-	-	-	-	-	-
Total	130 420	134 604	132 745	123 888	145 491	142 612	144 555	152 845	161 232

The sub-programme: Programme Support is responsible for providing strategic leadership support to the Internal Audit unit. The Head of Internal Audit, Secretary and the Office Manager are provided for under this sub-programme, as well as their running cost. The historic comparative figures under this sub-programme are not provided because the financial records were not kept at this level.

The sub-programme: Assurance Services runs a learnership programme for the Certified Internal Auditors (CIA) learners for a period of three years, per intake. The 2017/18 and MTEF allocation increase is inflationary and provides for various operational costs of the unit, provision for learners towards the CIA qualification, planned and previous audits such as IT, financial and governance audits, provision for the Cluster Audit and Risk Committee (CARC) members, as well as the audit of predetermined objectives of departments and some municipalities.

The sub-programme: Risk Management is responsible for promoting good governance in departments and municipalities with assessments, workshops and training on risk management and internal audit capacity building. The below inflationary growth over the 2018/19 MTEF is mainly due to separation of Forensic Services from the Risk Management sub-programme. The allocation over the MTEF mainly provides for consultants for various activities such as reviews on risk management maturity, OHS, fraud prevention plans, development of governance frameworks for client departments, training on risk/governance awareness, as well as operational costs including travelling and subsistence.

The sub-programme: Forensic Services has been a stand-alone sub-programme since 2016/17, after being separated from the Risk Management functions. The 2018/19 MTEF provides for various operational costs, as well as forensic audits and investigations. It must be noted that this function is demand-driven, either through requests from clients or through referrals from Assurance Services, hence a slight decrease in the baselines over the MTEF.

The increase against *Compensation of employees* of 6 per cent in 2018/19 relates to the appointment of learners studying towards the CIA qualification. This rate is not enough to provide for the filling of posts, and does not fully cater for existing staff's increments. In 2019/20 and 2020/21, the allocation expands at the rate of 3 per cent and 6 per cent respectively, which is not sufficient in comparison with the National Treasury inflationary wage adjustment of 6.5, 6.3 and 6.5 per cent over the 2018/19 MTEF, and the 1.5 per cent pay progression. The budget increase over the 2018/19 MTEF is not adequate to ensure that all 20 vacant posts in the unit are filled, and will thus have to be reviewed in-year. Some of the vacant posts to be filled include that of Corporate Investigators and Risk Management Specialists.

The expenditure against *Goods and services* over the seven-year period can be attributed 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, forensic investigations, IT risk assessments on the BAS application system and the development of general forensic guidelines. The allocation over the 2018/19 MTEF is inflationary.

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

Machinery and equipment is for the purchase of equipment and the replacement and upgrading of equipment. The fluctuating trend is due to its cyclical nature.

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

Service delivery measures: Internal Audit

Table 6.24 illustrates the main service delivery measures for Programme 4.

The department reviewed its service delivery measures for 2018/19, and hence one new target is included, indicated by “New” in the 2017/18 column.

Table 6.24 : Service delivery measures: Internal Audit

Outputs	Performance indicators	Estimated performance		Medium-term targets		
		2017/18	2018/19	2019/20	2020/21	
1. Assurance Services						
1.1.	To provide an efficient, effective and economical assurance service	<ul style="list-style-type: none"> No. of IA annual operational plans and a rolling three-year strategic plan developed and approved No. of annual MEC Audit and Risk Committee report on clients' areas of risk management, governance and internal control No. of risk-based audit reports including follow up audit reports and reports on financial, IT, performance and governance audits No. of Audit Committee reports issued to Accounting Officers 	14	14	14	14
			1	1	1	1
			146	148	148	148
			New	28	28	28
1.2.	To build and maintain client relationships	<ul style="list-style-type: none"> No. of meetings held between clients and the CARC 	56	56	56	56
1.3.	To enhance capacity within and outside the unit	<ul style="list-style-type: none"> No. of training and development programmes attended No. of internal and/ independent external quality assurance reviews conducted 	8	8	8	8
			1	1	1	1
2. Risk Management						
2.1.	Promote good governance through effective risk management	<ul style="list-style-type: none"> No. of risk registers updated for provincial depts No. of reviews on risks management maturity depts No. of reviews of Occupational Health and Safety practices for depts and municipalities No. of reviews of business continuity practices for depts No. of risk-related/forums conferences held for provincial depts No. of reviews of the fraud prevention plans for depts and municipalities No. of risk related training/awareness provided to depts 	50	50	50	50
			30	30	30	30
			30	30	30	30
			30	30	30	30
			4	4	4	4
			20	20	20	20
			-	20	30	30
3. Forensic Services						
3.1	To promote a culture of zero tolerance for fraud and corruption	<ul style="list-style-type: none"> No. of forensic audits performed and investigations as per clients requests and referrals from assurance team No. of updated register of forensic investigations – MEC report No. of follow-ups on completed investigations per institution 	30	32	32	32
			4	4	4	4
			60	60	60	60

8.5 Programme 5: Municipal Finance Management

Programme 5 was established in 2018/19 in line with the new generic structure for all Treasuries, as mentioned, which makes provision for an integrated structure in respect of the Municipal Finance Management unit.

Municipal Finance was previously a sub-programme of Programme 2: Sustainable Resource Management. The budget figures were restated retrospectively. Functions previously performed under Programme 3: Financial Governance relating to municipalities still need to be incorporated under this programme. This will be undertaken in the 2018/19 Adjustments Estimate and over the 2019/20 MTEF, hence there are no amounts reflected in the prior years.

