

Vote 1

Office of the Premier

R thousand	2017/18			
	Main appropriation	Adjusted appropriation	Decrease	Increase
Operational budget	739 952	761 298		21 346
Remuneration of the Premier ¹	2 173	2 173		
Total amount to be appropriated	742 125	763 471		21 346
<i>of which:</i>				
Current payments	609 239	598 151	(11 088)	
Transfers and subsidies	117 893	140 554		22 661
Payments for capital assets	14 993	24 766		9 773
Payments for financial assets	-	-		
Responsible Executive Authority	The Premier			
Administering department	Office of the Premier			
Accounting Officer	Director-General			

1. Vision and mission

Vision

The vision of the Office of the Premier (OTP) is: *To be the centre of governance, providing leadership towards achieving KZN Vision 2035.*

Mission statement

The mission of the department is to support the Premier in carrying out his constitutional and statutory duties. The department fulfils this mission primarily by:

- Promoting an integrated service delivery model.
- Enhancing co-operative governance within the province.
- Effective stakeholder management and communication.
- Enhancing performance management and accountability through monitoring and evaluation.

2. Strategic objectives

The *strategic policy direction* of the OTP is directly linked to national government's 14 outcomes and also informs the department's strategic objectives, as listed below:

- Integrate, co-ordinate and facilitate transversal policies, programmes, strategies, plans and systems of the province.
- Lead in macro planning and policy management to achieve the electoral mandate.
- Monitoring and evaluation of provincial government's programmes.
- Provide strategic leadership and direction for provincial government.
- Oversee the development and implementation of legislation.
- Promote inter and intra-governmental relations and good governance.

Based on the mission and mandates, the department identified the following strategic objectives:

¹ At the time of going to print, the proclamation determining the 2017 salary adjustment relating to public office bearers had not been signed, hence this amount remains unchanged from the 2017/18 EPRE

- To realise the existence of functional public policy and strategic planning management systems and processes for the provincial government.
- To achieve co-ordinated provincial policies, strategies and programmes.
- To ensure the existence of governance conditions conducive to respect for human rights, promotion of science and technology, and conservation and management of cultural heritage resources.
- To realise enhanced government communication and governance, human resources development, state law advisory services and service delivery in and by the provincial administration.
- To have in place co-ordinated and aligned policies and plans of the three spheres of government and foreign governments and agencies.
- To achieve effectively monitored and evaluated government policies and programmes.
- To enhance and promote the status of the Zulu Monarch and to establish the necessary institutional arrangements in support of the Zulu Monarchy and members of the Royal family.

3. Summary of adjusted estimates for the 2017/18 financial year

The main budget of the OTP was R742.125 million in 2017/18. During the year, the department received an additional allocation totalling R21.346 million, which resulted in an adjusted appropriation of R763.471 million.

The main reasons for this increase, as well as other adjustments, are summarised below, and explained in detail in Section 4.

- *Roll-overs:* R1.313 million was approved as a roll-over from 2016/17 and relates to the roll-over of funds of R8 million from 2015/16 to 2016/17, which could not be entirely spent in 2016/17 as a result of delays that were experienced with renovations at KwaKhangela palace. The projects included roof waterproofing at KwaKhangela palace, the children's houses, *gogos*' hut and servants' quarters. It must be noted that this is a second roll-over of the funds for the maintenance and repairs to the Royal palaces. This roll-over was allocated to Programme 3: Policy and Governance, against *Buildings and other fixed structures*.
- *Virement between programmes:* The department undertook a reprioritisation exercise in order to fund various spending pressures. This resulted in various virements which are detailed in Section 4, but are summarised between programmes as follows:
 - o Programme 1: Administration was increased by a net amount of R4.718 million as follows:
 - Savings of R1 million were identified under *Goods and services* in respect of office partitioning and refurbishments that were put on hold until roof repairs to the Moses Mabhida building are completed. These funds were moved within *Goods and services* to Programme 3 for household maintenance such as painting, plumbing and general day-to-day maintenance repairs at the Royal palaces.
 - Offsetting the above was a virement of R2.500 million, identified as savings against *Goods and services* in Programme 2: Institutional Development, because the existing office accommodation was not suitable to cater for the increased organisational structure requirements. These savings were moved to Programme 1 for the operational expenses of the Moerane Commission of Inquiry into political killings in KwaZulu-Natal.
 - In addition, an amount of R3.218 million was identified as savings against *Compensation of employees* (R1.195 million), *Goods and services* (R1.859 million) and *Machinery and equipment* (R164 000) in Programme 3, against the Poverty Eradication Master Plan (PEMP) unit. These savings were due to several high level posts such as Chief Director and Director, being vacant. These funds were specifically and exclusively appropriated for the PEMP operations centre, however Provincial Treasury support in principal was obtained for the reprioritisation of these funds to *Goods and services* (R3.054 million) and *Machinery and equipment* (R164 000) in Programme 1 to cater for the unfunded mandate of the Moerane Commission of Inquiry.

- o Programme 2: Institutional Development was decreased by a net amount of R4.400 million as follows:
 - Savings of R4.900 million were identified against Programme 2 under *Compensation of employees* due to key posts that were not filled timeously as a result of lengthy internal recruitment processes. These funds were moved to Programme 3 to offset *Compensation of employees* costs (R1.900 million), *Goods and services* (R1 million) for household maintenance and repairs at the Royal palaces and an increase of R2 million in *Transfers and subsidies to: Departmental agencies and accounts* in respect of the transfer to the Royal Household Trust (RHT) for their operational expenses.
 - In addition, savings of R2.500 million, identified within Programme 2 against *Goods and services* due to the non-finalisation of additional office accommodation, were moved to Programme 1 to cover the spending pressures emanating from the establishment of the Moerane Commission of Inquiry, as mentioned.

Offsetting the above virements was a movement of R3 million to *Machinery and equipment* in Programme 2 for the purchase of mini-buses to serve as mobile offices in the district offices. These savings were identified against *Goods and services* under Programme 3 due to over-budgeting for the strengthening of war rooms in the various districts.

- o Programme 3: Policy and Governance was decreased by a net amount of R318 000 as follows:
 - R3.218 million was identified as savings due to high level posts of Chief Director and Director being vacant in the PEMP unit, and related to *Compensation of employees* (R1.195 million), *Goods and services* (R1.859 million) and *Machinery and equipment* (R164 000). As previously mentioned, these specifically and exclusively appropriated funds were moved to Programme 1 against *Goods and services* (R3.054 million) and *Machinery and equipment* (R164 000) to facilitate the sittings for the Moerane Commission of Inquiry.
 - Savings of R3 million in respect of furniture and equipment for the war rooms were identified under *Goods and services*, and were moved to *Machinery and equipment* under Programme 2 for the purchase of mini-buses to serve as mobile offices in various districts.

