

# Vote 6

## Provincial Treasury

R thousand	2017/18			
	Main appropriation	Adjusted appropriation	Decrease	Increase
Operational budget	605 942	629 467		23 525
MEC remuneration <sup>1</sup>	1 902	1 902		
<b>Total amount to be appropriated</b>	<b>607 844</b>	<b>631 369</b>		<b>23 525</b>
<i>of which:</i>				
Current payments	590 094	613 379		23 285
Transfers and subsidies	10 755	5 755	(5 000)	
Payments for capital assets	6 995	12 235		5 240
Payments for financial assets	-	-		
Responsible MEC	MEC for Finance			
Administering department	Provincial Treasury			
Accounting Officer	Accountant-General			

### 1. Vision and mission

#### 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 KwaZulu-Natal 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.

### 2. 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 instil 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.

<sup>1</sup> 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 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.

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

The main appropriation of Provincial Treasury was R607.844 million in 2017/18. During the year, the department's budget was increased by R23.525 million to R631.369 million, which is the amount that is to be appropriated in the 2017/18 Adjustments Estimate.

The main adjustments that led to the increase in the budget are summarised below, and further details are given in Section 4.

- *Roll-overs*: Approval was granted for the 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. This roll-over was allocated to *Goods and services* in Programme 4: Internal Audit.
- *Virements between programmes*: The department undertook an extensive budget review at the end of the second quarter, aimed at correcting the budgets of the various units within Provincial Treasury, as well as identifying areas of savings in order to offset in-year spending pressures in some areas. The budget review resulted in extensive virements being undertaken across programmes, as well as within programmes, sub-programmes and economic classification categories. The net result of the virements undertaken between programmes is summarised below, and further detail of these virements, as well as the virements at sub-programme and economic category level, is provided in Sections 4.1 to 4.5:
  - o Programme 1: Administration was increased by a net amount of R8.286 million as follows:
    - R7 million was moved from *Goods and services* in Programme 5: Growth and Development to the same category in Programme 1 to cater for higher than budgeted Special Investigation Unit (SIU) costs, largely relating to investigations that were undertaken in 2016/17 but not invoiced by year-end. The savings are explained under Programme 5 below.
    - R2 million was moved from *Goods and services* in Programme 3: Financial Management, largely in respect of transversal IT costs that were over-budgeted for, to the same category in Programme 1, to cater for higher than budgeted departmental IT costs, etc.
    - R86 000 was moved from *Transfers and subsidies to: Households* in Programme 3 to Programme 1 to offset spending pressures in the same category (R77 000) relating to staff exit costs, as well as *Transfers and subsidies to: Provinces and municipalities* (R7 000) for motor vehicle licences, and *Transfers and subsidies to: Departmental agencies and accounts* (R2 000) for SABC television licences which were inadvertently not budgeted for.
    - The above movements to Programme 1 were offset by a virement of R800 000 from *Transfers and subsidies to: Non-profit institutions* in Programme 1 to *Goods and services* in Programme 5 to cater for more MEC outreach programmes being undertaken than planned.

This virement of R800 000 relates to a budgeted donation of R5 million to the Futurelife Foundation Trust, intended for feeding children in the uMgungundlovu District, where the MEC is district champion. It is unlikely that the R5 million will be transferred before year-end, as the agreement and terms of reference are still in the process of being finalised. The department requested a change of purpose for these funds so that they can be utilised to offset spending pressures in other areas. This change in purpose was approved in principle by Provincial Treasury, but requires Legislature approval because the donation exceeded R100 000, and hence

was listed separately in the KZN Appropriation Act, 2017. Moreover, the reduction in a transfer requires Legislature approval. In terms of the requested change in purpose of the R5 million, R800 000 was moved to *Goods and services* in Programme 5 to fund more MEC outreach programmes than planned, while R2.700 million remained under the Office of the MEC in Programme 1, but was moved to *Compensation of employees* (R1 million), *Goods and services* (R1.500 million) and *Machinery and equipment* (R200 000) as explained in Section 4.1. The balance of R1.500 million is explained under *Other adjustments* below.

- o Programme 2: Fiscal Resource Management was increased by R1.869 million as follows:
  - R67 000 was moved from *Transfers and subsidies to: Households* in Programme 3 to the same category in Programme 2 to cater for staff exit costs that were not budgeted for.
  - R1.802 million was moved from *Goods and services* in Programme 5, as explained below, to *Compensation of employees* in Programme 2 to cater for a post that was not budgeted for, which was out of the department's control.
- o Programme 3: Financial Management was decreased by a net amount of R1.431 million as follows:
  - Savings of R231 000 under *Transfers and subsidies to: Households* in Programme 3 due to lower than anticipated staff exit costs were moved to offset spending pressures under the same category in Programme 1 (R77 000), Programme 2 (R67 000) and Programme 4 (R78 000), as well as to *Transfers and subsidies to: Provinces and municipalities* (R7 000) and *Transfers and subsidies to: Departmental agencies and accounts* (R2 000) in Programme 1, as explained.
  - Savings of R2 million under *Goods and services* in Programme 3, largely in respect of transversal IT costs that were over-budgeted for, were moved to the same category in Programme 1, as mentioned.
  - Offsetting the above movements from Programme 3, was a virement of R800 000 from *Goods and services* in Programme 5 to the same category in Programme 3 to cater for higher than anticipated legal services costs.
- o Programme 4: Internal Audit was increased by R11.078 million as follows:
  - R78 000 was moved from savings under *Transfers and subsidies to: Households* in Programme 3 to the same category in Programme 4 to fund higher than budgeted staff exit costs.
  - R11 million was moved from *Goods and services* in Programme 5 to offset spending pressures in Programme 4 under *Compensation of employees* (R5 million) due to the filling of critical posts earlier than anticipated, such as Chief Investigators, and *Goods and services* (R6 million) largely to cater for outstanding commitments in respect of performance audits, various risk assessments, occupational health and safety reviews and the fraud prevention plans review.
- o Programme 5: Growth and Development decreased by a net amount of R19.802 million as follows:
  - Savings of R20.602 million from *Goods and services* in Programme 5 were moved to the same category in Programme 1 (R7 million), Programme 2 (R1.802 million), Programme 3 (R800 000) and Programme 4 (R11 million), as mentioned against the respective programmes. Following the budget review, the department identified savings of approximately R6 million related to special projects and other departmental interventions (such as SCM interventions in departments and municipalities) which are undertaken on a needs basis, and have not been required to date. A further R14 million related to funds set aside by the department to cater for the tendering process/procurement for the PPP Government Precinct and the Legislature Complex. However, as these funds will not be required in 2017/18, a decision was taken to redirect these funds to offset in-year spending pressures, as mentioned.
  - Offsetting the above movement from Programme 5, was a virement of R800 000 from *Transfers and subsidies to: Non-profit institutions* in Programme 1 relating to the change in purpose in respect of the R5 million donation to the Futurelife Foundation Trust, as explained above. These

savings were moved to *Goods and services* in Programme 5 to cater for more MEC outreach programmes being undertaken than planned. With the MEC for Finance as the district champion in line with OSS, the department is to host the OSS event and World Aids Day event in the uMgungundlovu District.

The above virements are permissible in terms of the Treasury Regulations and the PFMA and, where applicable, the movements were approved in principle by Provincial Treasury.

Legislature approval is required for the following:

The net increase in Programme 4 exceeds the 8 per cent limit permitted in terms of the PFMA, in terms of the receiving programme. The net decrease in Programme 5 exceeds the 8 per cent limit permitted in terms of the PFMA, in terms of the transferring programme. In addition, the reduction in the donation to the Futurelife Foundation Trust under Programme 1, as well as the requested change in the purpose of these funds, requires Legislature approval, as this donation exceeded R100 000 and was therefore listed separately in the KZN Appropriation Act, 2017 as stipulated in Section 21.1.1 of the Treasury Regulations.

- *Shifts*: No shifts were undertaken across programmes, sub-programmes or economic categories.
- *Other adjustments*: Several adjustments were made to the department's budget, as summarised below, resulting in a net increase of R13 million in the main appropriation of Vote 6:
  - o Additional funding of R14.500 million was allocated to *Goods and services* in Programme 5, relating to the Health/Treasury 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 Department of Health. Part of this assistance requires the allocation of resources in areas such as Supply Chain Management, Internal Control and Accounting Services. These funds are specifically and exclusively allocated for this purpose, and will be shifted to the relevant programmes in-year, based on the work undertaken in the specified areas.
  - o Offsetting this was a suspension of R1.500 million from Vote 6 to Vote 11: COGTA toward the Mandela Day Marathon. The MEC for Finance undertook, at a sub-committee on Major Events held on 10 August 2016, that R1.500 million would be suspended to Vote 11: COGTA for this event over a 3-year period, i.e. in 2016/17, 2017/18 and 2018/19. These funds were sourced from *Transfers and subsidies to: Non-profit institutions* in Programme 1, resulting from the change in purpose of the R5 million donation to the Futurelife Foundation Trust, as explained above.