The Municipal Accounting and Reporting sub-programme is currently not allocated any budget but will be phased in once the required capacity has been obtained to assist, support and monitor municipalities with financial management and compliance with the annual reporting framework. The sub-programme also monitors and supports effective fixed asset management, monitors effective and efficient financial assets and liabilities management, as well as compliance with relevant legislation.

Tables 6.25 and 6.26 illustrate the payments and budgeted estimates pertaining to Programme 5.

Table 6.25 : Summary of payments and estimates by sub-programme: Municipal Finance Management

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20
1. Programme Support	-	-	-	-	-	-	3 351	3 641	3 841
2. Municipal Budget	36 405	46 037	53 193	57 181	57 181	55 792	27 813	29 432	31 051
3. Municipal Accounting and Reporting	-	-	-	-	-	-	-	-	-
4. Municipal Support Programme	-	-	-	-	-	-	32 545	34 433	36 327
Total	36 405	46 037	53 193	57 181	57 181	55 792	63 709	67 506	71 219

Table 6.26 : Summary of payments and estimates by economic classification: Municipal Finance Management

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20
Current payments	36 107	45 792	53 017	57 036	57 036	55 608	63 564	67 353	71 058
Compensation of employees	24 137	25 458	25 757	30 786	30 786	30 098	33 177	35 373	37 318
Goods and services	11 970	20 334	27 260	26 250	26 250	25 510	30 387	31 980	33 740
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	-	28	-	-	-	29	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	28	-	-	-	29	-	-	-
Payments for capital assets	298	217	176	145	145	155	145	153	161
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	298	217	176	145	145	155	145	153	161
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	36 405	46 037	53 193	57 181	57 181	55 792	63 709	67 506	71 219

The sub-programme: Programme Support is responsible for providing strategic leadership support to the Municipal Finance Management unit. The programme manager, the secretary and the office manager are provided for under this sub-programme, as well as their running costs.

The budget against the sub-programme: Municipal Budget includes providing support to delegated municipalities and to monitor the preparation and performance of municipal budgets, as well as the compliance by all delegated municipalities.

The sub-programme: Municipal Support Programme is established to assist and provide technical support to delegated municipalities. The MSP forms part of this sub-programme and is committed to supporting its clients and identifying methods to improve service delivery by assisting and supporting municipalities, as well as ensuring compliance with the MFMA and other relevant legislation. The programme also places emphasis on capacity building within the projects undertaken. The allocation over the 2018/19 MTEF is mainly for assisting and providing technical support to delegated municipalities to ensure sound financial management and sustainability.

The general increase against *Compensation of employees* relates to the filling of critical vacant posts. This item grows at 10 per cent in 2018/19, 7 per cent in 2019/20 and 5.4 per cent in 2020/21. Sufficient provision was made for the inflationary wage adjustment of 6.5, 6.3 and 6.5 per cent over the 2018/19 MTEF, and the 1.5 per cent pay progression, with the exception of the outer year which grows at less than inflation projection in 2019/21 and 2020/21. These rates will be reviewed in the next budget process.

The amounts reflected against *Goods and services* includes provision for projects such as the MSP, municipal budgets to assist and provide technical support to delegated municipalities, among others.

Transfers and subsidies to: Households relates to staff exits costs.

Machinery and equipment is for the purchase of equipment and the replacement and upgrading of equipment. The fluctuating trend is due to its cyclical nature.

Service delivery measures: Municipal Finance Management

Table 6.27 reflects the main service delivery measures pertaining to Programme 5. The department reviewed its service delivery measures for 2018/19, and hence four new targets are included, indicated by “New” in the 2017/18 column.