Offsetting the above was a movement of R5.900 million as follows:

- R1.900 million was moved within *Compensation of employees* from Programme 2 to cater for the carry-through costs of critical posts that were filled in 2016/17.
- R2 million was moved to *Goods and services* in Programme 3, with R1 million moved from the same category in Programme 1 and R1 million moved from *Compensation of employees* in Programme 2. The movement was to cover day-to-day household repairs and maintenance costs such as painting, plumbing and electrical maintenance at the Royal palaces.
- R2 million was moved from *Compensation of employees* in Programme 2 to Programme 3 against *Transfers and subsidies to: Departmental agencies and accounts* to increase the transfer payment to the RHT to address their operational spending pressures such as higher costs for cattle feed due to the persistent drought.

All virements undertaken are permissible in terms of the PFMA and Treasury Regulations, and where applicable, Provincial Treasury approval was obtained for increases in transfers, such as for the RHT.

Note that the reduction and change in purpose of funds that were specifically and exclusively appropriated for the PEMP operations centre requires Legislature approval.

- *Shifts*: The department moved an amount of R292 000 from *Goods and services* to *Transfers and subsidies to: Departmental agencies and accounts*, to correct a misallocation of funding for computer services in respect of the KwaZulu-Natal Gaming and Betting Board (KZNGBB). These funds were incorrectly placed against *Goods and services* instead of for transfer to the KZNGBB, and this is now corrected. There is no change in purpose for these funds. This movement is within Programme 2, hence is not visible in Table 1.1.

- *Other adjustments:* The department's budget allocation was increased by R20.033 million against *Transfers and subsidies to: Departmental agencies and accounts*. This relates to the KZNGBB, which was requested to return an amount of approximately R20.800 million a few years ago to the Provincial Revenue Fund (PRF) for the PRF to earn the associated interest on this capital amount. The KZNGBB was initially allocated these funds to acquire new office accommodation for their operations. The entity has only recently secured rental space in Pietermaritzburg for their offices and the amount is therefore returned to the KZNGBB for this purpose. It should be noted that these funds are specifically and exclusively allocated for transfer to the KZNGBB for their office space requirements.

Tables 1.1 and 1.2 reflect a summary of the 2017/18 adjusted appropriation of the department, summarised according to programme and economic classification.

Note that further details of adjustments at economic classification level are provided in *Annexure – Vote 1: Office of the Premier*.

Table 1.1 : Summary by programmes

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
1. Administration	87 280	-	-	4 718	-	-	4 718	91 998
2. Institutional Development	354 275	-	-	(4 400)	-	20 033	15 633	369 908
3. Policy and Governance	300 570	1 313	-	(318)	-	-	995	301 565
Total	742 125	1 313	-	-	-	20 033	21 346	763 471
Amount to be voted								21 346

Table 1.2 : Summary by economic classification

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
Current payments	609 239	-	-	(10 796)	(292)	-	(11 088)	598 151
Compensation of employees	291 998	-	-	(12 638)	-	-	(12 638)	279 360
Goods and services	317 241	-	-	1 842	(292)	-	1 550	318 791
Interest and rent on land	-	-	-	-	-	-	-	-
Transfers and subsidies to:	117 893	-	-	2 336	292	20 033	22 661	140 554
Provinces and municipalities	57	-	-	50	-	-	50	107
Departmental agencies and accounts	91 635	-	-	2 000	292	20 033	22 325	113 960
Higher education institutions	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-
Households	26 201	-	-	286	-	-	286	26 487
Payments for capital assets	14 993	1 313	-	8 460	-	-	9 773	24 766
Buildings and other fixed structures	2 034	1 313	-	4 800	-	-	6 113	8 147
Machinery and equipment	8 297	-	-	6 217	-	-	6 217	14 514
Heritage assets	4 594	-	-	(2 539)	-	-	(2 539)	2 055
Specialised military assets	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-
Software and other intangible assets	68	-	-	(18)	-	-	(18)	50
Payments for financial assets	-	-	-	-	-	-	-	-
Total	742 125	1 313	-	-	-	20 033	21 346	763 471
Amount to be voted								21 346

4. Changes to programme purposes and service delivery measures

The department did not change the purpose of any of its programmes. However, there were some changes to service delivery measures to align the targets originally published in the 2017/18 *EPRE* with the department's APP, which was published after the *EPRE*, as detailed in Sections 4.1 to 4.3 below.

4.1 Programme 1: Administration

The purpose of this programme is to provide administrative support to the Premier, Executive Council and the Director-General in fulfilling their legislative and oversight functions and in promoting good governance.

Tables 1.3 and 1.4 reflect a summary of the 2017/18 adjusted appropriation of Programme 1, summarised according to sub-programme and economic classification. Details of the main adjustments, which resulted in an overall increase of R4.718 million, are provided in the paragraphs below.

Table 1.3 : Programme 1: Administration

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
1. Premier Support	24 070			1 302			1 302	25 372
2. Executive Council Support	9 843			600			600	10 443
3. Director-General	14 142			(852)			(852)	13 290
4. Financial Management	39 225			3 668			3 668	42 893
Total	87 280	-	-	4 718	-	-	4 718	91 998
Amount to be voted								4 718

Table 1.4 : Summary by economic classification

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
Current payments	84 992	-	-	4 433	-	-	4 433	89 425
Compensation of employees	52 662			(2)			(2)	52 660
Goods and services	32 330			4 435			4 435	36 765
Interest and rent on land							-	-
Transfers and subsidies to:	1 117	-	-	2	-	-	2	1 119
Provinces and municipalities							-	-
Departmental agencies and accounts							-	-
Higher education institutions							-	-
Foreign governments and international organisations							-	-
Public corporations and private enterprises							-	-
Non-profit institutions							-	-
Households	1 117			2			2	1 119
Payments for capital assets	1 171	-	-	283	-	-	283	1 454
Buildings and other fixed structures	-						-	-
Machinery and equipment	1 171			283			283	1 454
Heritage assets	-						-	-
Specialised military assets	-						-	-
Biological assets	-						-	-
Land and subsoil assets	-						-	-
Software and other intangible assets	-						-	-
Payments for financial assets							-	-
Total	87 280	-	-	4 718	-	-	4 718	91 998
Amount to be voted								4 718

Virement – Programme 1: Administration: R4.718 million

Programme 1 was increased by a net amount of R4.718 million as follows:

- Savings of R1 million against *Goods and services* in respect of office partitioning and refurbishments of the Moses Mabhida building that were put on hold, were identified against the Premier Support sub-programme and were moved to Programme 3 to the Royal Household sub-programme for the costs associated with household maintenance such as painting, plumbing and general day-to-day maintenance repairs of the Royal palaces.
- Offsetting the above was a movement of R2.500 million from *Goods and services* in Programme 2, relating to the non-finalisation of additional office accommodation for the increased organisational structure requirements. These savings were moved to *Goods and services* in the Financial Management sub-programme for the operational expenses of the Moerane Commission of Inquiry.
- In addition, savings of R3.218 million were identified in Programme 3 against the Premier's Priority Programmes sub-programme in respect of the PEMP unit against *Compensation of employees* (R1.195 million), *Goods and services* (R1.859 million) and *Machinery and equipment* (R164 000). These savings were due to posts such as the Chief Director and Director posts, which were vacated during the year. These funds were specifically and exclusively appropriated for the PEMP operations centre, but Provincial Treasury support in principle was obtained for the reprioritisation of these funds to the Financial Management sub-programme in Programme 1, with R3.054 million allocated

to *Goods and services* and R164 000 to *Machinery and equipment*, to cater for the unfunded mandate for the establishment of the Moerane Commission of Inquiry.

- The following virements were undertaken within Programme 1:
 - Savings of R2 000 were identified against *Compensation of employees* due to vacant posts and were moved to *Transfers and subsidies: Households* to provide for staff exit costs in the Director-General sub-programme.
 - Savings of R89 000 and R30 000 were identified against *Goods and services* due to reduced travel costs and were moved to *Machinery and equipment* in the Director-General and Financial Management sub-programmes, respectively.

All virements undertaken are permissible in terms of the PFMA and Treasury Regulations.

Note that the reduction of R3.218 million in PEMP funding and the change in purpose of these funds require Legislature approval, as these funds were specifically and exclusively appropriated for the PEMP operations centre.

Service delivery measures – Programme 1: Administration

Table 1.5 shows the revised service delivery for Programme 1. Note that two measures in this programme are annual in nature and are only reported on after the closure of the financial year. The department revised one measure to align it with the target published in the 2017/18 APP, and this is reflected in the 2017/18 Revised target column. The department amended the description of an output and two measures, and these are indicated in bold italics.

Table 1.5 : Service delivery measures – Programme 1: Administration

Outputs	Performance indicators	Performance indicators		
		2017/18 Original target	2017/18 Mid-year actual	2017/18 Revised target
1 Premier Support				
1.1 <i>Effective and efficient support to the Premier in Executive Council</i>	• MPAT score for OTP overall	3	Annual	
2 Executive Council Support				
2.1 Effective and efficient Provincial Executive Council and key committees administrative support service	• No. of Executive Council <i>decision matrix implementation progress reports submitted to the Executive Council</i>	20	9	
3 Director-General				
3.1 Strategic management meeting resolutions	• No. of EXCO meetings supported	12	5	
4 Financial management				
4.1 Financial management reports	• No. of financial management reports	12	6	
4.4 AFS	• No. of <i>Financial Statements</i> submitted in terms of prescripts	1 final, 3 interim	2 interim	4 (1 final AFS, 3 interim)
4.5 Procurement plan	• Procurement plan submitted in terms of prescripts	1	Annual	

4.2 Programme 2: Institutional Development

The purpose of this programme is to improve service delivery through institutional capacity building and transformation management in the province.

Tables 1.6 and 1.7 reflect a summary of the 2017/18 adjusted appropriation of Programme 2, summarised according to sub-programme and economic classification.

Details of the main adjustments, which resulted in an overall increase of R15.633 million, are provided in the paragraphs below.

Table 1.6 : Programme 2: Institutional Development

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
1. Strategic Human Resources	101 471			(7 611)			(7 611)	93 860
2. Information Communication Technology (ICT)	79 657			1 500			1 500	81 157
3. Legal Services	11 728			1 900			1 900	13 628
4. Communication Services	52 167			6 511			6 511	58 678
5. Special Programmes	46 137			(6 700)			(6 700)	39 437
6. Intergovernmental Relations	14 722						-	14 722
7. Gaming and Betting	48 393					20 033	20 033	68 426
Total	354 275	-	-	(4 400)	-	20 033	15 633	369 908
Amount to be voted								15 633

Table 1.7 : Summary by economic classification

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
Current payments	306 846	-	-	(10 432)	(292)	-	(10 724)	296 122
Compensation of employees	142 641			(13 341)			(13 341)	129 300
Goods and services	164 205			2 909	(292)		2 617	166 822
Interest and rent on land							-	-
Transfers and subsidies to:	42 931	-	-	98	292	20 033	20 423	63 354
Provinces and municipalities	57			50			50	107
Departmental agencies and accounts	42 871				292	20 033	20 325	63 196
Higher education institutions							-	-
Foreign governments and international organisations							-	-
Public corporations and private enterprises							-	-
Non-profit institutions							-	-
Households	3			48			48	51
Payments for capital assets	4 498	-	-	5 934	-	-	5 934	10 432
Buildings and other fixed structures	804			2 300			2 300	3 104
Machinery and equipment	3 626			3 652			3 652	7 278
Heritage assets							-	-
Specialised military assets							-	-
Biological assets							-	-
Land and subsoil assets							-	-
Software and other intangible assets	68			(18)			(18)	50
Payments for financial assets							-	-
Total	354 275	-	-	(4 400)	-	20 033	15 633	369 908
Amount to be voted								15 633

Virement – Programme 2: Institutional Development: (R4.400 million)

Programme 2 was decreased by a net amount of R4.400 million, as follows:

- Savings of R4.900 million were identified against *Compensation of employees* under the Strategic Human Resources (R3 million) and Special Programmes (R1.900 million) sub-programmes in Programme 2, due to key posts that were not filled timeously as a result of lengthy internal recruitment processes. These funds were moved to the Royal Household sub-programme in Programme 3 to offset *Compensation of employees* carry-through costs (R1.900 million), *Goods and services* (R1 million) for household maintenance and repairs costs related to the Royal palaces, as well as to *Transfers and subsidies to: Departmental agencies and accounts* to increase the transfer to the RHT (R2 million) for their operational expenses, such as extra cattle feed due to the persistent drought.
- In addition, savings of R2.500 million identified against *Goods and services* due to the non-finalisation of additional office accommodation, were moved from the Information Communication Technology (ICT) sub-programme in Programme 2 to the Financial Management sub-programme in Programme 1 to cover spending pressures emanating from the establishment of the Moerane Commission of Inquiry, as mentioned.
- Offsetting the above was a movement of funds of R3 million to *Machinery and equipment* under the ICT sub-programme in Programme 2 for the purchase of mini-buses to serve as mobile offices in the various districts. These savings were identified against *Goods and services* in the Premier's Priority Programmes sub-programme under Programme 3 from the funds allocated for the equipping of war rooms in the districts and training of task teams.