As mentioned, Legislature approval is required for the reduction in the donation to the Futurelife Foundation Trust under Programme 1, as well as the requested change in purpose of these funds.

Tables 6.1 and 6.2 reflect a summary of the 2017/18 adjusted appropriation of the department, summarised according to programme and economic classification.

Details of the economic classification are given in *Annexure – Vote 6: Provincial Treasury*.

**Table 6.1 : Summary by programmes**

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/ unavoidable	Virement	Shifts	Other adjustments		
1. Administration	151 596	-	-	8 286	-	(1 500)	6 786	158 382
2. Fiscal Resource Management	96 056	-	-	1 869	-	-	1 869	97 925
3. Financial Management	213 820	-	-	(1 431)	-	-	(1 431)	212 389
4. Internal Audit	123 888	10 525	-	11 078	-	-	21 603	145 491
5. Growth and Development	22 484	-	-	(19 802)	-	14 500	(5 302)	17 182
<b>Total</b>	<b>607 844</b>	<b>10 525</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13 000</b>	<b>23 525</b>	<b>631 369</b>
Amount to be voted								<b>23 525</b>

Table 6.2 : Summary by economic classification

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/ unavoidable	Virement	Shifts	Other adjustments		
<b>Current payments</b>	<b>590 094</b>	<b>10 525</b>	-	<b>(1 740)</b>	-	<b>14 500</b>	<b>23 285</b>	<b>613 379</b>
Compensation of employees	287 664	-	-	(3 661)	-	-	(3 661)	284 003
Goods and services	300 696	10 525	-	2 921	-	14 500	27 946	328 642
Interest and rent on land	1 734	-	-	(1 000)	-	-	(1 000)	734
<b>Transfers and subsidies to:</b>	<b>10 755</b>	-	-	<b>(3 500)</b>	-	<b>(1 500)</b>	<b>(5 000)</b>	<b>5 755</b>
Provinces and municipalities	24	-	-	7	-	-	7	31
Departmental agencies and accounts	-	-	-	2	-	-	2	2
Higher education institutions	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-
Non-profit institutions	9 105	-	-	(3 500)	-	(1 500)	(5 000)	4 105
Households	1 626	-	-	(9)	-	-	(9)	1 617
<b>Payments for capital assets</b>	<b>6 995</b>	-	-	<b>5 240</b>	-	-	<b>5 240</b>	<b>12 235</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-
Machinery and equipment	6 995	-	-	5 240	-	-	5 240	12 235
Heritage assets	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	-	-	-	-	-	-	-	-
<b>Total</b>	<b>607 844</b>	<b>10 525</b>	-	-	-	<b>13 000</b>	<b>23 525</b>	<b>631 369</b>
<b>Amount to be voted</b>								<b>23 525</b>

#### 4. Changes to programme purposes and service delivery measures

The department made no changes to the purpose of its programmes.

It is noted that the department's budget structure is not fully aligned with the uniform budget structure issued for Provincial Treasuries. However, the department is taking steps to align its current structure as far as possible from 2018/19 onward, and has received formal approval from National Treasury for slight deviations.

The non financial information currently reflected in the 2017/18 *EPRE* does not fully correspond to the department's 2017/18 *APP*, because the *APP* was tabled after the *EPRE*. As such, the department made some changes to the targets in order to ensure alignment between the *EPRE* and the *APP*.

##### 4.1 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.

Tables 6.3 and 6.4 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 R6.786 million, are provided in the paragraphs following the tables.

Table 6.3 : Programme 1: Administration

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/ unavoidable	Virement	Shifts	Other adjustments		
1. Office of the MEC	30 345	-	-	(800)	-	(1 500)	(2 300)	28 045
2. Head of Department	9 989	-	-	-	-	-	-	9 989
3. Chief Financial Office	30 560	-	-	5 054	-	-	5 054	35 614
4. Corporate Services	80 702	-	-	4 032	-	-	4 032	84 734
<b>Total</b>	<b>151 596</b>	-	-	<b>8 286</b>	-	<b>(1 500)</b>	<b>6 786</b>	<b>158 382</b>
<b>Amount to be voted</b>								<b>6 786</b>

Table 6.4 : Summary by economic classification

R thousand	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts			Other adjustments
<b>Current payments</b>	<b>136 754</b>	-	-	<b>11 500</b>	-	-	<b>11 500</b>	<b>148 254</b>
Compensation of employees	83 766			(2 843)			(2 843)	80 923
Goods and services	52 988			14 343			14 343	67 331
Interest and rent on land							-	-
<b>Transfers and subsidies to:</b>	<b>9 467</b>	-	-	<b>(3 414)</b>	-	<b>(1 500)</b>	<b>(4 914)</b>	<b>4 553</b>
Provinces and municipalities	24			7			7	31
Departmental agencies and accounts				2			2	2
Higher education institutions							-	-
Foreign governments and international organisations							-	-
Public corporations and private enterprises							-	-
Non-profit institutions	8 805			(3 500)		(1 500)	(5 000)	3 805
Households	638			77			77	715
<b>Payments for capital assets</b>	<b>5 375</b>	-	-	<b>200</b>	-	-	<b>200</b>	<b>5 575</b>
Buildings and other fixed structures							-	-
Machinery and equipment	5 375			200			200	5 575
Heritage assets							-	-
Specialised military assets							-	-
Biological assets							-	-
Land and subsoil assets							-	-
Software and other intangible assets							-	-
<b>Payments for financial assets</b>							-	-
<b>Total</b>	<b>151 596</b>	-	-	<b>8 286</b>	-	<b>(1 500)</b>	<b>6 786</b>	<b>158 382</b>
<b>Amount to be voted</b>								<b>6 786</b>

### Virement – Programme 1: Administration: R8.286 million

As a result of the budget review, the department undertook extensive virements, resulting in a net increase of R8.286 million in respect of Programme 1, as follows:

- Savings of R7 million were moved from *Goods and services* in Programme 5 to the same category in Programme 1 to cater for higher than budgeted SIU costs, largely relating to investigations undertaken in 2016/17 but not invoiced by year-end, under the sub-programme: Chief Financial Office. The savings in Programme 5 related to anticipated under-spending on special projects, including departmental interventions, as well as funds set aside by the department to cater for the tendering process/procurement for the PPP Government Precinct and the Legislature Complex, as mentioned.
- Savings of R2 million were identified under *Goods and services* in Programme 3, largely in respect of transversal IT costs that were over-budgeted for. These savings were moved to the same category in Programme 1, to offset spending pressures in respect of departmental IT costs, under the sub-programme: Corporate Services.
- Further savings of R86 000 were identified in Programme 3 relating to staff exit costs under *Transfers and subsidies to: Households*. These savings were moved to Programme 1 to offset spending pressures of R77 000 in the same category relating to staff exit costs in respect of the sub-programmes: Chief Financial Office (R54 000) and Corporate Services (R23 000). The balance of R9 000 was moved to *Transfers and subsidies to: Provinces and municipalities* (R7 000) for motor vehicle licences, and *Transfers and subsidies to: Departmental agencies and accounts* (R2 000) for SABC television licences which were inadvertently not budgeted for, under Corporate Services.
- The above movements to Programme 1 were offset by a virement of R800 000 from *Transfers and subsidies to: Non-profit institutions* under the sub-programme: Office of the MEC in Programme 1 to *Goods and services* in Programme 5 to cater for more MEC outreach programmes being undertaken than planned. These savings of R800 000 were sourced from the change in purpose of the R5 million donation to the Futurelife Foundation Trust. As mentioned, this change in purpose and reduction in a transfer was approved in principle by Provincial Treasury, but requires Legislature approval.