Table 6.27 : Service delivery measures: Municipal Finance Management

Outputs	Performance indicators	Estimated performance		Medium-term targets	
		2017/18	2018/19	2019/20	2020/21
5.1 Municipal Budget					
5.1.1 To ensure optimal and sustainable municipal budgets	<ul style="list-style-type: none"> No. of tabled budgets evaluated and feedback provided to delegated municipalities No. of approved budgets evaluated and feedback provided to delegated municipalities No. of budget workshops 	<p>New</p> <p>New</p> <p>New</p>	<p>51 municipal tabled budgets evaluated</p> <p>51 municipal approved budgets evaluated</p> <p>1 budget related workshop</p>	<p>51 municipal tabled budgets evaluated</p> <p>51 municipal approved budgets evaluated</p> <p>1 budget related workshop</p>	<p>51 municipal tabled budgets evaluated</p> <p>51 municipal approved budgets evaluated</p> <p>1 budget related workshop</p>
5.1.2 To ensure optimal implementation of budgets by municipalities and reporting on related compliance	<ul style="list-style-type: none"> No. of Section 71(6) reports (monthly municipal IYM report) within the prescribed time frame No. of Section 71(7) quarterly budget performance reports No. of Section 72 reports evaluated and feedback provided to delegated municipalities No. of reports on the compliance with the applicable MFMA reporting requirements No. of Municipal Finance circulars issued 	<p>12 Section 71(6) reports</p> <p>4 Section 71(7) quarterly budget performance reports</p> <p>New</p> <p>New</p> <p>New</p>	<p>12 Section 71(6) reports</p> <p>4 Section 71(7) quarterly budget performance reports</p> <p>51 Section 72 municipal reports evaluated</p> <p>2 reports on the compliance with the applicable MFMA reporting requirements</p> <p>5 Municipal Finance circulars</p>	<p>12 Section 71(6) reports</p> <p>4 Section 71(7) quarterly budget performance reports</p> <p>51 Section 72 municipal reports evaluated</p> <p>2 reports on the compliance with the applicable MFMA reporting requirements</p> <p>5 Municipal Finance circulars</p>	<p>12 Section 71(6) reports</p> <p>4 Section 71(7) quarterly budget performance reports</p> <p>51 Section 72 municipal reports evaluated</p> <p>2 reports on the compliance with the applicable MFMA reporting requirements</p> <p>5 Municipal Finance circulars</p>
5.2. Municipal Support Programme					
5.2.1 To assist and provide technical support to delegated municipalities to ensure sound financial management and sustainability	<ul style="list-style-type: none"> No. of municipalities supported by the MSP No. of MSP projects implemented at target municipalities No. of municipal support steering committee meetings conducted No. of CFO Forums conducted No. of circulars on the grant roll-over process 	<p>10 municipalities to be supported through the MSP</p> <p>Previously reported as no. of municipalities supported</p> <p>New</p> <p>New</p> <p>New</p>	<p>Reported as no. of projects from 2018/19 (as below)</p> <p>10 projects to be implemented</p> <p>4 quarterly meetings to monitor progress on MSP</p> <p>4 quarterly CFO Forums</p> <p>1 circular by 31 August 2018 on the grant roll over process</p>	<p>Reported as no. of projects from 2018/19 (as below)</p> <p>10 projects to be implemented</p> <p>4 quarterly meetings to monitor progress on MSP</p> <p>4 quarterly CFO Forums</p> <p>1 circular by 31 August 2019 on the grant roll over process</p>	<p>Reported as no. of projects from 2018/19 (as below)</p> <p>12 projects to be implemented</p> <p>4 quarterly meetings to monitor progress on MSP</p> <p>4 quarterly CFO Forums</p> <p>1 circular by 31 August 2020 on the grant roll over process</p>

9. Other programme information

9.1 Personnel numbers and costs

Table 6.28 reflects personnel information per programme for Provincial Treasury, for the period March 2015 to March 2021.

The employees reflected as contract workers are interns employed by the department and are provided for under Programme 1. Provision has been adequately made for the carry-through costs of the inflationary wage adjustment of 6.5, 6.3 and 6.5 per cent over the 2018/19 MTEF, as well as the 1.5 per cent pay progression. The fluctuation in the personnel numbers is due to contract employees who are hired on a short-term basis. The department is planning to fill 69 vacant posts over the 2018/19 MTEF, which has not been adequately budgeted for and will be reviewed in-year. The increase in 2018/19 is adequate for filling of posts, with the exception of the outer years. This will be reviewed in-year.

Table 6.28 : Summary of departmental personnel numbers and costs by component

R thousands	Audited Outcome						Revised Estimate				Medium-term Estimates						Average annual growth over MTEF 2017/18 - 2020/21		
	2014/15		2015/16		2016/17		2017/18				2018/19		2019/20		2020/21		Pers. growth rate	Costs growth rate	% 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 – 6	194	17 195	166	18 774	165	22 895	3	133	136	24 308	138	26 277	144	27 746	144	29 272	1.9%	6.4%	8.6%
7 – 10	144	47 620	192	51 994	199	63 095	148	7	155	67 274	185	84 662	193	91 889	203	96 944	9.4%	13.0%	27.0%
11 – 12	117	82 760	128	90 363	138	90 343	123	9	132	103 577	144	113 456	149	118 598	153	125 288	5.0%	6.5%	36.6%
13 – 16	64	60 135	73	65 696	73	74 981	60	10	70	79 897	70	82 524	70	87 562	71	92 427	0.5%	5.0%	27.4%
Other	1	965	1	1 018	1	1 069	1	-	1	1 122	1	1 229	1	1 512	1	1 833	0.0%	17.8%	0.5%
Total	520	208 675	560	227 845	576	252 383	335	159	494	276 178	538	308 148	557	327 307	572	345 764	5.0%	7.8%	100.0%
Programme																			
1. Administration	169	55 836	159	59 586	179	67 170	111	55	166	76 015	174	87 152	179	94 099	179	99 324	2.5%	9.3%	28.4%
2. Sustainable Resource Management	44	21 411	47	27 951	47	34 957	27	11	38	33 011	39	34 259	40	36 773	41	38 963	2.6%	5.7%	11.5%
3. Financial Governance	137	52 304	179	55 409	142	56 955	83	35	118	62 511	135	74 456	147	79 316	155	83 916	9.5%	10.3%	23.8%
4. Internal Audit	137	54 987	135	59 441	163	67 544	72	58	130	74 543	146	79 104	147	81 746	150	86 243	4.9%	5.0%	25.5%
5. Municipal Finance Management	33	24 137	40	25 458	45	25 757	42	-	42	30 098	44	33 177	44	35 373	47	37 318	3.8%	7.4%	10.8%
Total	520	208 675	560	227 845	576	252 383	335	159	494	276 178	538	308 148	557	327 307	572	345 764	5.0%	7.8%	100.0%
Employee dispensation classification																			
PSA appointees not covered by OSDs	519	207 710	559	226 827	575	251 314	334	159	493	275 056	537	306 985	556	326 050	571	344 438	5.0%	7.8%	99.6%
Legal professionals	1	965	1	1 018	1	1 069	1	-	1	1 122	1	1 163	1	1 257	1	1 326	0.0%	5.7%	0.4%
Total	520	208 675	560	227 845	576	252 383	335	159	494	276 178	538	308 148	557	327 307	572	345 764	5.0%	7.8%	100.0%

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

9.2 Training

Table 6.29 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 allocation toward training aligns with the allocation under *Training and development* item under *Goods and services*.