- The following virements were undertaken within Programme 2:
 - Savings of R1.200 million against *Compensation of employees* due to vacant posts were moved within the Strategic Human Resources sub-programme to *Goods and services* to cater for new women empowerment initiatives and skills development.
 - Savings of R6.201 million against *Compensation of employees* from various sub-programmes within Programme 2 were moved to *Goods and services* under the Communication sub-programme to cater for higher than expected costs in terms of marketing and branding of the OTP.
 - Savings of R1 million against *Compensation of employees* under the Strategic Human Resources sub-programme were moved to *Goods and services* under the Special Programmes sub-programme to strengthen democracy support capacity initiatives, such as the rights of the elderly in the various districts and the International Children's Day event.
 - Savings of R40 000 arising from vacant posts and R58 000 as a result of reduced administrative expenses were identified against *Compensation of employees* and *Goods and services*, respectively. These funds were moved to *Transfers and subsidies to: Provinces and municipalities* for motor vehicle licences (R50 000) in the ICT sub-programme and to *Transfers and subsidies to: Households* (R48 000) for staff exits in a number of sub-programmes.
 - Savings of R2.934 million were identified against *Goods and services* arising from cost-cutting (R634 000) and the non-finalisation of additional office accommodation (R2.300 million). These funds were moved within sub-programmes to *Machinery and equipment* to cater for the replacement of computer equipment, as well as office furniture and equipment (R634 000). Movement was also made to *Buildings and other fixed structures* for the upgrade of the Moses Mabhida Building and the parking facilities situated in Terry Street adjacent to the building (R1.300 million), as well as major repairs at the Premier's Parkside residence (R1 million) in respect of the swimming pool and electrical maintenance.
 - Savings of R18 000, due to over-budgeting against *Software and other intangible assets*, were moved within the Special Programmes sub-programme to *Machinery and equipment* to cover the replacement of computer equipment.

In addition to the above, further virements were undertaken within sub-programmes and across economic classification levels. All virements undertaken are permissible in terms of the PFMA and Treasury Regulations.

Shifts – Programme 2: Institutional Development

The department shifted funds within the Gaming and Betting sub-programme in Programme 2 amounting to R292 000. This amount was included under *Goods and services* when the Gaming and Betting function was suspended from Vote 6: Provincial Treasury in 2016/17. These funds were shifted to *Transfers and subsidies to: Departmental agencies and accounts* to increase the transfer payment to the KZNGBB. The purpose of the funds remains unchanged.

Other adjustments – Programme 2: Institutional Development: R20.033 million

An amount of R20.033 million was allocated to the department, related to the KZNGBB, which was requested to return an amount of approximately R20.800 million a few years ago to the PRF to earn the associated interest on this capital amount, which was initially allocated to acquire new office accommodation for their operations. The entity only recently secured rental space in Pietermaritzburg for their offices and the amount is therefore returned to the KZNGBB for this purpose. It should be noted that these funds are specifically and exclusively allocated for transfer to the KZNGBB for their office space requirements.

Service delivery measures – Programme 2: Institutional Development

Table 1.8 shows the revised service delivery for Programme 2. The department amended the description of several measures, and these are indicated in bold italics. Note that two measures are annual in nature

and are only reported on after the closure of the financial year. The department revised several measures to align them with the targets published in the 2017/18 APP. Note also that one performance measure is no longer valid and this is indicated by “n/a” in the Mid-year actual and Revised target columns.

Table 1.8 : Service delivery measures – Programme 2 : Institutional Development

Outputs	Performance indicators	Performance indicators		
		2017/18 Original target	2017/18 Mid-year actual	2017/18 Revised target
1 Strategic Human Resources				
1.1 Technical human resource management <i>policy</i> support services	• No. of quarterly reports on technical support services provided to all HR units in the provincial govt. of KZN on policy matters	4	2	
1.2 Public Service training	• No. of training sessions	200	106	
2 Information Communication Technology (ICT)				
2.1 IT governance assessment reports	• No. of 6 monthly provincial departments' IT governance assessment co-ordination reports	2	1	
3 Legal Services				
3.1 Appropriate and constitutionally compliant Provincial Legislation	• No. of quarterly reports on Provincial Legislative Programme submitted within 10 days of the end of each quarter	4	2	
4 Communication Services				
4.1 Effective and efficient communication engagement	• No. of articles on the PGDP published in the print media targeting external audiences	8	3	
5 Special Programmes				
5.1 Annual performance plans for each human rights target group	• No. of annual performance business plans for human rights target groups: 1 x gender, 1 x disability, 1 x children, 1 x senior citizens	1 per group, 4 total	2	
5.2 Ombudsperson co-ordination	• No. of OTP Ombudsperson reports	2	-	4
6 Intergovernmental Relations (IGR)				
6.1 Technical Premier's forum meetings	• No. of IGR Premier's Technical Co-ordinating forum decision matrices	4	1	
7 Gaming and Betting				
7.1 Enhance the Gaming and Betting regulatory environment in KZN	<ul style="list-style-type: none"> • Amended KZN Gaming and Betting legislation implemented • No. of quarterly assessment reports on Gaming Board activities • 4 reconciled tax returns • No. of functionality assessment reports 	<ul style="list-style-type: none"> Implementation of the 2017 Act and review of Regulations 4 quarterly reports 4 reconciled tax returns 4 sets of minutes of Board meetings 	<ul style="list-style-type: none"> Annual 2 n/a Annual 	<ul style="list-style-type: none"> Amended 2010 Gaming and Betting Act n/a Functionality assessment matrix developed and piloted

4.3 Programme 3: Policy and Governance

Programme 3's purpose is to initiate province-wide development and implementation of policies and strategies to achieve a co-ordinated approach towards sustainable provincial growth and development. Tables 1.9 and 1.10 reflect a summary of the 2017/18 adjusted appropriation of Programme 3, summarised according to sub-programme and economic classification. Details of the main adjustments, which resulted in an overall increase of R995 000, are given in the paragraphs below the tables.