In addition to the above virements, the department also undertook further virements affecting sub-programmes and economic categories within Programme 1, and the net effect is as follows:

- Of the R5 million reduction in respect of the Futurelife Foundation Trust against *Transfers and subsidies to: Non-profit institutions* under the sub-programme: Office of the MEC, R800 000 was moved to Programme 5, as mentioned above. An amount of R2.700 million remained under the Office of the MEC sub-programme within Programme 1, but was moved to *Compensation of employees* (R1 million), *Goods and services* (R1.500 million) and *Machinery and equipment* (R200 000), to offset in-year spending pressures identified during the budget review. The balance of R1.500 million is explained under *Other adjustments* below.
- Savings of R2 million, resulting from delays in the filling of posts, were moved from *Compensation of employees* under the Chief Financial Office sub-programme to *Goods and services* under Corporate Services to offset higher than budgeted operational costs, such as leases, computer services, etc.

Further virements were undertaken within sub-programmes but between economic categories, resulting in net savings of R1.843 million being moved from *Compensation of employees* to *Goods and services*.

All of these virements are permissible in terms of the PFMA and the Treasury Regulations and, where applicable, the movements were approved in principle by Provincial Treasury.

As mentioned, Legislature approval is required for the reduction in the donation to the Futurelife Foundation Trust under Programme 1, as well as the requested change in purpose of these funds.

#### Other adjustments – Programme 1: Administration: (R1.500 million)

Programme 1 was reduced as a result of the suspension of R1.500 million from Vote 6 to Vote 11: COGTA toward the Mandela Day Marathon, as mentioned. This reduction was effected against *Transfers and subsidies to: Non-profit institutions* in Programme 1, resulting from the change in purpose of the R5 million donation to the Futurelife Foundation Trust, as explained above.

As mentioned, Legislature approval is required for the reduction in the donation to the Futurelife Foundation Trust under Programme 1, as well as the requested change in purpose of these funds.

## 4.2 Programme 2: Fiscal Resource Management

The main purpose of the programme is to effectively manage and monitor the provincial and local government fiscal resources. The objectives and services of this programme remain unchanged from the 2017/18 *EPRE*.

Tables 6.5 and 6.6 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 R1.869 million, are provided in the paragraphs following the tables.

**Table 6.5 : Programme 2: Fiscal Resource Management**

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/ unavoidable	Virement	Shifts	Other adjustments		
1. Programme Support	3 270			1 550			1 550	4 820
2. Economic Analysis	21 415						-	21 415
3. Public Finance	14 190			319			319	14 509
4. Municipal Finance	57 181						-	57 181
<b>Total</b>	<b>96 056</b>	<b>-</b>	<b>-</b>	<b>1 869</b>	<b>-</b>	<b>-</b>	<b>1 869</b>	<b>97 925</b>
<b>Amount to be voted</b>								<b>1 869</b>

Table 6.6 : Summary by economic classification

R thousand	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/ unavoidable	Virement	Other adjustments		
<b>Current payments</b>	<b>95 690</b>	-	-	<b>1 802</b>	-	<b>1 802</b>	<b>97 492</b>
Compensation of employees	61 163	-	-	2 802	-	2 802	63 965
Goods and services	34 527	-	-	(1 000)	-	(1 000)	33 527
Interest and rent on land	-	-	-	-	-	-	-
<b>Transfers and subsidies to:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>67</b>	<b>-</b>	<b>67</b>	<b>67</b>
Provinces and municipalities	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-
Households	-	-	-	67	-	67	67
<b>Payments for capital assets</b>	<b>366</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>366</b>
Buildings and other fixed structures	-	-	-	-	-	-	-
Machinery and equipment	366	-	-	-	-	-	366
Heritage assets	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>96 056</b>	<b>-</b>	<b>-</b>	<b>1 869</b>	<b>-</b>	<b>1 869</b>	<b>97 925</b>
<b>Amount to be voted</b>							<b>1 869</b>

### Virement – Programme 2: Fiscal Resource Management: R1.869 million

As a result of the budget review, various virements were undertaken to this programme, which resulted in a net increase of R1.869 million as follows:

- Savings of R67 000 relating to staff exit costs were moved from *Transfers and subsidies to: Households* in Programme 3 to the same category in Programme 2 to cater for staff exit costs that were not budgeted for under the Public Finance sub-programme.
- Savings of R1.802 million were moved from *Goods and services* in Programme 5 to offset spending pressures against *Compensation of employees* in Programme 2. Of this amount, R252 000 was allocated to the Public Finance sub-programme, while R1.550 million was allocated to Programme Support to cater for a post that was not budgeted for, which was out of the department's control. The savings in Programme 5 related to anticipated under-spending on special projects, including departmental interventions, as well as funds set for the tendering process/procurement for the PPP Government Precinct and the Legislature Complex, as mentioned.

In addition to the above virements, the department also undertook further virements affecting sub-programmes and economic categories within Programme 2, and the net effect is as follows:

- R1 million was moved within the Economic Analysis sub-programme from savings identified under *Goods and services* to offset in-year spending pressures against *Compensation of employees*. Note that this increase in *Compensation of employees* does not require Treasury approval, as the Vote as a whole reflects a decrease in respect of this category.

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

### Service delivery measures – Programme 2: Fiscal Resource Management

Table 6.7 shows the service delivery information for Programme 2 as per the APP of Provincial Treasury, as well as the actual achievements for the first six months of the year.

The department made a few minor changes to some of the targets in order to ensure alignment between the *EPRE* and the APP. These targets are shown under the Revised target column in the table. There is also some minor changes to the wording, shown in bold italics.



Table 6.7 : Service delivery measures – Programme 2: Fiscal Resource Management

Outputs	Performance indicators	Performance targets			
		2017/18 Original target	2017/18 Mid-year actual	2017/18 Revised target	
<b>1.1 Economic Analysis</b>					
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"> <li>No. of economic analysis reports for the province</li> </ul>	Produce 4 provincial dept. economic reports  Produce 1 PERO  Produce 9 districts socio-economic reports  February 2018	2  -  6	Produce 5 provincial dept. economic reports
1.1.2	To provide a platform to enhancing regional economic growth and development	<ul style="list-style-type: none"> <li>Timeous Economic Analysis inputs to the Overview of Provincial Revenue and Expenditure (OPRE)</li> <li>No. of quality research for regional policy analysis</li> </ul>	Produce 6 economic research projects	5	
1.1.3	Provide and facilitate a platform for economic information sharing, dialogue and debate and stakeholder participation	<ul style="list-style-type: none"> <li>No. of information sharing sessions conducted</li> </ul>	8 Information sharing sessions conducted	4	
<b>1.2 Infrastructure</b>					
1.2.1	Efficient infrastructure management in KZN that contributes to effective economic and social infrastructure	<ul style="list-style-type: none"> <li>No. of assessment reports on the User Asset Management Plans (U-AMPs)</li> </ul>	Compile a consolidated assessment report on U-AMPs	1	
1.2.2	To facilitate implementation and institutionalisation of the IDMS in all KZN provincial depts and municipalities	<ul style="list-style-type: none"> <li>No. of reports on the implementation of IDMS in KZN</li> <li>No. of reports on the infrastructure site visits conducted</li> <li>No. of progress reports on infrastructure budgets and delivery plans using IRM data</li> <li>Timeous Infrastructure input for EPRE</li> </ul>	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	2  2  2  -	
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"> <li>No. of reports on support to develop the PIMP</li> <li>No. of reports on infrastructure funding mechanisms and opportunities to support the provincial fiscal framework</li> </ul>	Produce 4 reports on the support to develop PIMP  Produce 4 reports on the infrastructure <b>funding</b> mechanisms in KZN	2  2	
<b>2. Public Finance</b>					
<b>2.1 Provincial Budget Management</b>					
2.1.1	Promote effective and optimal financial resource allocation for provincial government	<ul style="list-style-type: none"> <li>No. of chapters in MTEC report</li> <li>Timeous tabling Estimates of Provincial Revenue and Expenditure (EPRE)</li> <li>Timeous tabling of Adjusted Estimates of Provincial Revenue and Expenditure (AEPRE)</li> </ul>	15 <b>chapters</b> completed 1 working day before MTEC as per budget process timetable  March 2018  November 2017	15  -  -	
2.1.2	Ensure efficient budget and expenditure management and accurate financial reporting for provincial govt. (including public entities)	<ul style="list-style-type: none"> <li>No. of section 32 report (Monthly provincial IYM report)</li> <li>No. of quarterly performance reports for provincial departments</li> </ul>	12 <b>IYM</b> reports p/a (submitted to NT by 22 <sup>nd</sup> monthly)  3 quarterly performance reports	6  2	
<b>2.2 Provincial Own Revenue</b>					
2.2.1	Promote optimal and sustainable revenue generation and collection by provincial depts and public entities	<ul style="list-style-type: none"> <li>No. of quarterly Provincial Revenue Forums conducted and co-ordinated</li> <li>No. of revenue quarterly performance reports</li> <li>Timeous Revenue input into Overview of Provincial Revenue and Expenditure (OPRE) and Estimates of Provincial Revenue and Expenditure (EPRE)</li> </ul>	1 forum per year  3 revenue quarterly performance reports  November 2017 and March 2018	-  2  -	
<b>2.3 Special Advisory Support Services</b>					
2.3.1	Promote effective and optimal financial resource allocation for provincial govt. (including public entities)	<ul style="list-style-type: none"> <li>Timeous input into the revision and maintenance of Division Of Revenue Act (DORA)</li> <li>No. of reports on Institutionalising framework for the monitoring of provincial public entities</li> </ul>	November 2017  32	1  30	48

