

Vote 6

Provincial Treasury

R thousand	2025/26			
	Main appropriation	Adjusted appropriation	Decrease	Increase
Operational budget	707 975	708 763		788
MEC remuneration	2 215	2 215		
Total amount to be appropriated	710 190	710 978		788
<i>of which:</i>				
Current payments	698 469	695 420	(3 049)	
Transfers and subsidies	1 905	3 517		1 612
Payments for capital assets	9 816	12 014		2 198
Payments for financial assets	-	27		27
Responsible MEC	MEC for Finance			
Administering department	Provincial Treasury			
Accounting Officer	Head: Provincial Treasury			

1. Vision and mission

Vision

The vision of the department is: *Be the leader in ethical, fiscal, and financial management in the country.*

Mission

The mission of the department is: *To build a capable, ethical public service through embedding prudent financial management and fiscal discipline.*

2. Strategic objectives

The strategic outcomes of the department are as follows:

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

3. Summary of adjustments estimate for 2025/26

The main appropriation of Provincial Treasury was R710.190 million in 2025/26. During the year, the department's budget was increased by a net amount of R788 000 to R710.978 million, which is the amount that is to be appropriated in the 2025/26 Adjustments Estimate.

It should be noted that the department was not allocated funding in respect of the higher than anticipated costs of the 2025 wage agreement which was implemented from 1 April 2025. In this regard, departments were expected to budget for a 4.6 per cent increase, while the 2025 wage agreement was reached at 5.5 per cent. The department is able to absorb the costs in the current budget due to savings from vacant funded posts and the department has undertaken virements between programmes and sub-programmes to cater for the higher than anticipated costs of implementing the 2025 wage agreement.

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

- *Virements between programmes*: The following virements were undertaken across programmes:
 - Programme 1: Administration was reduced by a net amount of R6.816 million. In this regard, total savings of R7.652 million were realised against *Compensation of employees* (R1.250 million) due to internal delays in filling vacant posts and *Goods and services* (R6.402 million) mainly as a result of lower than anticipated costs related to the MEC's Community Outreach Programmes, as well as savings realised from the cancellation of the lease agreement for the Marine Building Office in Durban. These savings were moved as follows:
 - R5.810 million was moved to Programme 3: Financial Governance against *Goods and services* to cater for spending pressures in relation to transversal bank charges which were higher than anticipated.
 - R1.842 million was moved to Programme 4: Internal Audit against *Goods and services* to cater for spending pressures against various projects under the Provincial Financial Recovery Plan (PFRP) which were not budgeted for, including the Department of Social Development (DSD): Verification of Non-profit organisations (NPOs), Department of Education (DOE): School municipal bills and expenditure management, Department of Transport (DOT): Performance information, and Department of Health (DOH): Financial reporting processes, among others.
 - The above virements to Programmes 3 and 4, were offset to some extent by the following virements from various programmes to Programme 1:
 - Total savings of R836 000 were realised from *Machinery and equipment* under Programme 2: Sustainable Resource Management (R173 000), Programme 4 (R477 000) and Programme 5: Municipal Finance Management (R186 000) due to the non-purchase of tools of trade such as laptops, desktops and office furniture in respect of vacant posts. These savings were moved to the Corporate Services sub-programme under Programme 1 within *Machinery and equipment* to cater for the procurement of a departmental vehicle to accommodate employees with disabilities which was not budgeted for, the procurement of a security access system which was inadequately budgeted for and the anticipated pressures in relation to the finance lease for photocopier machines which was inadequately budgeted for.
 - Programme 2 was reduced by an amount of R2.835 million against *Compensation of employees* (R2.662 million) due to savings realised as a result of internal delays in filling vacant funded posts and *Machinery and equipment* (R173 000) due to the non-purchase of tools of trade in respect of vacant posts. These savings were moved to *Goods and services* (R2.662 million) under Programme 3 to defray spending pressures in respect of higher than anticipated transversal bank charges. The balance of R173 000 was moved to *Machinery and equipment* in Programme 1, as mentioned.
 - Programme 3 was increased by a net amount of R10.686 million against *Goods and services* to cater for spending pressures in relation to transversal bank charges which were higher than anticipated. These savings were moved from Programme 1 (R5.810 million) and Programme 2 (R2.662 million), as mentioned. The balance of R2.214 million was moved from Programme 5 against *Compensation of employees* (R2.124 million) due to delays in filling vacant funded posts and from *Goods and services* (R90 000) due to savings in operational costs.
 - Programme 4 was increased by a net amount of R1.365 million. In this regard, total savings of R1.842 million were moved to *Goods and services* to cater for spending pressures against various projects under the PFRP, as mentioned. These savings were realised from Programme 1 against *Goods and services*, as explained. This was offset to an extent by the virement of R477 000 against *Machinery and equipment* from Programme 4 to the same category in Programme 1, as mentioned.
 - Programme 5 was reduced by an amount of R2.400 million against *Compensation of employees* (R2.124 million) due to internal delays in filling vacant posts, *Goods and services* (R90 000) due to savings on operational costs which were over-provided for, as well as *Machinery and equipment* (R186 000) due to the non-purchase of tools of trade in respect of vacant posts. Savings of R2.214 million were moved to *Goods and services* under Programme 3 to defray spending pressures in respect of higher than anticipated transversal bank charges. The balance of R186 000 was moved to *Machinery and equipment* in Programme 1, as mentioned.