Table 1.9 : Programme 3: Policy and Governance

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
1. Provincial Policy Management	50 579			(2 550)			(2 550)	48 029
2. Premier's Priority Programmes	132 428			(3 268)			(3 268)	129 160
3. Royal Household	58 884	1 313		9 700			11 013	69 897
4. Heritage	58 679			(4 200)			(4 200)	54 479
Total	300 570	1 313	-	(318)	-	-	995	301 565
Amount to be voted								995

Table 1.10 : Summary by economic classification

R thousand	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts		
Current payments	217 401	-	-	(4 797)	-	(4 797)	212 604
Compensation of employees	96 695			705		705	97 400
Goods and services	120 706			(5 502)		(5 502)	115 204
Interest and rent on land						-	-
Transfers and subsidies to:	73 845	-	-	2 236	-	2 236	76 081
Provinces and municipalities						-	-
Departmental agencies and accounts	48 764			2 000		2 000	50 764
Higher education institutions						-	-
Foreign governments and international organisations						-	-
Public corporations and private enterprises						-	-
Non-profit institutions						-	-
Households	25 081			236		236	25 317
Payments for capital assets	9 324	1 313	-	2 243	-	3 556	12 880
Buildings and other fixed structures	1 230	1 313		2 500		3 813	5 043
Machinery and equipment	3 500			2 282		2 282	5 782
Heritage assets	4 594			(2 539)		(2 539)	2 055
Specialised military assets						-	-
Biological assets						-	-
Land and subsoil assets						-	-
Software and other intangible assets						-	-
Payments for financial assets						-	-
Total	300 570	1 313	-	(318)	-	995	301 565
Amount to be voted							995

Roll-over – Programme 3: Policy and Governance: R1.313 million

An amount of R1.313 million was approved as a roll-over from 2016/17 and relates to the roll-over of R8 million from 2015/16 to 2016/17, which could not be entirely spent in 2016/17 as a result of delays experienced with renovations at KwaKhangela palace. The projects included roof waterproofing at KwaKhangela palace, the children's houses, *gogos'* hut and servants' quarters. This roll-over was allocated to *Buildings and other fixed structures* under the Royal Household sub-programme in Programme 3. It must be noted that this is a second roll-over of the funds for the maintenance and repairs to the Royal palaces.

Virement – Programme 3: Policy and Governance: (R318 000)

Programme 3 was decreased by a net amount of R318 000 as follows:

- R3.218 million was identified as savings against the Premier's Priority Programmes in respect of *Compensation of employees* (R1.195 million), *Goods and services* (R1.859 million) and *Machinery and equipment* (R164 000) in respect of the PEMP operations centre. These funds were specifically and exclusively appropriated, and the department received support in principle from Provincial Treasury for this decrease. These funds were moved to the Financial Management sub-programme under Programme 1 to *Goods and services* (R3.054 million) and *Machinery and equipment* (R164 000) to fund the Moerane Commission of Inquiry.
- Savings of R3 million in respect of training of task teams, as well as minor assets for the war rooms were identified under *Goods and services* against the Premier's Priority Programmes sub-programme. These funds were moved to *Machinery and equipment* under Programme 2 for the purchase of mini-buses to serve as mobile offices in the various districts.

Offsetting the above was R5.900 million moved to the sub-programme: Royal Household as follows:

- R1.900 million was moved from *Compensation of employees* under the Special Programmes sub-programme in Programme 2, to *Compensation of employees* in the Royal Household sub-programme to cater for the carry-through costs of critical posts that were filled in 2016/17.
- R2 million was moved from *Goods and services* under the Premier Support sub-programme (R1 million) in Programme 1, and the Strategic Human Resources sub-programme (R1 million) under Programme 2, to *Goods and services* in the Royal Household sub-programme to cover the day-to-day household costs in terms of repairs and maintenance, such as painting, plumbing and electrical maintenance at the Royal palaces.

- R2 million was identified as savings in *Compensation of employees* under the Strategic Human Resources sub-programme in Programme 2, and was moved to *Transfers and subsidies to: Departmental agencies and accounts* to increase the transfer to the RHT to address their operational spending pressures, such as higher costs for cattle feed due to the persistent drought.

The following virements were undertaken within Programme 3:

- Savings of R236 000 under *Goods and services* in the Provincial Policy Management (R134 000) and the Royal Household (R102 000) sub-programmes were moved within each sub-programme to *Transfers and subsidies to: Households*, mainly for staff exit costs, as well as bursaries.
- Savings of R2.539 million were identified against *Heritage assets* under the Heritage sub-programme due to lengthy processes with stakeholders, and R2.500 million was moved to *Buildings and other fixed structures* in the Royal Household sub-programme for the construction of six rondavels at the Enyokeni palace for use by the Queens during official Royal events. The balance of R39 000 was moved to *Machinery and equipment* to cater for furniture and equipment for the war rooms.
- Savings of R2.407 million were identified against *Goods and services* due to the reprioritisation of funds relating to task team training at the war rooms. These funds were moved to *Machinery and equipment* within the Premier's Priority Programmes sub-programme to cater for minor asset requirements for the war rooms.

All virements undertaken are permissible in terms of the PFMA and Treasury Regulations and, where necessary, Treasury approval was obtained to increase *Transfers and subsidies*, and Treasury support was obtained for the reprioritisation of specifically and exclusively appropriated funds.

Note that the reduction and change in purpose of the funds that were specifically and exclusively appropriated for the PEMP operations centre requires Legislature approval.

Service delivery measures – Programme 3: Policy and Governance

Table 1.11 shows the revised service delivery for Programme 3. The department revised two measures to align them with the targets published in the 2017/18 APP, and these are reflected in the 2017/18 Revised target column. The department amended the description of two measures to ensure alignment with the 2017/18 APP, and these are indicated in bold italics.

Table 1.11 : Service delivery measures – Programme 3: Policy and Governance

Outputs	Performance indicators	Performance indicators		
		2017/18 Original target	2017/18 Mid-year actual	2017/18 Revised target
1. Provincial Policy Management				
1.1 Macro Policy Development and Co-ordination				
1.1.1 Policy audit reports	• No. of policy audit reports	2	1	
2. Premier's Priority Programmes				
2.1 PGDP capacity workshops with strategic partnership	• No. of workshops of stakeholders on PGDP Vision 2035	4	2	
2.2 Youth Projects co-ordination	• No. of co-ordination reports on projects for youth	1	2	4
2.3 Youth forum co-ordination reports	• <i>No. of quarterly monitoring reports on youth forums</i>	4	2	
2.4 Strategic partnership forums	• No. of forum meetings with each sector – 1 x NGO, 1 x <i>business</i> , 1 x traditional authority, and 1 x religious sector	4	2	
3. King's Support and Royal Household				
3.1 Service Reports	• Quarterly reports on support services provided to His Majesty and Royal Household	4	2	
4. Heritage				
4.1 <i>Heritage</i> awareness	• No. of community Heritage awareness campaigns	11	8	8
4.2 Heritage memory infrastructure developed	• No. of monuments or memorials erected	8	3	
4.3 Monitoring reports on Amafa Council performance	• No. of Amafa monitoring reports	4	2	

5. Specifically and exclusively appropriated allocations

Table 1.12 shows the amounts that are specifically and exclusively appropriated for specific purposes in terms of the KZN Adjustments Appropriation Act. Note that the table excludes specifically and exclusively allocated funding for public entities, as these are already included in *Transfers and subsidies* in Table 1.14.