**Table 6.7 : Service delivery measures – Programme 2: Fiscal Resource Management**

Outputs	Performance indicators	Performance targets		
		2017/18 Original target	2017/18 Mid-year actual	2017/18 Revised target
<b>3. Municipal Finance</b>				
3.1	To ensure efficient budget and expenditure management and accurate financial reporting for local govt.	<ul style="list-style-type: none"> <li>No. of Section 71(6) report (Monthly municipal IYM report) within the prescribed time frame</li> <li>No. of Section 71(7) Quarterly budget performance reports</li> </ul>	12 Section 71(6) reports  4 Section 71(7) quarterly budget performance reports, 45 days after end of quarter	2  6
3.2	To assist and provide technical support to delegated municipalities in financial distress	<ul style="list-style-type: none"> <li>No. of municipalities supported by the MSP</li> </ul>	10 municipalities to be supported through MSP	25

### 4.3 Programme 3: Financial Management

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

Tables 6.8 and 6.9 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 decrease of R1.431 million in the main appropriation, are provided in the paragraphs below.

**Table 6.8 : Programme 3: Financial Management**

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
1. Cash Management and Liabilities	17 070			1 265			1 265	18 335
2. Public Private Partnerships (PPP)	8 288						-	8 288
3. Supply Chain Management	44 272			4			4	44 276
4. Financial Reporting	28 331			5 300			5 300	33 631
5. Norms and Standards	5 968						-	5 968
6. Support and Interlinked Financial Systems	109 891			(8 000)			(8 000)	101 891
<b>Total</b>	<b>213 820</b>	<b>-</b>	<b>-</b>	<b>(1 431)</b>	<b>-</b>	<b>-</b>	<b>(1 431)</b>	<b>212 389</b>
<b>Amount to be voted</b>								<b>(1 431)</b>

**Table 6.9 : Summary by economic classification**

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
<b>Current payments</b>	<b>212 442</b>	<b>-</b>	<b>-</b>	<b>(6 240)</b>	<b>-</b>	<b>-</b>	<b>(6 240)</b>	<b>206 202</b>
Compensation of employees	71 759			(8 620)			(8 620)	63 139
Goods and services	138 949			3 380			3 380	142 329
Interest and rent on land	1 734			(1 000)			(1 000)	734
<b>Transfers and subsidies to:</b>	<b>885</b>	<b>-</b>	<b>-</b>	<b>(231)</b>	<b>-</b>	<b>-</b>	<b>(231)</b>	<b>654</b>
Provinces and municipalities							-	-
Departmental agencies and accounts							-	-
Higher education institutions							-	-
Foreign governments and international organisations							-	-
Public corporations and private enterprises							-	-
Non-profit institutions							-	-
Households	885			(231)			(231)	654
<b>Payments for capital assets</b>	<b>493</b>	<b>-</b>	<b>-</b>	<b>5 040</b>	<b>-</b>	<b>-</b>	<b>5 040</b>	<b>5 533</b>
Buildings and other fixed structures							-	-
Machinery and equipment	493			5 040			5 040	5 533
Heritage assets							-	-
Specialised military assets							-	-
Biological assets							-	-
Land and subsoil assets							-	-
Software and other intangible assets							-	-
<b>Payments for financial assets</b>							-	-
<b>Total</b>	<b>213 820</b>	<b>-</b>	<b>-</b>	<b>(1 431)</b>	<b>-</b>	<b>-</b>	<b>(1 431)</b>	<b>212 389</b>
<b>Amount to be voted</b>								<b>(1 431)</b>

**Virement – Programme 3: Financial Management: (R1.431 million)**

Following the budget review, Programme 3 was decreased by a net amount of R1.431 million as a result of the following virements:

- Savings of R235 000 were identified under *Transfers and subsidies to: Households* under the sub-programme: Cash Management and Liabilities due to lower than anticipated staff exit costs. Of this amount, R231 000 was moved from Programme 3 to the same category in Programme 1 (R77 000), Programme 2 (R67 000) and Programme 4 (R78 000), as well as to *Transfers and subsidies to: Provinces and municipalities* (R7 000) and *Transfers and subsidies to: Departmental agencies and accounts* (R2 000) in Programme 1. The balance of R4 000 was moved to the same category within the programme to cater for staff exit costs under the Supply Chain Management sub-programme.
- Savings of R2 million were identified under *Goods and services* in Support and Interlinked Financial Systems, largely in respect of transversal IT costs that were over-budgeted for, and were moved to the same category in Programme 1 to offset spending pressures in respect of departmental IT costs.
- Offsetting the above movements from Programme 3, was a virement of R800 000 from *Goods and services* in Programme 5 to the same category in Programme 3 to cater for higher than anticipated legal services costs under the Financial Reporting sub-programme.

In addition to the above virements, the department also undertook further virements within Programme 3, across sub-programmes and economic categories, as well as within sub-programmes, and the net effect is as follows:

- In addition to the R2 million mentioned above, further savings of R6 million were identified under *Goods and services* in the Support and Interlinked Financial Systems sub-programme, largely in respect of transversal IT costs that were over-budgeted for. These savings were moved within the programme and category as follows:
  - R4.500 million was moved to the same category under Financial Reporting, to cater for various in-year spending pressures, including higher than anticipated legal services costs.
  - R1.500 million was moved to the same category under Cash Management and Liabilities to fund in-year spending pressures.
- Savings of R5 million were identified under *Compensation of employees* in Support and Interlinked Financial Systems due to delays in the filling of posts, as well as over-budgeting, and were moved to offset in-year spending pressures against *Machinery and equipment* within the sub-programme, largely relating to the purchase of a new server.
- Savings of R5.500 million were identified under *Compensation of employees* in Supply Chain Management due to delays in the filling of posts, as well as over-budgeting, and were moved to offset in-year spending pressures within the sub-programme against *Goods and services* (R5.460 million) and *Machinery and equipment* (R40 000).
- Savings of R1 million, identified against *Interest and rent on land*, mainly because the provincial cash balance remains positive, were moved to offset in-year spending pressures against *Goods and services* within the Cash Management and Liabilities sub-programme.
- Savings of R398 000 identified under *Goods and services* were moved to offset *Compensation of employees* costs that were higher than budgeted for within Cash Management and Liabilities.
- Savings of R1.482 million identified under *Goods and services* were moved to offset *Compensation of employees* costs that were higher than budgeted for within Financial Reporting.

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

**Service delivery measures – Programme 3: Financial Management**

Table 6.10 shows the service delivery information for Programme 3 as per the APP of Provincial Treasury, as well as the actual achievement for the first six months of the year.

The department made several changes to some of the targets in order to ensure alignment between the *EPRE* and the *APP*. These targets are shown under the Revised target column in the table. Some wording has been updated in line with the *EPRE* and this is reflected in bold italics in the table.