In addition to the above virements between programmes, the department undertook virements across sub-programmes and economic classification categories within programmes. Details are provided in Section 4 below. The above virements are permissible in terms of the Treasury Regulations and the PFMA. It should be noted that the reduction in *Machinery and equipment* does not require Legislature approval as capital for the Vote as a whole did not decrease.

- *Shifts*: The department did not undertake any shifts between programmes. There was a shift undertaken at economic classification level and this is detailed under Section 4.
- *Other adjustments*: The department's 2025/26 budget was increased by a net amount of R788 000, as follows:
 - The department's budget was increased by an amount of R20.177 million which was suspended from the department's budget in the 2024/25 Second Adjustments Estimate. The funds were suspended from Programme 1 (R11 million), Programme 3 (R2.625 million) and Programme 4 (R6.552 million). At economic classification level, the funds were suspended from *Compensation of employees* (R11.052 million) due to the non-filling of budgeted critical vacant posts and *Goods and services* (R9.125 million) from savings realised from travel and subsistence, property payments and communication. These funds are allocated back to the department in the 2025/26 Adjustments Estimate, as follows:
 - A total of R16.625 million was allocated under Programme 1 against *Goods and services* (R14.725 million) to cater for the activities related to the implementation of the PFRP. *Transfers and subsidies to: Provinces and municipalities* (R1 million) to cater for the iLembe Organic Farming project where the department is providing funding to the municipality to implement the project as part of the Operation Sukuma Sakhe (OSS)/ District Development Model (DDM) responsibilities, and *Machinery and equipment* (R900 000) to cater for costs related to the procurement of the security access system.
 - R3.552 million was allocated under Programme 4 against *Compensation of employees* to cater for additional capacity required for the implementation of projects under the PFRP which were undertaken in 2025/26.
 - Offsetting the above increase is a total reduction of R19.389 million, as follows:
 - The department is surrendering funds from the 2025/26 budget towards budget pressures in Vote 7: Health after the Provincial Executive Council resolved that all departments and public entities should make contributions from their budgets towards offsetting the budget pressures shown by DOH. In this regard, the department's 2025/26 budget is reduced by R5.389 million in line with the amount pledged by the department. These savings were realised from Programme 1 against *Compensation of employees* (R3.773 million) due to delays in filling vacant funded posts and *Goods and services* (R1.616 million) due to lower than anticipated operational costs.
 - Furthermore, funds amounting to R14 million were approved to be suspended from the department's 2025/26 budget to be allocated back to the department in the 2026/27 main budget. These funds are suspended from Programme 1 (R11 million) against *Goods and services* (R9 million) and *Machinery and equipment* (R2 million). These funds mainly relate to the implementation of projects under the PFRP which were planned for 2025/26 but experienced several delays and are not anticipated to be completed by the end of 2025/26, including the procurement of the SCM system and the procurement of the security access system. The balance of R3 million is suspended from Programme 4 from savings realised against *Compensation of employees* (R1.631 million) due to internal delays in filling vacant funded posts and *Goods and services* (R1.369 million) due to savings realised from operational costs which were over-provided for. These funds are suspended from the 2025/26 budget to be allocated back to the department in the 2026/27 main budget for the completion of the above-mentioned projects under Programme 1, as well as the procurement of Audit and Risk Management systems under Programme 4.