Table 6.29 : Information on training: Provincial Treasury

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Number of staff	520	560	571	506	506	506	505	505	505
Number of personnel trained	339	373	373	385	385	385	385	385	406
of which									
Male	157	150	150	160	160	160	160	160	169
Female	182	223	223	225	225	225	225	225	237
Number of training opportunities	836	600	615	621	621	621	621	621	655
of which									
Tertiary	3	3	5	6	6	6	6	6	6
Workshops	260	197	160	165	165	165	165	165	174
Seminars	149	100	100	100	100	100	100	100	106
Other	424	300	350	350	350	350	350	350	369
Number of bursaries offered	14	11	11	12	30	30	12	12	30
Number of interns appointed	59	14	14	14	25	25	14	14	30
Number of learnerships appointed	-	30	-	-	20	20	-	-	20
Number of days spent on training	156	115	120	120	120	120	120	120	127
Payments on training by programme									
1. Administration	558	606	642	805	803	847	985	1 009	1 065
2. Sustainable Resource Management	142	115	55	155	184	162	178	188	198
3. Financial Governance	571	395	362	483	488	444	459	606	639
4. Internal Audit	1 241	816	815	900	900	956	1 022	1 079	1 136
5. Municipal Finance Management	79	133	150	175	175	146	110	116	122
Total	2 591	2 065	2 024	2 518	2 550	2 555	2 754	2 998	3 160

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		
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sale of goods and services other than capital assets	322	345	352	226	226	415	227	228	235
Sale of goods and services produced by department	319	340	352	223	223	399	224	223	230
Sales by market establishments	90	102	106	107	107	98	108	109	112
Administrative fees	29	90	41	19	19	25	21	23	24
Other sales	200	148	205	97	97	276	95	91	94
Of which									
Commission	63	63	69	60	60	68	48	48	51
Tender documents	135	80	134	45	45	198	39	39	41
Sales of scrap, waste, arms and other used current goods (excluding capital assets)	3	5	-	3	3	16	3	5	5
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	-	-	1	-	-	-	-	-	-
Interest, dividends and rent on land	309 569	391 253	284 822	216 842	216 842	310 732	295 219	299 501	314 793
Interest	309 569	391 253	284 822	216 842	216 842	310 732	295 219	299 501	314 793
Dividends	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Sales of capital assets	39	790	119	192	192	356	203	204	210
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Other capital assets	39	790	119	192	192	356	203	204	210
Transactions in financial assets and liabilities	2 513	4 027	3 594	385	385	711	407	410	422
Total	312 443	396 415	288 888	217 645	217 645	312 214	296 056	300 343	315 660

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

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	575 075	569 228	583 277	590 094	613 379	601 433	628 832	655 662	698 678
Compensation of employees	208 675	227 845	252 383	287 664	284 003	276 178	308 148	327 307	345 764
Salaries and wages	188 401	205 107	227 157	256 005	254 065	247 878	276 774	293 351	309 912
Social contributions	20 274	22 738	25 226	31 659	29 938	28 300	31 374	33 956	35 852
Goods and services	366 400	341 383	330 300	300 696	328 642	324 521	317 184	326 855	351 314
Administrative fees	7 558	9 325	10 175	10 135	12 788	12 876	9 843	7 250	7 648
Advertising	3 788	1 764	3 186	2 366	3 962	3 938	2 869	3 888	4 101
Minor assets	548	9 430	7 511	865	2 173	1 923	541	696	733
Audit cost: External	4 406	3 813	4 448	6 030	6 030	4 440	3 926	5 826	6 147
Bursaries: Employees	260	320	582	500	508	500	500	264	279
Catering: Departmental activities	1 819	455	1 690	1 004	1 059	1 979	1 445	1 538	1 623
Communication (G&S)	2 177	3 056	2 791	3 119	3 166	3 160	3 145	3 325	3 510
Computer services	115 480	110 604	115 405	109 923	101 138	100 604	87 981	97 003	102 339
Cons & prof serv: Business and advisory services	168 918	132 588	124 868	113 406	27 110	29 013	44 223	34 403	42 847
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	3 135	2 305	3 150	1 113	2 004	3 118	2 147	2 385	2 516
Contractors	3 631	20 421	10 123	1 001	986	993	1 661	2 921	3 080
Agency and support / outsourced services	356	182	81	187	112 039	106 598	109 827	115 984	122 349
Entertainment	-	-	-	18	14	2	4	5	5
Fleet services (including govt motor transport)	1 375	1 416	1 632	1 926	1 888	1 708	1 166	1 227	1 294
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	593	427	524	645	779	714	682	643	676
Consumable: Stationery, printing and office supplies	2 478	2 255	1 830	2 702	2 417	1 945	2 536	2 919	3 081
Operating leases	15 417	17 366	14 170	17 810	20 309	18 956	15 072	15 074	15 903
Property payments	12 526	7 815	8 852	6 502	7 577	9 179	6 530	6 915	7 295
Transport provided: Departmental activity	651	26	115	322	322	289	165	166	175
Travel and subsistence	15 182	13 405	13 707	15 403	16 843	16 555	16 814	17 329	18 232
Training and development	2 591	2 065	2 024	2 518	2 550	2 555	2 754	2 998	3 160
Operating payments	1 704	2 101	2 579	2 354	2 419	2 700	2 558	2 981	3 144
Venues and facilities	1 807	184	85	847	561	776	795	1 115	1 177
Rental and hiring	-	60	772	-	-	-	-	-	-
Interest and rent on land	-	-	594	1 734	734	734	3 500	1 500	1 600
Interest	-	-	594	1 734	734	734	3 500	1 500	1 600
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	41 016	21 041	8 077	10 755	5 755	5 711	3 095	2 947	3 105
Provinces and municipalities	31 794	10 301	24	24	31	31	23	26	27
Provinces	129	21	24	24	31	31	23	26	27
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	129	21	24	24	31	31	23	26	27
Municipalities	31 665	10 280	-	-	-	-	-	-	-
Municipalities	31 665	10 280	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	1	2	-	-	2	2	3	3	3
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	1	2	-	-	2	2	3	3	3
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	4	7	-	-	-	-	-	-
Public corporations	-	4	7	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	4	7	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	1 365	4 340	3 857	9 105	4 105	4 053	896	984	1 033
Households	7 856	6 394	4 189	1 626	1 617	1 625	2 173	1 934	2 042
Social benefits	4 094	2 297	856	1 088	1 079	1 065	1 145	1 258	1 328
Other transfers to households	3 762	4 097	3 333	538	538	560	1 028	676	714
Payments for capital assets	14 854	14 037	4 740	6 995	12 235	12 043	18 973	18 663	19 625
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	14 854	14 037	4 740	6 995	12 235	12 043	18 823	18 405	19 353
Transport equipment	2 397	1 393	1 379	4 375	4 675	4 096	7 223	7 262	7 662
Other machinery and equipment	12 457	12 644	3 361	2 620	7 560	7 947	11 600	11 143	11 691
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	150	258	272
Payments for financial assets	4	344	21	-	-	-	-	-	-
Total	630 949	604 650	596 115	607 844	631 369	619 187	650 900	677 272	721 408