Details of the main adjustments, which resulted in an overall increase of R7.518 million in respect of the department's specifically and exclusively appropriated funding, are provided in the paragraphs following the tables.

Table 1.12 : Summary of specifically and exclusively appropriated funding

R thousand	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts		
1. Prog 1: Moerane Commission of Inquiry				3 218		3 218	3 218
2. Prog 2: Centralisation of communications budget	44 300				(3 495)	(3 495)	40 805
3. Prog 3: Poverty Eradication Master Plan operations centre	12 218			(3 218)		(3 218)	9 000
4. Prog 3: The Royal Household	58 884	1 313		9 700		11 013	69 897
Total	115 402	1 313	-	9 700	(3 495)	7 518	122 920
Amount to be voted							7 518

- *Roll-overs*: An amount of R1.313 million was approved as a roll-over from 2016/17 to 2017/18 and relates to the roll-over of R8 million from 2015/16 to 2016/17, which could not be entirely spent in 2016/17 as a result of delays experienced with renovations at KwaKhangela palace, as mentioned. This roll-over was allocated to the Royal Household sub-programme in Programme 3, against *Buildings and other fixed structures*.
- *Virement*: The department undertook the following virements amounting to a net increase of R9.700 million under the specifically and exclusively appropriated allocation, as follows:
 - o Savings of R3.218 million were identified against the PEMP operations centre as a result of key vacant posts, such as the Chief Director and Director posts that were vacated in 2016/17. This also resulted in savings against operational expenses and capital assets. Provincial Treasury support in principal was given for the funds to be reprioritised to the Moerane Commission of Inquiry under Programme 1, against *Goods and services* (R3.054 million) and *Machinery and equipment* (R164 000).
 - o Savings amounting to R9.700 million were identified against *Compensation of employees* (R6.200 million), *Goods and services* (R1 million), as well as *Heritage assets* (R2.500 million) and were moved to the Royal Household to cover spending pressures as follows:
 - R3.200 million to *Compensation of employees* to cover the carry-through costs for critical posts that were filled during 2016/17, such as plumbers, drivers, labourers, etc.
 - R2 million to *Goods and services* to cater for day-to-day household repairs and maintenance, such as painting, plumbing and electrical maintenance at the Royal palaces.
 - R2 million to *Transfers and subsidies to: Departmental agencies and accounts* to increase the transfer to the RHT to cater for their operational spending such as higher costs associated with cattle feed due to the persistent drought conditions. This increase in a transfer was approved by Provincial Treasury.
 - R2.500 million to *Buildings and other fixed structures* for the construction of six rondavels at the Enyokeni palace for use by the Queens during official Royal events.
- *Shifts*: R3.495 million was shifted to correct the centralisation of communications budget that was incorrectly reflected as R44.300 million in the KZN Appropriation Act, 2017. This adjustment will correct the budget to R40.805 million, and does not affect any other tables in this report.

Note that the reduction and change of purpose of specifically and exclusively appropriated PEMP funding requires Legislature approval. Also note that the correction of the KZN Appropriation Act, 2017, with regard to the centralisation of the communications budget, requires Legislature approval.

6. Gifts, donations and sponsorships

The department is not envisaging any gifts, donations and sponsorships in excess of R100 000.

7. Infrastructure

Table 1.13 shows the summary of infrastructure payments per main category. Details of the main adjustments, which resulted in an overall increase of R6.113 million, are provided in the paragraphs following the tables.

Table 1.13 : Summary of infrastructure payments by category

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
Existing infrastructure assets	5 034	1 313	-	4 800	-	-	6 113	11 147
Maintenance and repair: Current	3 000						-	3 000
Upgrades and additions: Capital							-	-
Refurbishment and rehabilitation: Capital	2 034	1 313		4 800			6 113	8 147
New infrastructure assets: Capital							-	-
Infrastructure transfers	-	-	-	-	-	-	-	-
Infrastructure transfers: Capital							-	-
Infrastructure transfers: Current							-	-
Infrastructure: Payments for financial assets							-	-
Infrastructure: Leases							-	-
Non infrastructure							-	-
Capital infrastructure	2 034	1 313	-	4 800	-	-	6 113	8 147
Current infrastructure	3 000	-	-	-	-	-	-	3 000
Total	5 034	1 313	-	4 800	-	-	6 113	11 147
Amount to be voted								6 113

- *Roll-overs*: R1.313 million was approved as a roll-over from 2016/17 and relates to the roll-over of R8 million from 2015/16 to 2016/17, which could not be entirely spent in 2016/17 as a result of delays experienced with renovations at the KwaKhangela palace. The projects included roof waterproofing at KwaKhangela palace, the children's houses, *gogos'* hut and servants' quarters. This roll-over was allocated to the Royal Household sub-programme in Programme 3 against *Refurbishment and rehabilitation: Capital*.
- *Virement*: Savings of R4.800 million were identified against *Goods and services* in Programme 2 as a result of the non-finalisation of office accommodation in the Moses Mabhida building and was moved to *Refurbishment and rehabilitation: Capital*, as follows:
 - o R2.500 million was moved to Programme 3 to the Royal Household for the construction of six rondavels at the Enyokeni palace, for use by the Queens during official Royal events.
 - o R1.300 million was moved within Programme 2 for the upgrade of the Moses Mabhida building and the parking facilities situated in Terry Street adjacent to the building.
 - o R1 million was moved within Programme 2 for major repairs at the Premier's Parkside residence in respect of cracks in the swimming pool and general repairs to the pool surrounds, as well as rewiring at the Premier's Parkside residence.

8. Conditional grants

The department receives no national conditional grants.

9. Transfers and subsidies

Table 1.14 shows the summary of transfers and subsidies by programme and main category. The table includes transfers made to the department's public entities, namely the KZNGBB, Amafa aKwaZulu-Natali (Amafa) and the RHT, which are specifically and exclusively appropriated in terms of the KZN Adjustments Appropriation Act. Details of the main adjustments, which resulted in an overall increase of R22.661 million in the transfers and subsidies allocation, are given in the paragraphs after the tables.