Tables 6.1 and 6.2 reflect a summary of the 2025/26 adjusted appropriation of the department, summarised according to programme and economic classification. Note that further details of adjustments at economic classification are provided 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	228 693	-	-	(6 816)	-	236	(6 580)	222 113
2. Sustainable Resource Management	53 270	-	-	(2 835)	-	-	(2 835)	50 435
3. Financial Governance	241 176	-	-	10 686	-	-	10 686	251 862
4. Internal Audit	112 715	-	-	1 365	-	552	1 917	114 632
5. Municipal Finance Management	74 336	-	-	(2 400)	-	-	(2 400)	71 936
Total	710 190	-	-	-	-	788	788	710 978
Amount to be voted								788

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		
Current payments	698 469	-	-	(3 937)	-	888	(3 049)	695 420
Compensation of employees	439 855	-	-	(20 304)	-	(1 852)	(22 156)	417 699
Goods and services	258 480	-	-	16 365	-	2 740	19 105	277 585
Interest and rent on land	134	-	-	2	-	-	2	136
Transfers and subsidies to:	1 905	-	-	612	-	1 000	1 612	3 517
Provinces and municipalities	31	-	-	(4)	-	1 000	996	1 027
Departmental agencies and accounts	3	-	-	-	(3)	-	(3)	-
Higher education institutions	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	3	-	3	3
Non-profit institutions	625	-	-	(29)	-	-	(29)	596
Households	1 246	-	-	645	-	-	645	1 891
Payments for capital assets	9 816	-	-	3 298	-	(1 100)	2 198	12 014
Buildings and other fixed structures	-	-	-	-	-	-	-	-
Machinery and equipment	9 816	-	-	3 298	-	(1 100)	2 198	12 014
Heritage assets	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	27	-	-	27	27
Total	710 190	-	-	-	-	788	788	710 978
Amount to be voted								788

4. Changes to programme purposes and service delivery measures

It is noted that the department's budget structure is largely aligned with the uniform budget structure issued for Provincial Treasuries, and the department received formal approval from National Treasury for the slight deviations that are evident.

The non financial information currently reflected in the 2025/26 EPRE does not fully correspond to the department's 2025/26 APP, because the APP was tabled after the EPRE. As such, the "Revised target" column has been used in order to ensure alignment between the financial information in the Adjustments Estimate and the APP. Also, there are minor changes to the wording of service delivery outputs and indicators to align them with the 2025/26 APP, and these are indicated by a strike-through, as well as bold italics in the service delivery tables.

4.1 Programme 1: Administration

The purpose of Programme 1 is to provide strategic leadership and administration support to the department.