Table 6.10 : Service delivery measures – Programme 3: Financial Management

Outputs	Performance indicators	Performance targets		
		2017/18 Original target	2017/18 Mid-year actual	2017/18 Revised target
<b>1. Cash Management and Liabilities</b>				
1.1. To assist depts. in improving cash management	<ul style="list-style-type: none"> <li>No. of Tax Information Seminars conducted annually</li> <li>No. of risk analysis reports per dept. to ensure compliance to tax legislation</li> <li>No. of quarterly assessment reports to depts. on status of bank related suspense accounts</li> <li>No. of monthly bank reconciliations per department</li> <li>No. of quarterly reports on withdrawals from municipal bank accounts</li> </ul>	1 session 56 reports 56 assessment reports 168 reconciled bank reconciliation 4 reports on withdrawals from municipal bank accounts	1 28 28 84 2	
<b>2. Public, Private Partnerships (PPP)</b>				
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 NT guidelines	<ul style="list-style-type: none"> <li><b>No. of seminars/workshops</b> conducted for provincial departments, public entities, municipalities, municipal entities and the private sector</li> <li>No. of reports for Prov. Treasury management and NT PPP unit</li> <li>No. of contract management reports on closed deals</li> </ul>	2 12 12	1 6 6	
<b>3. Supply Chain Management</b>				
3.1. Support and monitor adherence of state institutions to SCM prescripts	<ul style="list-style-type: none"> <li>No. of SCM training sessions and information sessions conducted</li> <li>No. of SCM compliance assessments conducted</li> <li>No. of policies reviewed and updated</li> <li>No. of contract management analysis conducted</li> </ul>	Conduct 12 training information sessions and workshops <b>and forums</b> for state institutions Conduct 72 SCM assessments in depts., municipalities, and public entities. and investigate complaints Review and update 4 policies Conduct 8 contract management reviews for state institutions	15 48 2 70	Conduct 84 SCM assessments in depts., municipalities, and public entities. and investigate complaints Conduct 212 contract management reviews for state institutions
<b>4. Financial Reporting</b>				
4.1. To assist depts, municipalities and public entities in the attainment of a clean audit outcome for the province	<ul style="list-style-type: none"> <li>Consolidated AFS for provincial depts and provincial revenue fund</li> <li>Consolidated AFS for public entities tabled in Legislature</li> <li>AFS for the Provincial Revenue Fund tabled in Legislature</li> <li>Provincial Audit Outcome analysis for municipalities, depts and public entities</li> <li>Training to provincial depts, municipalities and public entities</li> </ul>	Audited Consolidated AFS <b>to AG</b> for FY 2016/17 by 30 November 2017 Audited Consolidated AFS for FY 2016/17 by 30 November 2017 Audited Revenue Fund for FY 2016/17 by 30 November 2017 Summary of Audit Outcome Analysis on AG's audit report for provincial depts and public entities by 30 Sept 2017 1 training workshop by 30 April 2017	- - - Summary of audit completed 1 AFS training on GRAP updates 1 training workshop om mSCOA matters	

**Table 6.10 : Service delivery measures – Programme 3: Financial Management**

Outputs	Performance indicators	Performance targets			
		2017/18 Original target	2017/18 Mid-year actual	2017/18 Revised target	
	<ul style="list-style-type: none"> <li>AFS Support to provincial depts</li> </ul>	Progress reports on Fin. management support based on specific requests received from depts within 10 days of every quarter end	9 progress reports		
	<ul style="list-style-type: none"> <li>Financial Management Monitoring Support to Municipalities</li> </ul>	Pre-audit assessment report in 4 municipalities by 31 August 2017	Progress reports on 16 municipalities		
		Progress reports on intensive on-site financial management support to 4 municipalities within 10 days of every quarter end	-		
		Monitor implementation of MSCOA by municipalities and provide progress reports within 10 days of every quarter end	2 progress reports on municipalities		
<b>5. Norms and Standards</b>					
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"> <li>No. of instruction notes/standard operating procedures/policies developed and reviewed for depts, municipalities and their respective entities</li> <li>No. of depts/public entities assessed and monitored</li> </ul>	48 instruction notes and policies developed and/or reviewed based on needs analysis	72	48 instruction notes, standard operating procedures and policies developed and/or reviewed based on needs analysis
			All depts assessed and monitored	All depts and two public entities assessed and monitored	All depts and two public entities assessed and monitored
<b>6. Support and Interlinked Financial Systems</b>					
6.1.	To provide technical and functional support to supporting and interlinked financial systems	<ul style="list-style-type: none"> <li>MTTR (transversal systems)</li> </ul>	8 -24 hr MTTR	-	8 -16 hr MTTR

#### 4.4 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. The services rendered by the programme remain unchanged from the *EPRE*.

Tables 6.11 and 6.12 reflect a summary of the 2017/18 adjusted appropriation of Programme 4, summarised according to sub-programme and economic classification.

Details of the main adjustments, which resulted in an overall increase of R21.603 million, are provided in the paragraphs below the table.

**Table 6.11 : Programme 4: Internal Audit**

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/ unavoidable	Virement	Shifts	Other adjustments		
1. Assurance Services	65 275	10 525		2			10 527	75 802
2. Risk Management	19 055			11 000			11 000	30 055
3. Forensic Services	39 558			76			76	39 634
<b>Total</b>	<b>123 888</b>	<b>10 525</b>	<b>-</b>	<b>11 078</b>	<b>-</b>	<b>-</b>	<b>21 603</b>	<b>145 491</b>
<b>Amount to be voted</b>								<b>21 603</b>

Table 6.12 : Summary by economic classification

R thousand	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts		
<b>Current payments</b>	<b>123 024</b>	<b>10 525</b>	<b>-</b>	<b>11 000</b>	<b>-</b>	<b>21 525</b>	<b>144 549</b>
Compensation of employees	70 976			5 000		5 000	75 976
Goods and services	52 048	10 525		6 000		16 525	68 573
Interest and rent on land						-	-
<b>Transfers and subsidies to:</b>	<b>103</b>	<b>-</b>	<b>-</b>	<b>78</b>	<b>-</b>	<b>78</b>	<b>181</b>
Provinces and municipalities						-	-
Departmental agencies and accounts						-	-
Higher education institutions						-	-
Foreign governments and international organisations						-	-
Public corporations and private enterprises						-	-
Non-profit institutions						-	-
Households	103			78		78	181
<b>Payments for capital assets</b>	<b>761</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>761</b>
Buildings and other fixed structures						-	-
Machinery and equipment	761					-	761
Heritage assets						-	-
Specialised military assets						-	-
Biological assets						-	-
Land and subsoil assets						-	-
Software and other intangible assets						-	-
<b>Payments for financial assets</b>						-	-
<b>Total</b>	<b>123 888</b>	<b>10 525</b>	<b>-</b>	<b>11 078</b>	<b>-</b>	<b>21 603</b>	<b>145 491</b>
<b>Amount to be voted</b>							<b>21 603</b>

#### Roll-over – Programme 4: Internal Audit: R10.525 million

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 for performance audits too late for payment in 2016/17. This roll-over was allocated to *Goods and services* under the Assurances Services sub-programme.

#### Virement – Programme 4: Internal Audit: R11.078 million

Following the budget review, Programme 4 reflects a net increase of R11.078 million, as a result of virements from other programmes to this programme, as follows:

- Savings of R78 000 due to lower than anticipated staff exit costs were moved from *Transfers and subsidies to: Households* in Programme 3 to the same category in Programme 4 to cater for staff exit costs that were higher than budgeted for in respect of the sub-programmes: Assurance Services (R2 000) and Forensic Services (R76 000).
- Savings of R11 million were moved from *Goods and services* in Programme 5 to offset spending pressures under *Compensation of employees* (R5 million) due to the filling of critical posts earlier than anticipated, such as Chief Investigators, and *Goods and services* (R6 million) largely to cater for outstanding commitments in respect of performance audits, various risk assessments, occupational health and safety reviews and the fraud prevention plans review. The savings in Programme 5 related to anticipated under-spending on special projects, including departmental interventions, as well as funds set for the tendering process/procurement for the PPP Government Precinct and the Legislature Complex, as mentioned.

The above virements are permissible in terms of the Treasury Regulations and the PFMA and, where applicable, the virements were approved in principle by Provincial Treasury.

As mentioned, Legislature approval is required as the net increase in Programme 4 exceeds the 8 per cent limit permitted in terms of the PFMA, in terms of the receiving programme.

#### Service delivery measures – Programme 4: Internal Audit

Table 6.13 shows the service delivery information for Programme 4 as per the APP of Provincial Treasury, as well as the actual achievement for the first six months of the year.

The department made changes to many of the targets in order to ensure alignment between the *EPRE* and the APP. These targets are shown under the Revised target column in the table.