Table 1.14 : Summary of transfers and subsidies by programme and main category

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/ unavoidable	Virement	Shifts	Other adjustments		
1. Administration	1 117	-	-	2	-	-	2	1 119
Households	1 117	-	-	2	-	-	2	1 119
PARMED	1 117						-	1 117
Staff exit costs				2			2	2
2. Institutional Development	42 931	-	-	98	292	20 033	20 423	63 354
Provinces and municipalities	57	-	-	50	-	-	50	107
Motor vehicle licences	57			50			50	107
Departmental agencies and accounts	42 871	-	-	-	292	20 033	20 325	63 196
KwaZulu-Natal Gaming and Betting Board	42 871				292	20 033	20 325	63 196
Households	3	-	-	48	-	-	48	51
Staff exit costs	3			48			48	51
3. Policy and Governance	73 845	-	-	2 236	-	-	2 236	76 081
Departmental agencies and accounts	48 764	-	-	2 000	-	-	2 000	50 764
Amafa aKwaZulu-Natali	32 263						-	32 263
Royal Household Trust	16 501			2 000			2 000	18 501
Households	25 081	-	-	236	-	-	236	25 317
Staff exit costs	9			236			236	245
Bursaries	25 072						-	25 072
Total	117 893	-	-	2 336	292	20 033	22 661	140 554
Amount to be voted								22 661

- **Virement:** A total of R2.336 million was moved from various categories to fund the following:
 - o Savings of R2 000, R48 000 and R236 000 were moved to Programmes 1, 2 and 3, respectively, against *Households* to provide for unanticipated staff exit costs.
 - o R50 000 was moved to *Provinces and municipalities* in Programme 2 for motor vehicle licences due to additional vehicles that were ordered in 2016/17 but received in April 2017.
 - o R2 million was moved to *Departmental agencies and accounts* in Programme 3 in respect of an increased transfer to the RHT for their operational expenses, such as higher costs associated with cattle feed due to the persistent drought conditions, as well as general repairs and maintenance. This increase in a transfer was approved by Provincial Treasury.
- **Shifts:** Funds of R292 000 were shifted to *Departmental agencies and accounts* within Programme 2. These were incorrectly included under *Goods and services* when the Gaming and Betting function was suspended from Vote 6: Provincial Treasury in 2016/17, and increases the transfer to the KZNGBB. There is no change in purpose for these funds.
- **Other adjustments:** An amount of R20.033 million was allocated to the department, related to the KZNGBB, which was requested to return an amount of approximately R20.800 million a few years ago to the PRF to earn the associated interest on this capital amount, which was initially allocated to acquire new office accommodation for their operations. The entity only recently secured rental space in Pietermaritzburg for their offices and the amount is therefore returned to the KZNGBB for this purpose. It should be noted that these funds are specifically and exclusively allocated for transfer to the KZNGBB for their office space requirements.

10. Transfers to local government

The department made no changes to transfer payments to local government. It is noted that an amount of R107 000 is reflected against *Transfers and subsidies to: Provinces and municipalities* in Table 1.14. This relates to the payment of motor vehicle licences. As this amount will not be transferred to any municipality, the table reflecting transfers to local government is excluded.

11. Actual payments and revised spending projections for the rest of 2017/18

Tables 1.15 and 1.16 reflect actual payments as at the end of September 2017, projected payments for the rest of the financial year and the total revised spending in Rand value and as a percentage of the Adjusted Appropriation per programme and economic classification. The tables also show the 2016/17 Audited outcome.

Table 1.15 : Actual payments and revised spending projections by programme

R thousand	2016/17 Audited outcome	Adjusted appropriation	Actual payments		Projected payments		Projected actual
			April 2017 - September 2017	% of budget	October 2017 - March 2018	% of budget	
1. Administration	84 867	91 998	39 286	42.7	52 712	57.3	91 998
2. Institutional Development	300 287	369 908	144 651	39.1	225 257	60.9	369 908
3. Policy and Governance	299 255	301 565	117 680	39.0	183 885	61.0	301 565
Total	684 409	763 471	301 617	39.5	461 854	60.5	763 471

Table 1.16 : Actual payments and revised spending projections by economic classification

R thousand	2016/17 Audited outcome	Adjusted appropriation	Actual payments		Projected payments		Projected actual
			April 2017 - September 2017	% of budget	October 2017 - March 2018	% of budget	
Current payments	538 932	598 151	234 208	39.2	363 943	60.8	598 151
Compensation of employees	254 436	279 360	133 916	47.9	145 444	52.1	279 360
Goods and services	284 496	318 791	100 292	31.5	218 499	68.5	318 791
Interest and rent on land	-	-	-	-	-	-	-
Transfers and subsidies to:	111 406	140 554	64 694	46.0	75 860	54.0	140 554
Provinces and municipalities	136	107	64	59.8	43	40.2	107
Departmental agencies and accounts	75 260	113 960	59 928	52.6	54 032	47.4	113 960
Higher education institutions	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-
Non-profit institutions	27	-	-	-	-	-	-
Households	35 983	26 487	4 702	17.8	21 785	82.2	26 487
Payments for capital assets	31 831	24 766	2 715	11.0	22 051	89.0	24 766
Buildings and other fixed structures	16 823	8 147	922	11.3	7 225	88.7	8 147
Machinery and equipment	14 203	14 514	920	6.3	13 594	93.7	14 514
Heritage assets	805	2 055	873	42.5	1 182	57.5	2 055
Specialised military assets	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-
Software and other intangible assets	-	50	-	-	50	100.0	50
Payments for financial assets	2 240	-	-	-	-	-	-
Total	684 409	763 471	301 617	39.5	461 854	60.5	763 471

The department is projecting a balanced budget for all three programmes at year-end. However, only 39.5 per cent of the department's annual budget was spent at mid-year, which is lower than the straight-line benchmark of 50 per cent after six months. This is largely explained as follows:

- Spending against Programme 1 was fairly low at 42.7 per cent of the annual budget, largely due to vacant critical posts and the delay in the refurbishment of the 6th floor of the Moses Mabhida building. This percentage is low as virements were made for the Moerane Commission of Inquiry, which was not budgeted for and took place later than originally planned due to the non-availability of the Commissioners. An extension was granted by the Provincial Executive Committee for the Commission sittings to continue and the report to be finalised by 31 March 2018. Expenditure claims are expected for the Commission in the second half of the year.
- Spending on Programme 2 was low, at 39.1 per cent of the annual budget, mainly due to vacant critical posts, Integrity Management campaigns that were delayed, as well as office equipment not purchased because of office accommodation delays. The department's communications budget was also under-spent, attributed to the Ukhozi FM departmental slots, where negotiations with the service provider pertaining to the duration and cost of the slots took more time to finalise than was expected. A balanced budget is projected at year-end, which may not be credible as posts remain vacant.
- Spending on Programme 3 was, at 39 per cent of the annual budget, far below the benchmark, relating to vacant critical posts, campaigns, projects and surveys which were delayed, as well as external bursaries paid for in 2016/17 due to savings available at that time.