Tables 6.3 and 6.4 reflect a summary of the 2025/26 adjusted appropriation of Programme 1, summarised according to sub-programmes and economic classification. Details of the main adjustments, which resulted in an overall decrease of R6.580 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	31 041			(4 628)		(2 773)	(7 401)	23 640
2. Management Services (HOD)	14 709					4 109	4 109	18 818
3. Financial Management (CFO)	35 498			913			913	36 411
4. Corporate Services	147 445			(3 101)		(1 100)	(4 201)	143 244
Total	228 693	-	-	(6 816)	-	236	(6 580)	222 113
Amount to be voted							(6 580)	

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
Current payments	221 245	-	-	(11 333)	-	336	(10 997)	210 248
Compensation of employees	120 698			(2 933)		(3 773)	(6 706)	113 992
Goods and services	100 547			(8 402)		4 109	(4 293)	96 254
Interest and rent on land				2			2	2
Transfers and subsidies to:	1 749	-	-	394	-	1 000	1 394	3 143
Provinces and municipalities	31			(4)		1 000	996	1 027
Departmental agencies and accounts	3				(3)		(3)	-
Higher education institutions							-	-
Foreign governments and international organisations							-	-
Public corporations and private enterprises					3		3	3
Non-profit institutions	625			(29)			(29)	596
Households	1 090			427			427	1 517
Payments for capital assets	5 699	-	-	4 102	-	(1 100)	3 002	8 701
Buildings and other fixed structures							-	-
Machinery and equipment	5 699			4 102		(1 100)	3 002	8 701
Heritage assets							-	-
Specialised military assets							-	-
Biological assets							-	-
Land and subsoil assets							-	-
Software and other intangible assets							-	-
Payments for financial assets				21			21	21
Total	228 693	-	-	(6 816)	-	236	(6 580)	222 113
Amount to be voted							(6 580)	

Virement – Programme 1: Administration: (R6.816 million)

The main appropriation of Programme 1 was decreased by a net amount of R6.816 million, as follows:

- Total savings of R7.652 million were realised under the Office of the MEC (R3.715 million) and Corporate Services (R3.937 million) sub-programmes against *Compensation of employees* (R1.250 million) due to internal delays in filling vacant posts and *Goods and services* (R6.402 million) mainly as a result of lower than anticipated costs related to the MEC's Community Outreach Programmes, as well as savings realised from the cancellation of the lease agreement for the Marine Building Office in Durban. These savings were moved as follows:
 - R5.810 million was moved to Programme 3 against *Goods and services* to cater for spending pressures in relation to higher than anticipated transversal bank charges.
 - R1.842 million was moved to Programme 4 against *Goods and services* to cater for spending pressures against various projects under the PFRP which were not budgeted for including the DSD: Verification of NPOs, DOE: School municipal bills and expenditure management, DOT: Performance information, and DOH: Financial reporting processes, among others.

The above virements to Programmes 3 and 4, were offset to some extent by the following virements from various programmes:

- Total savings of R836 000 were realised from *Machinery and equipment* under Programme 2 (R173 000), Programme 4 (R477 000) and Programme 5 (R186 000) due to the non-purchase of tools of trade such as laptops, desktops and office furniture in respect of vacant posts. These savings were moved to the Corporate Services sub-programme under Programme 1 within *Machinery and equipment* to cater for the procurement of a departmental vehicle to accommodate employees with disabilities which was not budgeted for, the procurement of a security access system which was inadequately budgeted for and the anticipated pressures in relation to the finance lease for photocopier machines which was inadequately budgeted for.

In addition to the above virements, the following virements were undertaken within Programme 1, affecting various sub-programmes and economic classification categories:

- Further savings of R913 000 were realised from the Office of the MEC sub-programme against *Compensation of employees* (R13 000) due to internal delays in filling vacant posts and *Goods and services* (R900 000) due to lower than anticipated costs of the MEC's Community Outreach Programmes. These savings were moved to the Financial Management (CFO) sub-programme within *Goods and services* (R900 000) to cater for spending pressures against external audit fees which were inadequately budgeted for and *Payments for financial assets* (R13 000) to cater for irrecoverable debts written off.
- Furthermore, savings of R1.670 million were realised against *Compensation of employees* from various sub-programmes due to internal delays in filling vacant posts. Also, savings of R2.033 million were realised under the Corporate Services sub-programme against *Goods and services* (R2 million) as a result of the cancellation of the lease agreement for the Marine Building Office in Durban, *Transfers and subsidies to: Provinces and municipalities* (R4 000) in respect of motor vehicle licence fees due to the non-renewal of licences for two departmental vehicles that were involved in accidents and *Transfers and subsidies to: Non-profit institutions* (R29 000) in respect of the transfer to the Thuthuka Education Upliftment Fund (TEUF) which was over-budgeted for. The total savings of R3.703 million were moved within Programme 1 as follows:
 - R2 000 was allocated to *Interest and rent on land* due to unanticipated interest and penalties charged by the South African Revenue Service (SARS) relating to the EMP201 payment declaration for the previous year.
 - R427 000 was allocated to *Transfers and subsidies to: Households* to cater for higher than anticipated staff exit costs (R294 000) and injury on duty payments (R133 000) as a result of some staff sustaining injuries at the departmental sports day event.
 - R3.266 million was allocated to *Machinery and equipment* under the Corporate Services sub-programme to cater for the procurement of a departmental vehicle to accommodate employees with disabilities which was not budgeted for, the procurement of a security access system which was inadequately budgeted for and the anticipated pressures in relation to the finance lease for photocopier machines which was inadequately budgeted for.
 - R8 000 was moved to *Payments for financial assets* to make provision for irrecoverable debts written off under the Corporate Services sub-programme.

The above virements are permissible in terms of the PFMA and the Treasury Regulations. It should be noted that the reduction in *Transfers and subsidies to: Non-profit institutions* does not require Legislature approval as it was not gazetted for transfer to any particular institution.

Shift – Programme 1: Administration

The department undertook a shift of the budget for TV licences of R3 000 from *Transfers and subsidies to: Departmental agencies and accounts* to *Transfers and subsidies to: Public corporations and private enterprises* due to the reclassification of TV licences, which is a change implemented by National Treasury with the introduction of BAS version 6. The purpose of the funds remains the same.

Other adjustments – Programme 1: Administration: R236 000

The main appropriation of Programme 1 was increased by a net amount of R236 000, as follows:

- The department's budget was increased by R16.625 million under Programme 1 in respect of funds suspended from the department's budget in 2024/25. These funds were allocated as follows:
 - R1 million was allocated under the Office of the MEC against *Transfers and subsidies to: Provinces and municipalities* to cater for the iLembe Organic Farming project where the department is providing funding to the municipality to implement the project as part of the OSS/DDM responsibilities.

- o R14.725 million was allocated under the Management Services (HOD) sub-programme against *Goods and services* to cater for the activities related to the implementation of the PFRP.
- o R900 000 was allocated under the Corporate Services sub-programme against *Machinery and equipment* to cater for costs related to the procurement of the security access system.
- Offsetting the above increase is a total reduction of R16.389 million, as follows:
 - o The department is surrendering funds from the 2025/26 budget towards budget pressures in Vote 7: Health after the Provincial Executive Council resolved that all departments and public entities should make contributions from their budgets towards offsetting the budget pressures shown by the DOH. In this regard, the department's 2025/26 budget is reduced by R5.389 million in line with the amount pledged by the department. These savings were realised from the Office of the MEC (R3.773 million) sub-programme against *Compensation of employees* due to delays in filling vacant funded posts and the Management Services (HOD) (R1.616 million) sub-programme against *Goods and services* due to lower than anticipated operational costs.
 - o Furthermore, the department is suspending funds amounting to R11 million from the 2025/26 budget under the Management Services (HOD) sub-programme against *Goods and services* (R9 million) and the Corporate Services sub-programme against *Machinery and equipment* (R2 million). These funds mainly relate to the implementation of projects under the PFRP which were planned for 2025/26 but experienced several delays and are not anticipated to be completed by the end of 2025/26. These projects include the procurement of the SCM system and the procurement of the security access system. These funds are suspended from the 2025/26 budget to be allocated back to the department in the 2026/27 main budget for the completion of the above-mentioned projects.