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

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	114 903	124 094	148 999	158 938	165 136	163 868	178 049	178 933	195 666
Compensation of employees	55 836	59 586	67 170	83 766	80 923	76 015	87 152	94 099	99 324
Salaries and wages	50 094	52 713	59 506	73 590	71 633	67 412	76 550	82 971	87 584
Social contributions	5 742	6 873	7 664	10 176	9 290	8 603	10 602	11 128	11 740
Goods and services	59 067	64 508	81 829	75 172	84 213	87 853	90 897	84 834	96 342
Administrative fees	904	215	427	392	515	377	311	368	390
Advertising	3 447	1 501	2 002	2 161	2 078	1 957	2 204	2 511	2 649
Minor assets	159	79	326	234	262	153	371	349	368
Audit cost: External	4 406	3 813	4 448	6 030	6 030	4 440	3 926	5 826	6 147
Bursaries: Employees	282	320	582	500	500	500	500	264	279
Catering: Departmental activities	1 638	204	1 235	726	599	1 315	1 177	1 295	1 367
Communication (G&S)	1 033	1 759	1 392	1 583	1 656	1 693	1 586	1 676	1 769
Computer services	31	54	16 228	7 260	9 319	14 752	10 054	9 913	10 459
Cons & prof serv: Business and advisory services	3 861	2 027	10 300	19 688	7 205	7 168	35 143	24 518	32 752
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	2 094	2 305	3 150	949	1 920	2 350	1 946	1 973	2 081
Contractors	3 576	20 321	10 036	983	858	797	1 635	2 906	3 064
Agency and support / outsourced services	356	182	81	187	14 333	13 356	327	337	356
Entertainment	-	-	-	18	14	2	4	5	5
Fleet services (including govt motor transport)	1 375	1 416	1 632	1 926	1 888	1 708	1 166	1 227	1 294
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	497	332	364	457	571	483	478	432	455
Consumable: Stationery, printing and office supplies	1 100	687	936	1 460	1 331	1 114	1 453	1 531	1 615
Operating leases	15 382	17 322	14 151	17 758	20 257	18 872	15 058	15 058	15 886
Property payments	12 520	7 815	8 852	6 502	7 577	9 177	6 530	6 915	7 295
Transport provided: Departmental activity	647	26	115	322	322	288	165	166	175
Travel and subsistence	3 342	2 928	3 459	3 882	4 744	4 877	4 369	4 407	4 605
Training and development	558	606	642	805	803	847	985	1 009	1 065
Operating payments	531	509	683	684	886	866	795	1 118	1 179
Venues and facilities	1 328	27	16	665	545	761	714	1 030	1 087
Rental and hiring	-	60	772	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	38 779	19 304	7 484	9 767	4 853	4 919	2 050	1 795	1 889
Provinces and municipalities	31 794	10 301	24	24	31	31	23	26	27
Provinces	129	21	24	24	31	31	23	26	27
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	129	21	24	24	31	31	23	26	27
Municipalities	31 665	10 280	-	-	-	-	-	-	-
Municipalities	31 665	10 280	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	1	2	-	-	2	2	3	3	3
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	1	2	-	-	2	2	3	3	3
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	7	-	-	-	-	-	-
Public corporations	-	-	7	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	7	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	138	4 340	3 857	9 105	4 105	4 053	896	984	1 033
Households	6 846	4 661	3 596	638	715	833	1 128	782	826
Social benefits	3 084	564	263	100	177	273	100	106	112
Other transfers to households	3 762	4 097	3 333	538	538	560	1 028	676	714
Payments for capital assets	3 345	2 113	2 598	5 375	5 575	4 916	12 278	12 530	13 220
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	3 345	2 113	2 598	5 375	5 575	4 916	12 128	12 272	12 948
Transport equipment	2 397	1 393	1 379	4 375	4 675	4 096	7 223	7 262	7 662
Other machinery and equipment	948	720	1 219	1 000	900	820	4 905	5 010	5 286
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	150	258	272
Payments for financial assets	-	78	20	-	-	-	-	-	-
Total	157 027	145 589	159 101	174 080	175 564	173 703	192 377	193 258	210 775