**Table 6.13 : Service delivery measures – Programme 4: Internal Audit**

Outputs	Performance indicators	Performance targets			
		2017/18 Original target	2017/18 Mid-year actual	2017/18 Revised target	
<b>1. Assurance Services</b>					
1.1.	To provide an efficient, effective and economical assurance service	<ul style="list-style-type: none"> <li>No. of IA annual operational plans and a rolling three-year strategic plan developed and approved</li> <li>No. of annual MEC Audit and Risk Committee report on clients' areas of risk management, governance and internal control</li> <li>No. of risk-based audit reports including follow up audit reports and reports on financial, IT, performance and governance audits</li> <li>No. of audit reports on predetermined objectives</li> </ul>	23 1 145 23	14 - 60 -	14  154 14
1.2.	To build and maintain client relationships	<ul style="list-style-type: none"> <li>No. of meetings held between clients and the CARC</li> </ul>	56	29	
1.3.	To enhance capacity within and outside the unit	<ul style="list-style-type: none"> <li>No. of training and development programmes attended</li> <li>No. of internal and/ independent external quality assurance reviews conducted</li> </ul>	8 1	4 -	
<b>2. Risk Management</b>					
2.1.	Promote good governance through effective risk management	<ul style="list-style-type: none"> <li>No. of risk registers updated, biannually, for provincial departments, municipalities and public entities</li> <li>No. of reviews on risk management maturity of departments, public entities and municipalities, and assist with development of risk policies and procedures</li> <li>No. of reviews and/or assist with development of occupational health and safety programmes for departments, public entities and municipalities</li> <li>No. of reviews and/or assist with development of DPSA compliant IT governance framework, including BCP for departments, public entities and municipalities</li> <li>No. of complex internal audit services/reviews provided to municipalities and municipal entities</li> <li>No. of reviews on internal audit and audit committee practices of municipalities, and assist with closing of gaps</li> <li>No. of risk and governance-related conferences/forums held for provincial departments, municipalities, and public entities</li> <li>No. of best risk management/governance guidelines/transversal risk policies produced by the unit</li> <li>No. reviews and/or assist with development of fraud prevention plans for provincial departments, municipalities, and public entities</li> <li>No. of risk/governance-related training/awareness provided to risk officials of departments, municipalities, and public entities</li> </ul>	60 30 30 30 10 30 4 1 40 40	20 14 17 9 - 5 6 - 10 11	50     20   30 20
<b>3. Forensic Services</b>					
3.1.	To promote a culture of zero tolerance for fraud and corruption	<ul style="list-style-type: none"> <li>No. of forensic audits performed and investigations as per client's requests and referrals from the Assurance team</li> <li>No. of updated register of forensic investigations – MEC report</li> <li>No. of follow ups on completed investigations per institution</li> <li>No. of Fraud Case Management System developed and rolled-out</li> <li>No. of updated forensic investigations on Fraud Case Management System per provincial dept.</li> </ul>	30 4 80 1 15	12 2 29 1 5	20  60  12

#### 4.5 Programme 5: Growth and Development

Programme 5 makes provision for the MEC outreach programmes, special projects approved by the Provincial Executive Council, such as the PPP exit strategy for the IALCH, as well as various departmental interventions, such as SCM interventions in other departments.

Tables 6.14 and 6.15 summarise the 2017/18 adjusted appropriation of Programme 5, summarised according to sub-programme and economic classification. Details of the main adjustments, which resulted in an overall reduction of R5.302 million, are provided in the paragraphs following the tables.

Table 6.14 : Programme 5: Growth and Development

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/ unavoidable	Virement	Shifts	Other adjustments		
1. Budget Communication	3 026			800			800	3 826
2. Special Projects	19 458			(20 602)		14 500	(6 102)	13 356
<b>Total</b>	<b>22 484</b>	<b>-</b>	<b>-</b>	<b>(19 802)</b>	<b>-</b>	<b>14 500</b>	<b>(5 302)</b>	<b>17 182</b>
Amount to be voted							<b>(5 302)</b>	

Table 6.15 : Summary by economic classification

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/ unavoidable	Virement	Shifts	Other adjustments		
<b>Current payments</b>	<b>22 184</b>	<b>-</b>	<b>-</b>	<b>(19 802)</b>	<b>-</b>	<b>14 500</b>	<b>(5 302)</b>	<b>16 882</b>
Compensation of employees							-	-
Goods and services	22 184			(19 802)		14 500	(5 302)	16 882
Interest and rent on land							-	-
<b>Transfers and subsidies to:</b>	<b>300</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>300</b>
Provinces and municipalities							-	-
Departmental agencies and accounts							-	-
Higher education institutions							-	-
Foreign governments and international organisations							-	-
Public corporations and private enterprises							-	-
Non-profit institutions	300						-	300
Households							-	-
<b>Payments for capital assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Buildings and other fixed structures							-	-
Machinery and equipment							-	-
Heritage assets							-	-
Specialised military assets							-	-
Biological assets							-	-
Land and subsoil assets							-	-
Software and other intangible assets							-	-
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>22 484</b>	<b>-</b>	<b>-</b>	<b>(19 802)</b>	<b>-</b>	<b>14 500</b>	<b>(5 302)</b>	<b>17 182</b>
Amount to be voted							<b>(5 302)</b>	

### Virement – Programme 5: Growth and Development: (R19.802 million)

As a result of the budget review, Programme 5 reflects a net decrease of R19.802 million, as a result of the following virements:

- Savings of R20.602 million were identified under *Goods and services* in the sub-programme: Special Projects, and were moved to offset spending pressures in the same category in Programme 1 (R7 million), Programme 2 (R1.802 million), Programme 3 (R800 000) and Programme 4 (R11 million), as mentioned against the respective programmes. The savings related to anticipated 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 the Legislature Complex, as mentioned.
- Offsetting the above movement from Programme 5, was a virement of R800 000 from *Transfers and subsidies to: Non-profit institutions* in Programme 1 resulting from the change in purpose of the R5 million donation to the Futurelife Foundation Trust, as explained above. These funds were moved to *Goods and services* in Programme 5 to cater for more MEC outreach programmes being undertaken than planned. With the MEC for Finance as the district champion in line with OSS, the department is to host the OSS event and World Aids Day event in the uMgungundlovu District.

The above virements are permissible in terms of the Treasury Regulations and the PFMA and, where applicable, the movements were approved in principle by Provincial Treasury.

Legislature approval is required for the net decrease in Programme 5, as it exceeds the 8 per cent limit permitted in terms of the PFMA, in terms of the transferring programme.



**Other adjustments – Programme 5: Growth and Development: R14.500 million**

Additional funding of R14.500 million was allocated to *Goods and services* under the Special Projects sub-programme, relating to the Health/Treasury assistance plan. Part of this assistance requires the allocation of resources in areas such as Supply Chain Management, Internal Control and Accounting Services. These funds are specifically and exclusively allocated for this purpose, and will be shifted to the relevant programmes in-year, based on the work undertaken in the specified areas.

**Service delivery measures – Programme 5: Growth and Development**

Table 6.16 shows the service delivery information for Programme 5 as per the APP of Provincial Treasury, as well as the actual achievement for the first six months of the year. The target contained in the EPRE is fully aligned with the APP.

**Table 6.16 : Service delivery measures – Programme 5: Growth and Development**

Outputs	Performance indicators	Performance targets		
		2017/18 Original target	2017/18 Mid-year actual	2017/18 Revised target
5.1 To provide for specific departmental approved events and initiatives not catered for in any other programme that will provide development in the province	• No. of community visits co-ordinated successfully	5	7	

**5. Specifically and exclusively appropriated allocations**

Table 6.17 shows the amounts that are specifically and exclusively appropriated for specific purposes in terms of the KZN Adjustments Appropriation Act. Details of the main adjustments, which resulted in an overall increase of R9.500 million, are provided in the paragraphs following the tables.

**Table 6.17 : Summary of specifically and exclusively appropriated funding**

R thousand	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation	
		Roll-overs	Unforeseeable/ unavoidable	Virement	Shifts			Other adjustments
1. Prog. 1: Futurelife Foundation Trust	5 000			(3 500)		(1 500)	(5 000)	-
2. Prog. 5: Health/Treasury assistance plan						14 500	14 500	14 500
<b>Total</b>	<b>5 000</b>	<b>-</b>	<b>-</b>	<b>(3 500)</b>	<b>-</b>	<b>13 000</b>	<b>9 500</b>	<b>14 500</b>
<b>Amount to be voted</b>							<b>9 500</b>	

- *Virement*: As mentioned, a donation of R5 million was budgeted to be made to the Futurelife Foundation Trust for feeding children in the uMgungundlovu District, where the MEC is the district champion. As it is unlikely that the R5 million will be transferred before year-end, the department requested a change of purpose for these funds so that they can be utilised to offset spending pressures in other areas. This change in purpose was approved in principle by Provincial Treasury, but requires Legislature approval because the donation exceeded R100 000, and hence was listed separately in the KZN Appropriation Act, 2017. The change in purpose of these funds resulted in a virement of R3.500 million from *Transfers and subsidies to: Non-profit institutions* in Programme 1, with R800 000 moving to *Goods and services* under Programme 5 to cater for more MEC outreach programmes being undertaken than planned, and R2.700 million remaining within Programme 1 to offset spending pressures under the Office of the MEC. The balance of R1.500 million is explained under *Other adjustments* below.