Service delivery measures – Programme 1: Administration

Table 6.5 shows the service delivery information for Programme 1 as per the APP of Provincial Treasury, as well as the actual achievements for the first six months of the year. Some targets are measured annually, as indicated in the table. Note that there are minor changes to the wording of service delivery outputs and indicators to align them with the 2025/26 APP and these are indicated in bold italics, while deleted words are denoted by a strike-through. There is one performance indicator that the department no longer reports on and this is denoted by a strike-through.

Table 6.5 : Service delivery measures – Programme 1: Administration

Outputs	Performance indicators	Performance targets		
		2025/26 Original target	2025/26 Mid-year actual	2025/26 Revised target
1. Financial Management (CFO)				
1.1. Improved Governance of Assurance & Internal Control in departments <i>sound financial management in the province</i>	<ul style="list-style-type: none"> • Unqualified audit received • % of suppliers' valid invoices paid within 30 days 	Unqualified audit opinion 100%	Unqualified audit opinion 100%	
1.2. Improved participation of targeted groups in the economy of the province	<ul style="list-style-type: none"> • % of procurement awarded to targeted groups 	80%	91%	
2. Human Resource Management				
2.1. Gender Base Violence Femicide initiatives implemented	<ul style="list-style-type: none"> • No. of Gender Based Violence and Femicide empowerment initiatives implemented 	8	-	
2.2. Targeted groups appointed within the department	<ul style="list-style-type: none"> • % of SMS posts filled by females • % of employees with disabilities employed • % of youth enrolled in youth development programmes 	50% 2% 5%	Annual Annual Annual	

4.2 Programme 2: Sustainable Resource Management

The purpose of Programme 2 is to manage, maintain and monitor the fiscal sustainability of the province, and support improved and sustainable infrastructure delivery.

Tables 6.6 and 6.7 reflect a summary of the 2025/26 adjusted appropriation of Programme 2, summarised according to sub-programme and economic classification. Details of the main adjustments, which resulted in an overall decrease of R2.835 million, are provided in the paragraphs following the tables.

Table 6.6 : Programme 2: Sustainable Resource Management

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
1. Programme Support	3 769			(67)			(67)	3 702
2. Economic Analysis	22 413			(138)			(138)	22 275
3. Public Finance	22 129			(846)			(846)	21 283
4. Public, Private Partnerships	4 959			(1 784)			(1 784)	3 175
Total	53 270	-	-	(2 835)	-	-	(2 835)	50 435
Amount to be voted								(2 835)

Table 6.7 : 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	52 690	-	-	(2 664)	-	-	(2 664)	50 026
Compensation of employees	47 874			(2 883)			(2 883)	44 991
Goods and services	4 816			219			219	5 035
Interest and rent on land							-	-
Transfers and subsidies to:	-	-	-	2	-	-	2	2
Provinces and municipalities							-	-
Departmental agencies and accounts							-	-
Higher education institutions							-	-
Foreign governments and international organisations							-	-
Public corporations and private enterprises							-	-
Non-profit institutions							-	-
Households				2			2	2
Payments for capital assets	580	-	-	(173)	-	-	(173)	407
Buildings and other fixed structures							-	-
Machinery and equipment	580			(173)			(173)	407
Heritage assets							-	-
Specialised military assets							-	-
Biological assets							-	-
Land and subsoil assets							-	-
Software and other intangible assets							-	-
Payments for financial assets	-	-	-	-	-	-	-	-
Total	53 270	-	-	(2 835)	-	-	(2 835)	50 435
Amount to be voted								(2 835)

Virement – Programme 2: Sustainable Resource Management: (R2.835 million)

The main appropriation of Programme 2 was decreased by an amount of R2.835 million, as follows:

- Savings of R2.835 million were realised under Programme 2 across all sub-programmes against *Compensation of employees* (R2.662 million) due to internal delays in filling vacant funded posts and *Machinery and equipment* (R173 000) due to the non-purchase of tools of trade in respect of vacant posts. These savings were moved to Programmes 1 and 3, as follows:
 - R2.662 million was moved to *Goods and services* in Programme 3 to defray spending pressures in respect of higher than anticipated transversal bank charges.
 - R173 000 was moved to *Machinery and equipment* in Programme 1 to defray spending pressures in respect of the procurement of a departmental vehicle to accommodate employees with disabilities, a security system and finance leases for photocopier machines which were under-budgeted for.