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

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2014/15	2015/16	2016/17	Appropriation	Appropriation	Estimate	2018/19	2019/20	2020/21
Current payments	38 874	37 997	43 567	38 654	40 456	40 106	40 499	42 956	45 325
Compensation of employees	21 411	27 951	34 957	30 377	33 179	33 011	34 259	36 773	38 963
Salaries and wages	19 719	25 553	32 232	27 531	30 198	30 052	31 386	33 295	35 279
Social contributions	1 692	2 398	2 725	2 846	2 981	2 959	2 873	3 478	3 684
Goods and services	17 463	10 046	8 016	8 277	7 277	7 095	6 240	6 183	6 362
Administrative fees	21	48	67	50	60	56	56	58	61
Advertising	95	168	-	135	83	54	90	98	103
Minor assets	15	49	59	26	19	7	22	23	24
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	35	81	84	120	71	56	80	84	88
Communication (G&S)	195	224	214	178	165	186	186	195	206
Computer services	-	-	98	165	188	188	100	100	106
Cons & prof serv: Business and advisory services	14 808	6 537	5 191	5 368	4 368	4 156	500	500	367
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	84	-	-	-	-	-	-	-	-
Contractors	23	45	17	4	21	20	11	5	5
Agency and support / outsourced services	-	-	-	-	-	-	3 123	2 945	3 106
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including govt motor transport)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Meddas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	-	7	15	10	11	28	13	14	15
Consumable: Stationery, printing and office supplies	168	232	133	192	160	132	200	212	225
Operating leases	-	-	-	-	-	11	-	-	-
Property payments	6	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	881	1 253	1 303	951	1 359	1 462	944	989	1 043
Training and development	142	115	55	155	184	162	178	188	198
Operating payments	594	1 131	780	773	588	577	737	772	815
Venues and facilities	396	156	-	150	-	-	-	-	-
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	594	-	-	-	-	-	-
Interest	-	-	594	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	50	-	-	67	67	-	-	-
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	-	50	-	-	67	67	-	-	-
Social benefits	-	50	-	-	67	67	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	188	208	299	221	221	199	158	166	170
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	188	208	299	221	221	199	158	166	170
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	188	208	299	221	221	199	158	166	170
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	2	-	-	-	-	-	-	-
Total	39 062	38 257	43 866	38 875	40 744	40 372	40 657	43 122	45 495

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

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2014/15	2015/16	2016/17	Appropriation	Appropriation	Estimate	2018/19	2019/20	2020/21
Current payments	255 388	227 890	206 011	212 442	206 202	200 656	203 156	214 620	226 500
Compensation of employees	52 304	55 409	56 955	71 759	63 139	62 511	74 456	79 316	83 916
Salaries and wages	47 159	50 051	51 053	62 831	56 181	55 916	66 926	70 947	75 073
Social contributions	5 145	5 358	5 902	8 928	6 958	6 595	7 530	8 369	8 843
Goods and services	203 084	172 481	149 056	138 949	142 329	137 411	125 200	133 804	140 984
Administrative fees	6 381	8 864	9 436	9 345	11 865	12 184	9 210	6 542	6 901
Advertising	102	60	1 145	25	1 756	1 912	525	1 226	1 293
Minor assets	110	9 272	7 009	396	1 683	1 639	103	180	190
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	8	-	-	-	-
Catering: Departmental activities	96	101	281	59	290	490	83	98	103
Communication (G&S)	451	589	722	731	718	725	735	780	824
Computer services	115 199	110 057	98 324	102 128	91 261	85 248	77 467	86 603	91 366
Cons & prof serv: Business and advisory services	73 242	37 257	26 748	19 858	15 537	14 225	2 265	1 590	1 504
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	957	-	-	164	84	768	201	412	435
Contractors	20	48	50	8	101	142	9	10	11
Agency and support / outsourced services	-	-	-	-	12 689	14 083	27 675	28 727	30 307
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including govt motor transport)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medcas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	50	73	124	131	150	137	124	130	136
Consumable: Stationery, printing and office supplies	497	503	297	517	393	304	409	669	706
Operating leases	35	44	9	52	52	54	14	16	17
Property payments	-	-	-	-	-	2	-	-	-
Transport provided: Departmental activity	4	-	-	-	-	-	-	-	-
Travel and subsistence	5 229	5 115	4 225	4 830	5 000	4 786	5 599	5 864	6 182
Training and development	571	395	362	483	488	444	459	606	639
Operating payments	57	103	255	190	238	253	302	330	348
Venues and facilities	83	-	69	32	16	15	20	21	22
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	1 734	734	734	3 500	1 500	1 600
Interest	-	-	-	1 734	734	734	3 500	1 500	1 600
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	2 067	975	492	885	654	552	939	1 040	1 098
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	1 227	-	-	-	-	-	-	-	-
Households	840	975	492	885	654	552	939	1 040	1 098
Social benefits	840	975	492	885	654	552	939	1 040	1 098
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	10 580	11 237	707	493	5 533	5 500	5 507	4 881	5 089
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	10 580	11 237	707	493	5 533	5 500	5 507	4 881	5 089
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	10 580	11 237	707	493	5 533	5 500	5 507	4 881	5 089
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	61	-	-	-	-	-	-	-
Total	268 035	240 163	207 210	213 820	212 389	206 708	209 602	220 541	232 687