As mentioned, Legislature approval is required for the reduction of R3.500 million in the donation to the Futurelife Foundation Trust under Programme 1, as well as the requested change in purpose of these funds.

- *Other adjustments*: The following adjustments were made to the department's specifically and exclusively appropriated funds:

- o The balance of R1.500 million relating to the change in purpose of the R5 million Futurelife Foundation Trust was utilised to fund the suspension of R1.500 million from Vote 6 to Vote 11: COGTA toward the Mandela Day Marathon, as mentioned.
- o Additional funding of R14.500 million allocated to the department for the Health/Treasury assistance plan, was specifically and exclusively appropriated for this purpose. These funds were allocated to *Goods and services* in Programme 5, but will be shifted to the relevant programmes in-year, based on the work undertaken in the specified areas.

As mentioned, Legislature approval is required for the reduction of R1.500 million in the donation to the Futurelife Foundation Trust under Programme 1, as well as the requested change in purpose of these funds.

## 6. Gifts, donations and sponsorships

The department is not envisaging granting any gifts, donations or sponsorships exceeding R100 000 per donation in 2017/18.

## 7. Infrastructure

The department does not have any infrastructure projects in 2017/18.

## 8. Conditional grants

The department does not receive any conditional grant allocation.

## 9. Transfers and subsidies

Table 6.18 shows the summary of transfers and subsidies per programme.

The adjustments in *Transfers and subsidies* resulted in an overall decrease of R5 million, which is explained in detail in the paragraphs after the table.

**Table 6.18 : 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		
<b>1. Administration</b>	<b>9 467</b>	-	-	(3 414)	-	(1 500)	(4 914)	4 553
Provinces and municipalities	24	-	-	7	-	-	7	31
Motor vehicle licences	24	-	-	7	-	-	7	31
Departmental agencies and accounts	-	-	-	2	-	-	2	2
SABC TV Licences	-	-	-	2	-	-	2	2
Non-profit institutions	8 805	-	-	(3 500)	-	(1 500)	(5 000)	3 805
Financial Literacy Association	3 585	-	-	(435)	-	-	(435)	3 150
Futurelife Foundation Trust	5 000	-	-	(3 500)	-	(1 500)	(5 000)	-
Donations (OSS)	220	-	-	435	-	-	435	655
Households	638	-	-	77	-	-	77	715
Staff exit costs	100	-	-	77	-	-	77	177
External bursaries	538	-	-	-	-	-	-	538
<b>2. Fiscal Resource Management</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>67</b>	<b>-</b>	<b>-</b>	<b>67</b>	<b>67</b>
Households	-	-	-	67	-	-	67	67
Staff exit costs	-	-	-	67	-	-	67	67
<b>3. Financial Management</b>	<b>885</b>	<b>-</b>	<b>-</b>	<b>(231)</b>	<b>-</b>	<b>-</b>	<b>(231)</b>	<b>654</b>
Households	885	-	-	(231)	-	-	(231)	654
Staff exit costs	885	-	-	(231)	-	-	(231)	654
<b>4. Internal Audit</b>	<b>103</b>	<b>-</b>	<b>-</b>	<b>78</b>	<b>-</b>	<b>-</b>	<b>78</b>	<b>181</b>
Households	103	-	-	78	-	-	78	181
Staff exit costs	103	-	-	78	-	-	78	181
<b>5. Growth and Development</b>	<b>300</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>300</b>
Non-profit institutions	300	-	-	-	-	-	-	300
Donations (OSS)	300	-	-	-	-	-	-	300
<b>Total</b>	<b>10 755</b>	<b>-</b>	<b>-</b>	<b>(3 500)</b>	<b>-</b>	<b>(1 500)</b>	<b>(5 000)</b>	<b>5 755</b>
<b>Amount to be voted</b>								<b>(5 000)</b>

- *Virement*: The overall decrease of R3.500 million in respect of the category relates to the change of purpose in respect of the R5 million donation budgeted to be made to the Futurelife Foundation Trust. As mentioned, the change in purpose of these funds resulted in a virement of R3.500 million from *Non-profit institutions* in Programme 1, with R800 000 moving to *Goods and services* in Programme 5 to cater for more MEC outreach programmes being undertaken than planned, and R2.700 million remaining within Programme 1 to offset spending pressures under the Office of the MEC. Further virements were undertaken within the category as follows:
  - o Net savings of R231 000 were identified under *Households* in Programme 3 due to lower than anticipated staff exit costs. Of this amount, R222 000 was moved to the same category in Programme 1 (R77 000), Programme 2 (R67 000) and Programme 4 (R78 000) to cater for staff exit costs that were higher than budgeted or not budgeted for. The balance of R9 000 was moved to Programme 1 to offset spending pressures against *Provinces and municipalities* (R7 000) in respect of motor vehicle licences, and *Departmental agencies and accounts* (R2 000) for SABC television licences which were inadvertently not budgeted for.
  - o An amount of R435 000 was moved from the transfer to the Financial Literacy Association (FLA) to Donations (OSS) within *Non-profit institutions* in Programme 1. It is noted that the transfer to the FLA was incorrectly reflected as R3.585 million in the 2017/18 *EPRE*, instead of R3.150 million, and the difference of R435 000 should have been included against Donations (OSS). This movement was therefore undertaken to correct an error in the *Transfers and subsidies* table in the 2017/18 *EPRE*, and does not affect any other table in this document.

As mentioned, Legislature approval is required for the reduction of R3.500 million in the donation to the Futurelife Foundation Trust under Programme 1, as well as the requested change in purpose of these funds. In addition, Legislature approval is required for the reduction in the transfer to the FLA, although this reduction is merely the correction of an error in the *EPRE*.

- *Other adjustments*: Portion of the R1.500 million relating to the change in purpose of the R5 million Futurelife Foundation Trust donation was utilised to fund the suspension of R1.500 million from Vote 6 to Vote 11: COGTA toward the Mandela Day Marathon event, as mentioned previously, accounting for the net reduction of R1.500 million against *Non-profit institutions* in Programme 1.

As mentioned, Legislature approval is required for the reduction of R1.500 million in the donation to the Futurelife Foundation Trust under Programme 1, as well as the requested change in purpose of these funds.

## 10. Transfers to local government

The amounts against *Provinces and municipalities* in Table 6.18 above cater for motor vehicle licences. These funds will not be transferred to any municipality, and therefore the table for transfers to local government has not been included.

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

Tables 6.19 and 6.20 reflect actual payments as at the end of September 2017, projected payments for the rest of the year and the total revised spending in Rand value and as percentage of Adjusted Appropriation per programme and economic classification. The tables also show the 2016/17 Audited outcome.

**Table 6.19 : 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	135 831	158 382	62 835	39.7	95 547	60.3	158 382
2. Fiscal Resource Management	97 059	97 925	40 651	41.5	57 274	58.5	97 925
3. Financial Management	230 362	212 389	95 980	45.2	116 409	54.8	212 389
4. Internal Audit	132 745	145 491	59 972	41.2	85 519	58.8	145 491
5. Growth and Development	23 270	17 182	1 445	8.4	15 737	91.6	17 182
<b>Total</b>	<b>619 267</b>	<b>631 369</b>	<b>260 883</b>	<b>41.3</b>	<b>370 486</b>	<b>58.7</b>	<b>631 369</b>

Table 6.20 : 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		October 2017 - March 2018		
			% of budget		% of budget		
<b>Current payments</b>	<b>586 317</b>	<b>613 379</b>	<b>257 597</b>	<b>42.0</b>	<b>355 782</b>	<b>58.0</b>	<b>613 379</b>
Compensation of employees	254 326	284 003	136 407	48.0	147 596	52.0	284 003
Goods and services	331 397	328 642	121 190	36.9	207 452	63.1	328 642
Interest and rent on land	594	734	-	-	734	100.0	734
<b>Transfers and subsidies to:</b>	<b>28 189</b>	<b>5 755</b>	<b>2 490</b>	<b>43.3</b>	<b>3 265</b>	<b>56.7</b>	<b>5 755</b>
Provinces and municipalities	24	31	-	-	31	100.0	31
Departmental agencies and accounts	20 112	2	-	-	2	100.0	2
Higher education institutions	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-
Public corporations and private enterprises	7	-	-	-	-	-	-
Non-profit institutions	3 857	4 105	1 969	48.0	2 136	52.0	4 105
Households	4 189	1 617	521	32.2	1 096	67.8	1 617
<b>Payments for capital assets</b>	<b>4 740</b>	<b>12 235</b>	<b>796</b>	<b>6.5</b>	<b>11 439</b>	<b>93.5</b>	<b>12 235</b>
Buildings and other fixed structures	-	-	-	-	-	-	-
Machinery and equipment	4 740	12 235	796	6.5	11 439	93.5	12 235
Heritage assets	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	<b>21</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>619 267</b>	<b>631 369</b>	<b>260 883</b>	<b>41.3</b>	<b>370 486</b>	<b>58.7</b>	<b>631 369</b>