In addition to the above virements to Programmes 1 and 3, internal virements were undertaken within Programme 2, affecting various sub-programmes and economic classification categories. The movements between economic classification categories are explained as follows:

- Savings of R221 000 were realised against *Compensation of employees* due to internal delays in filling vacant funded posts. These savings were allocated as follows:
 - R219 000 was moved to *Goods and services* to cater for spending pressures mainly against agency and support services due to the payment of technical capacity support to assist with property evaluation services for the Department of Public Works and Infrastructure (DOPWI), which was inadequately budgeted for in 2025/26. This project commenced in the fourth quarter of 2024/25 and was finalised in the second quarter of 2025/26.

- o R2 000 was moved to *Transfers and subsidies to: Households* to cater for an injury on duty payment relating to an employee who sustained an injury while participating in games as part of the department's wellness day event in 2023. The payment made relates to follow up doctor visits.

The above virements are permissible in terms of the PFMA and Treasury Regulations. It should be noted that the reduction of R173 000 in *Machinery and equipment* does not require Legislature approval as capital for the Vote as a whole did not decrease.

Service delivery measures – Programme 2: Sustainable Resource Management

Table 6.8 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. Some targets are measured annually, as indicated in the table. Note that there are minor changes to the wording of service delivery outputs and indicators to align them with the 2025/26 APP and these are indicated in bold italics, while deleted words are denoted by a strike-through. One performance indicator was deleted, and this is denoted by a strike-through. Four new performance indicators were added and this is denoted with the word “New” in the 2025/26 Original target column. Furthermore, targets for two performance indicators were revised and this is included under the 2025/26 Revised Target column.

Table 6.8 : Service delivery measures – Programme 2: Sustainable Resource Management

Outputs	Performance indicators	Performance targets		
		2025/26 Original target	2025/26 Mid-year actual	2025/26 Revised target
1. Infrastructure Management and Economic Analysis				
1.1. Socio-economic report produced	• No. of socio-economic reports produced (SERO)	1	Annual	
Value for money assessment reports produced	• No. of value for money assessment reports produced	1	Annual	
Research reports produced	• No. of research reports produced	1	Annual	
1.2. Estimates of Capital Expenditure (ECE) Plan produced	• No. of ECE plans produced	1	Annual	
1.3. ECE monitoring reports of departments produced	• No. of quarterly monitoring reports produced on capital expenditure	4	-	
	• <i>No. of mid-term monitoring reports on capital expenditure produced</i>	<i>New</i>	<i>1</i>	<i>1</i>
	• <i>No. of close-out reports of previous financial year capital expenditure produced</i>	<i>New</i>	<i>1</i>	<i>1</i>
	• <i>No. of expenditure reports produced</i>	<i>New</i>	<i>2</i>	<i>4</i>
	• No. of monitoring reports produced on departments using IDMS	4	2	
1.4. <i>Infrastructure capacity building interventions provided to support KZN public institutions</i>	• <i>No. of infrastructure capacity building interventions provided to support KZN public institutions</i>	<i>New</i>	<i>4</i>	<i>8</i>
2. Public Finance				
2.1. Optimal provincial budget allocation	• Final provincial budget allocations produced	1	Annual	1 EPRE
	• Adjustments provincial budget allocations produced	1	Annual	1 AEPRE
2.2. Early warning system reports produced	• No. of early warning system reports produced	20	12	
3. Public, Private Partnerships				
3.1. <i>Report on PPP support provided to public sector institutions</i>	• No. of <i>reports on</i> public sector institutions supported on PPPs	5	1	2
3.2. <i>Assessment on the implementation of Monitor the compliance to PPPFA requirements in PPP projects</i>	• No. of assessment <i>monitoring</i> reports produced	2	2	4

4.3 Programme 3: Financial Governance

The purpose of this programme is to provide audit readiness support to provincial departments and public entities with the objective of achieving improved audit outcomes in the province, as well as economic and effective management of assets and liabilities, SCM processes, reliable financial management information systems and ensure compliance with applicable norms and standards.