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

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2014/15	2015/16	2016/17	Appropriation	Appropriation	Estimate	2018/19	2019/20	2020/21
Current payments	129 803	133 455	131 683	123 024	144 549	141 195	143 564	151 800	160 129
Compensation of employees	54 987	59 441	67 544	70 976	75 976	74 543	79 104	81 746	86 243
Salaries and wages	49 627	53 711	61 020	64 023	68 023	67 208	71 785	74 023	78 095
Social contributions	5 360	5 730	6 524	6 953	7 953	7 335	7 319	7 723	8 148
Goods and services	74 816	74 014	64 139	52 048	68 573	66 652	64 460	70 054	73 886
Administrative fees	224	161	217	318	318	232	231	245	258
Advertising	144	9	-	-	-	-	-	-	-
Minor assets	63	14	77	164	164	96	40	141	148
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	(22)	-	-	-	-	-	-	-	-
Catering: Departmental activities	34	67	64	29	29	67	30	32	34
Communication (G&S)	399	389	373	521	521	469	527	557	588
Computer services	250	493	755	370	370	416	360	387	408
Cons & prof serv: Business and advisory services	66 791	68 318	57 089	44 410	-	3 464	6 315	7 795	8 224
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	-	-
Contractors	7	-	8	-	-	-	-	-	-
Agency and support / outsourced services	-	-	-	-	60 935	55 726	50 405	53 979	56 931
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including govt motor transport)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medcas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	37	7	18	44	44	65	35	38	40
Consumable: Stationery, printing and office supplies	453	600	265	306	306	236	313	330	348
Operating leases	-	-	-	-	-	-	-	-	-
Property payments	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	-	-	-	-	-	1	-	-	-
Travel and subsistence	4 787	3 028	3 903	4 525	4 525	4 435	4 693	4 956	5 228
Training and development	1 241	816	815	900	900	956	1 022	1 079	1 136
Operating payments	408	111	555	461	461	489	428	451	475
Venues and facilities	-	1	-	-	-	-	61	64	68
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	170	684	101	103	181	144	106	112	118
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	-	4	-	-	-	-	-	-	-
Public corporations	-	4	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	4	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	170	680	101	103	181	144	106	112	118
Social benefits	170	680	101	103	181	144	106	112	118
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	443	262	960	761	761	1 273	885	933	985
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	443	262	960	761	761	1 273	885	933	985
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	443	262	960	761	761	1 273	885	933	985
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	4	203	1	-	-	-	-	-	-
Total	130 420	134 604	132 745	123 888	145 491	142 612	144 555	152 845	161 232

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

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2014/15	2015/16	2016/17	Appropriation	Appropriation	Estimate	2018/19	2019/20	2020/21
Current payments	36 107	45 792	53 017	57 036	57 036	55 608	63 564	67 353	71 058
Compensation of employees	24 137	25 458	25 757	30 786	30 786	30 098	33 177	35 373	37 318
Salaries and wages	21 802	23 079	23 346	28 030	28 030	27 290	30 127	32 115	33 881
Social contributions	2 335	2 379	2 411	2 756	2 756	2 808	3 050	3 258	3 437
Goods and services	11 970	20 334	27 260	26 250	26 250	25 510	30 387	31 980	33 740
Administrative fees	28	37	28	30	30	27	35	37	38
Advertising	-	26	39	45	45	15	50	53	56
Minor assets	201	16	40	45	45	28	5	3	3
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	16	2	26	70	70	51	75	29	31
Communication (G&S)	99	95	90	106	106	87	111	117	123
Computer services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Business and advisory services	10 216	18 449	25 540	24 082	-	-	-	-	-
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	-	-
Contractors	5	7	12	6	6	34	6	-	-
Agency and support / outsourced services	-	-	-	-	24 082	23 433	28 297	29 996	31 649
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including govt motor transport)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medcas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	9	8	3	3	3	1	32	29	30
Consumable: Stationery, printing and office supplies	260	233	199	227	227	159	161	177	187
Operating leases	-	-	10	-	-	19	-	-	-
Property payments	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	943	1 081	817	1 215	1 215	995	1 209	1 113	1 174
Training and development	79	133	150	175	175	146	110	116	122
Operating payments	114	247	306	246	246	515	296	310	327
Venues and facilities	-	-	-	-	-	-	-	-	-
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	28	-	-	-	29	-	-	-
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	-	28	-	-	-	29	-	-	-
Social benefits	-	28	-	-	-	29	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	298	217	176	145	145	155	145	153	161
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	298	217	176	145	145	155	145	153	161
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	298	217	176	145	145	155	145	153	161
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	36 405	46 037	53 193	57 181	57 181	55 792	63 709	67 506	71 219