The department spent 41.3 per cent of its total adjusted budget, which is far lower than the 50 per cent benchmark for the period under review, partly because of the additional R23.525 million allocated to the department in September. All programmes show relatively low expenditure, as explained in detail below:

- Programme 1 spending was fairly low, with 39.7 per cent of the annual budget spent to date compared to the 50 per cent straight-line benchmark, mainly as a result of the late receipt of invoices from service providers in respect of computer services, fleet services, property payments, operating leases, as well as cost-cutting. It is likely that the programme will be fully spent by year-end, taking into account the adjustments undertaken as a result of the budget review undertaken by the department.
- Programme 2 spending was also fairly low at mid-year, with 41.5 per cent of the annual budget spent to date compared to the straight-line benchmark. The low spending was mainly in respect of consultants' costs. In this regard, the Infrastructure Support project relating to asset registers at various municipalities only commenced at the end of June, because of delays in tender processes. In addition, some Municipal Finance projects relating to VAT and PAYE were reallocated in-year to municipalities that were in greater need of assistance, and this also delayed expenditure. Furthermore, although orders were issued in respect of the Ray Nkonyeni Municipality spatial planning project under Economic Analysis, no invoices were received from the service provider. It is anticipated that expenditure will accelerate in the second half of the year.
- Programme 3 spending was also fairly low at mid-year, with 45.2 per cent of the annual budget spent to date compared to the 50 per cent benchmark, largely because of delays in the receipt of invoices in respect of transversal computer services provided by the department, including BAS, PERSAL, etc. Again, it is likely that the programme will be fully spent by year-end, taking into account the adjustments undertaken as a result of the budget review undertaken by the department.
- Programme 4 spending was slightly low, with 41.2 per cent of the annual budget spent to date compared to the 50 per cent straight-line benchmark. If the roll-over of R10.525 million, as well as the additional funding of R11.078 million is excluded, then spending is at 48 per cent of the annual budget, which is largely on track for the year.
- Programme 5 spending is extremely low, with only 8.4 per cent per cent of the adjusted budget spent to date compared to the 50 per cent straight-line benchmark. The low spending was mainly in respect of special projects (such as SCM interventions in departments and municipalities), as well as funds set

aside for the tendering process/procurement for the PPP Government Precinct and the Legislature Complex. Although these funds have now been moved to offset spending pressures in other programmes, the additional allocation of R14.500 million in respect of the Health/Treasury assistance plan will only be spent toward the end of the financial year.

With regard to economic classification:

- *Compensation of employees* spending was largely on track at 48 per cent compared to the 50 per cent straight-line benchmark, after the virement of funds from this category. It is likely that the category will be fully spent at year, taking into account that some of the critical vacant posts were filled in-year, meaning that spending in the second half of the year will be higher than mid-year spending.
- There was low spending against *Goods and services* at 36.9 per cent compared to the 50 per cent straight-line benchmark. As mentioned, invoices were received late from service providers in respect of computer services, fleet services, property payments, as well as operating leases. There were also delays in the receipt of invoices relating to performance audits and forensic audits. In addition, consultants' costs were lower than anticipated for the Infrastructure Support project because of delays in the tender processes, and invoices were not received in respect of the Ray Nkonyeni Municipality spatial planning project under Economic Analysis. Also, the additional R14.500 million for the Health/Treasury assistance plan will only be spent towards the end of the financial year.
- *Transfers and subsidies* was, at 43.3 per cent, fairly low compared to the straight-line benchmark, largely in respect of staff exit costs that are anticipated to be paid in the second half of the year.
- Spending against *Machinery and equipment* was very low at 6.5 per cent, largely because the purchase of the new server system, as well as the purchase of replacement and new laptops for Internal Audit, will only be finalised in the third quarter.



Table 6.A : Summary by economic classification : Provincial Treasury

R thousand	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts			Other adjustments
<b>Current payments</b>	<b>590 094</b>	<b>10 525</b>	<b>-</b>	<b>(1 740)</b>	<b>-</b>	<b>14 500</b>	<b>23 285</b>	<b>613 379</b>
Compensation of employees	287 664	-	-	(3 661)	-	-	(3 661)	284 003
Salaries and wages	256 005	-	-	(1 940)	-	-	(1 940)	254 065
Social contributions	31 659	-	-	(1 721)	-	-	(1 721)	29 938
Goods and services	300 696	10 525	-	2 921	-	14 500	27 946	328 642
Administrative fees	10 135	-	-	2 653	-	-	2 653	12 788
Advertising	2 366	-	-	1 596	-	-	1 596	3 962
Minor assets	865	-	-	1 308	-	-	1 308	2 173
Audit cost: External	6 030	-	-	-	-	-	-	6 030
Bursaries: Employees	500	-	-	8	-	-	8	508
Catering: Departmental activities	1 004	-	-	55	-	-	55	1 059
Communication (G&S)	3 119	-	-	47	-	-	47	3 166
Computer services	109 923	-	-	(8 785)	-	-	(8 785)	101 138
Cons & prof serv: Business and advisory services	113 406	-	-	(17 804)	(68 492)	-	(86 296)	27 110
Infrastructure and planning	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-
Legal costs	1 113	-	-	891	-	-	891	2 004
Contractors	1 001	-	-	(15)	-	-	(15)	986
Agency and support / outsourced services	187	10 525	-	18 335	68 492	14 500	111 852	112 039
Entertainment	18	-	-	(4)	-	-	(4)	14
Fleet services (including government motor transport)	1 926	-	-	(38)	-	-	(38)	1 888
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	645	-	-	134	-	-	134	779
Consumable: Stationery, printing and office supplies	2 702	-	-	(285)	-	-	(285)	2 417
Operating leases	17 810	-	-	2 499	-	-	2 499	20 309
Property payments	6 502	-	-	1 075	-	-	1 075	7 577
Transport provided: Departmental activity	322	-	-	-	-	-	-	322
Travel and subsistence	15 403	-	-	1 440	-	-	1 440	16 843
Training and development	2 518	-	-	32	-	-	32	2 550
Operating payments	2 354	-	-	65	-	-	65	2 419
Venues and facilities	847	-	-	(286)	-	-	(286)	561
Rental and hiring	-	-	-	-	-	-	-	-
Interest and rent on land	1 734	-	-	(1 000)	-	-	(1 000)	734
Interest	1 734	-	-	(1 000)	-	-	(1 000)	734
Rent on land	-	-	-	-	-	-	-	-
<b>Transfers and subsidies to</b>	<b>10 755</b>	<b>-</b>	<b>-</b>	<b>(3 500)</b>	<b>-</b>	<b>(1 500)</b>	<b>(5 000)</b>	<b>5 755</b>
Provinces and municipalities	24	-	-	7	-	-	7	31
Provinces	24	-	-	7	-	-	7	31
Provincial Revenue Funds	-	-	-	-	-	-	-	-
Provincial agencies and funds	24	-	-	7	-	-	7	31
Municipalities	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	2	-	-	2	2
Social security funds	-	-	-	-	-	-	-	-
Entities receiving funds	-	-	-	2	-	-	2	2
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	9 105	-	-	(3 500)	-	(1 500)	(5 000)	4 105
Households	1 626	-	-	(9)	-	-	(9)	1 617
Social benefits	1 088	-	-	(9)	-	-	(9)	1 079
Other transfers to households	538	-	-	-	-	-	-	538
<b>Payments for capital assets</b>	<b>6 995</b>	<b>-</b>	<b>-</b>	<b>5 240</b>	<b>-</b>	<b>-</b>	<b>5 240</b>	<b>12 235</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-
Machinery and equipment	6 995	-	-	5 240	-	-	5 240	12 235
Transport equipment	4 375	-	-	300	-	-	300	4 675
Other machinery and equipment	2 620	-	-	4 940	-	-	4 940	7 560
Heritage assets	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>607 844</b>	<b>10 525</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13 000</b>	<b>23 525</b>	<b>631 369</b>
<b>Amount to be voted</b>								<b>23 525</b>