In respect of economic classification, the following end-of-year analysis is made:

- Spending against *Compensation of employees* was at 47.9 per cent at mid-year, due to a number of high level vacant posts, of which only two were filled at the beginning of the third quarter. It is noted that the high projected expenditure in the second half of 2017/18 is in anticipation of filling some of

the remaining posts. However, despite the department moving significant savings from this category to fund other pressures, including the Moerane Commission of Inquiry, the projected balanced budget does not seem credible as posts remain vacant.

- *Goods and services* spending was at 39.5 per cent at mid-year, significantly below the benchmark. The high projections in the remaining quarters compared to mid-year spending are attributed to the fact that most departmental events, such as the Premier's Service Excellence Awards, Heritage Day celebrations, His Majesty, the King's birthday celebrations, *Umkhosi woMhlanga* (Reed dance), etc., take place towards the end of the second quarter onward. In addition, costs for the Moerane Commission of Inquiry will begin to be processed in the second half of the year, and this category is anticipated to be fully spent at year-end, which seems credible.
- Spending against *Transfers and subsidies* is as follows:
 - *Provinces and municipalities* spent 59.8 per cent of the annual budget at mid-year as a result of vehicles delivered during March 2017 for which vehicle licences had to be paid in the first quarter. The category is projected to spend on budget by year-end.
 - *Departmental agencies and accounts*, which mainly includes transfers to the KZNGBB, Amafa and RHT, spent 52.6 per cent of the annual budget at mid-year due to the revised transfers to the KZNGBB. Also contributing was a higher than projected transfer to the RHT in line with the SLA, which was only signed after the original cashflow was submitted.
 - *Households* was significantly low when, with only 17.8 per cent spent at mid-year as the bulk of the bursaries were paid in March 2017 due to savings available at the time. The department is projecting a balanced budget despite the low spending, as a contingency in case there are fees-must-fall issues later in the year. This will be reviewed on an ongoing basis.
- *Buildings and other fixed structures* includes the roll-over of R1.313 million for renovations at the palaces, delayed in the first half of the year due to ongoing consultation with His Majesty, the King.
- *Machinery and equipment* spent only 6.3 per cent due to minimal purchases made in respect of office furniture and equipment, mainly because of delays with the finalisation of office accommodation.
- *Heritage assets* spent 42.5 per cent of the annual budget at mid-year resulting from lengthy negotiation processes with stakeholders for the erection of monuments.

Table 1.A : Summary by economic classification : Office of the Premier

R thousand	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation	
		Roll-overs	Unforeseeable/ unavoidable	Virement	Shifts			Other adjustments
Current payments	609 239	-	-	(10 796)	(292)	-	(11 088)	598 151
Compensation of employees	291 998	-	-	(12 638)	-	-	(12 638)	279 360
Salaries and wages	267 899	-	-	(16 863)	-	-	(16 863)	251 036
Social contributions	24 099	-	-	4 225	-	-	4 225	28 324
Goods and services	317 241	-	-	1 842	(292)	-	1 550	318 791
Administrative fees	5 860	-	-	475	-	-	475	6 335
Advertising	45 904	-	-	4 559	-	-	4 559	50 463
Minor assets	7 151	-	-	(1 145)	-	-	(1 145)	6 006
Audit cost: External	4 668	-	-	-	-	-	-	4 668
Bursaries: Employees	1 011	-	-	(250)	-	-	(250)	761
Catering: Departmental activities	13 568	-	-	905	-	-	905	14 473
Communication (G&S)	12 170	-	-	209	-	-	209	12 379
Computer services	41 639	-	-	(2 580)	(292)	-	(2 872)	38 767
Cons & prof serv: Business and advisory services	30 180	-	-	2 017	-	-	2 017	32 197
Infrastructure and planning	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-
Legal costs	499	-	-	2 500	-	-	2 500	2 999
Contractors	26 139	-	-	1 775	-	-	1 775	27 914
Agency and support / outsourced services	2 212	-	-	(50)	-	-	(50)	2 162
Entertainment	-	-	-	-	-	-	-	-
Fleet services (including government motor transport)	8 339	-	-	(1 420)	-	-	(1 420)	6 919
Housing	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	15	-	-	-	-	-	-	15
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	3 941	-	-	134	-	-	134	4 075
Consumable: Stationery, printing and office supplies	9 059	-	-	(99)	-	-	(99)	8 960
Operating leases	21 715	-	-	(5 338)	-	-	(5 338)	16 377
Property payments	11 113	-	-	3 071	-	-	3 071	14 184
Transport provided: Departmental activity	10 340	-	-	(1 000)	-	-	(1 000)	9 340
Travel and subsistence	38 786	-	-	(1 950)	-	-	(1 950)	36 836
Training and development	9 986	-	-	(835)	-	-	(835)	9 151
Operating payments	275	-	-	355	-	-	355	630
Venues and facilities	12 671	-	-	509	-	-	509	13 180
Rental and hiring	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-
Transfers and subsidies to	117 893	-	-	2 336	292	20 033	22 661	140 554
Provinces and municipalities	57	-	-	50	-	-	50	107
Provinces	57	-	-	50	-	-	50	107
Provincial Revenue Funds	-	-	-	-	-	-	-	-
Provincial agencies and funds	57	-	-	50	-	-	50	107
Municipalities	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-
Departmental agencies and accounts	91 635	-	-	2 000	292	20 033	22 325	113 960
Social security funds	-	-	-	-	-	-	-	-
Entities receiving funds	91 635	-	-	2 000	292	20 033	22 325	113 960
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	26 201	-	-	286	-	-	286	26 487
Social benefits	25 075	-	-	286	(25 072)	-	(24 786)	289
Other transfers to households	1 126	-	-	-	25 072	-	25 072	26 198
Payments for capital assets	14 993	1 313	-	8 460	-	-	9 773	24 766
Buildings and other fixed structures	2 034	1 313	-	4 800	-	-	6 113	8 147
Buildings	-	1 313	-	4 800	2 034	-	8 147	8 147
Other fixed structures	2 034	-	-	-	(2 034)	-	(2 034)	-
Machinery and equipment	8 297	-	-	6 217	-	-	6 217	14 514
Transport equipment	2 833	-	-	3 000	-	-	3 000	5 833
Other machinery and equipment	5 464	-	-	3 217	-	-	3 217	8 681
Heritage assets	4 594	-	-	(2 539)	-	-	(2 539)	2 055
Specialised military assets	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-
Software and other intangible assets	68	-	-	(18)	-	-	(18)	50
Payments for financial assets	-	-	-	-	-	-	-	-
Total	742 125	1 313	-	-	-	20 033	21 346	763 471
Amount to be voted								21 346