Table 6.H : Summary of transfers to local government

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation 2017/18	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
A KZN2000 eThekweni	-	-	-	-	-	-	-	-	-
Total: Ugu Municipalities	-	-	-	-	-	-	-	-	-
B KZN212 uMdoni	-	-	-	-	-	-	-	-	-
B KZN213 uMzumbe	-	-	-	-	-	-	-	-	-
B KZN214 uMuziwabantu	-	-	-	-	-	-	-	-	-
B KZN216 Ray Nkonyeni	-	-	-	-	-	-	-	-	-
C DC21 Ugu District Municipality	-	-	-	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	5 283	218	-	-	-	-	-	-	-
B KZN221 uMshwathi	-	-	-	-	-	-	-	-	-
B KZN222 uMngeni	-	-	-	-	-	-	-	-	-
B KZN223 Mpofana	-	-	-	-	-	-	-	-	-
B KZN224 iMpendle	-	-	-	-	-	-	-	-	-
B KZN225 Msunduzi	5 283	218	-	-	-	-	-	-	-
B KZN226 Mkhambathini	-	-	-	-	-	-	-	-	-
B KZN227 Richmond	-	-	-	-	-	-	-	-	-
C DC22 uMgungundlovu District Municipality	-	-	-	-	-	-	-	-	-
Total: uThukela Municipalities	-	-	-	-	-	-	-	-	-
B KZN235 Okhahlamba	-	-	-	-	-	-	-	-	-
B KZN237 iNkosi Langalibalele	-	-	-	-	-	-	-	-	-
B KZN238 Alfred Duma	-	-	-	-	-	-	-	-	-
C DC23 uThukela District Municipality	-	-	-	-	-	-	-	-	-
Total: uMzinyathi Municipalities	-	-	-	-	-	-	-	-	-
B KZN241 eNdumeni	-	-	-	-	-	-	-	-	-
B KZN242 Nquthu	-	-	-	-	-	-	-	-	-
B KZN244 uMsinga	-	-	-	-	-	-	-	-	-
B KZN245 uMvoti	-	-	-	-	-	-	-	-	-
C DC24 uMzinyathi District Municipality	-	-	-	-	-	-	-	-	-
Total: Amajuba Municipalities	-	-	-	-	-	-	-	-	-
B KZN252 Newcastle	-	-	-	-	-	-	-	-	-
B KZN253 eMadlangeni	-	-	-	-	-	-	-	-	-
B KZN254 Dannhauser	-	-	-	-	-	-	-	-	-
C DC25 Amajuba District Municipality	-	-	-	-	-	-	-	-	-
Total: Zululand Municipalities	-	-	-	-	-	-	-	-	-
B KZN261 eDumbe	-	-	-	-	-	-	-	-	-
B KZN262 uPhongolo	-	-	-	-	-	-	-	-	-
B KZN263 AbaQulusi	-	-	-	-	-	-	-	-	-
B KZN265 Nongoma	-	-	-	-	-	-	-	-	-
B KZN266 Ulundi	-	-	-	-	-	-	-	-	-
C DC26 Zululand District Municipality	-	-	-	-	-	-	-	-	-
Total: uMkhanyakude Municipalities	-	-	-	-	-	-	-	-	-
B KZN271 uMhlabuyalingana	-	-	-	-	-	-	-	-	-
B KZN272 Jozini	-	-	-	-	-	-	-	-	-
B KZN275 Mtubatuba	-	-	-	-	-	-	-	-	-
B KZN276 Big Five Hlabisa	-	-	-	-	-	-	-	-	-
C DC27 uMkhanyakude District Municipality	-	-	-	-	-	-	-	-	-
Total: King Cetshwayo Municipalities	-	-	-	-	-	-	-	-	-
B KZN281 uMfolozi	-	-	-	-	-	-	-	-	-
B KZN282 uMhlathuze	-	-	-	-	-	-	-	-	-
B KZN284 uMlalazi	-	-	-	-	-	-	-	-	-
B KZN285 Mthonjaneni	-	-	-	-	-	-	-	-	-
B KZN286 Nkandla	-	-	-	-	-	-	-	-	-
C DC28 King Cetshwayo District Municipality	-	-	-	-	-	-	-	-	-
Total: iLembe Municipalities	-	-	-	-	-	-	-	-	-
B KZN291 Mandeni	-	-	-	-	-	-	-	-	-
B KZN292 KwaDukuza	-	-	-	-	-	-	-	-	-
B KZN293 Ndwedwe	-	-	-	-	-	-	-	-	-
B KZN294 Maphumulo	-	-	-	-	-	-	-	-	-
C DC29 iLembe District Municipality	-	-	-	-	-	-	-	-	-
Total: Harry Gwala Municipalities	26 382	10 062	-	-	-	-	-	-	-
B KZN433 Greater Kokstad	26 382	10 062	-	-	-	-	-	-	-
B KZN434 uBuhlebezwe	-	-	-	-	-	-	-	-	-
B KZN435 uMzimkhulu	-	-	-	-	-	-	-	-	-
B KZN436 Dr Nkosazana Dlamini Zuma	-	-	-	-	-	-	-	-	-
C DC43 Harry Gwala District Municipality	-	-	-	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-	-	-	-
Total	31 665	10 280	-	-	-	-	-	-	-