Tables 6.9 and 6.10 reflect a summary of the 2025/26 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 R10.686 million, are provided in the paragraphs below.

Table 6.9 : Programme 3: Financial Governance

R thousand	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Other adjustments		
1. Programme Support	6 881			(256)		(256)	6 625
2. Asset and Liabilities Management	21 664			13 523		13 523	35 187
3. Support and Interlinked Financial Systems	126 276					-	126 276
4. Supply Chain Management	46 453					-	46 453
5. Accounting Services	32 364			(3 309)		(3 309)	29 055
6. Norms and Standards	7 538			728		728	8 266
Total	241 176	-	-	10 686	-	10 686	251 862
Amount to be voted							10 686

Table 6.10 : Summary by economic classification

R thousand	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Other adjustments		
Current payments	239 567	-	-	10 554	-	10 554	250 121
Compensation of employees	104 922			(2 614)		(2 614)	102 308
Goods and services	134 511			13 168		13 168	147 679
Interest and rent on land	134					-	134
Transfers and subsidies to:	156	-	-	94	-	94	250
Provinces and municipalities						-	-
Departmental agencies and accounts						-	-
Higher education institutions						-	-
Foreign governments and international organisations						-	-
Public corporations and private enterprises						-	-
Non-profit institutions						-	-
Households	156			94		94	250
Payments for capital assets	1 453	-	-	32	-	32	1 485
Buildings and other fixed structures						-	-
Machinery and equipment	1 453			32		32	1 485
Heritage assets						-	-
Specialised military assets						-	-
Biological assets						-	-
Land and subsoil assets						-	-
Software and other intangible assets						-	-
Payments for financial assets				6		6	6
Total	241 176	-	-	10 686	-	10 686	251 862
Amount to be voted							10 686

Virement – Programme 3: Financial Governance: R10.686 million

Programme 3 was increased by a net amount of R10.686 million under the Asset and Liabilities sub-programme against *Goods and services* to cater for spending pressures in relation to transversal bank charges which were higher than anticipated. These savings were moved from various programmes as follows:

- Savings of R5.810 million were realised from Programme 1 against *Compensation of employees* (R1.250 million) due to delays in filling vacant funded posts and *Goods and services* (R4.560 million) mainly as a result of lower than anticipated costs related to the MEC's Community Outreach Programmes, as well as savings realised from the cancellation of the lease agreement for the Marine Building Office in Durban.
- Savings of R2.662 million were realised from Programme 2 against *Compensation of employees* due to delays in filling vacant funded posts.
- Savings of R2.214 million were realised from Programme 5 against *Compensation of employees* (R2.124 million) due to delays in filling vacant funded posts and from *Goods and services* (R90 000) due to minor savings in operational costs.

In addition to the above virements to this programme, various virements were undertaken within the programme, across sub-programmes and economic classification categories, explained as follows:

- In this regard, net savings of R2.614 million were realised against *Compensation of employees* from the Programme Support and Accounting Services sub-programmes mainly as a result of delays in filling vacant posts. These savings were moved within Programme 3 as follows:

- o R2.482 million was moved towards *Goods and services* to cater for spending pressures in relation to transversal bank charges which were higher than anticipated.
- o R94 000 was moved to *Transfers and subsidies to: Households* to cater for higher than anticipated staff exit costs and an unanticipated injury on duty payment made in respect of an employee who sustained an injury during a fire drill.
- o R32 000 was moved to *Machinery and equipment* to cater for spending pressures in respect of replacement tools of trade and finance leases which were inadequately budgeted for.
- o R6 000 was moved to *Payments for financial assets* to cater for irrecoverable debts written off.

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

Service delivery measures – Programme 3: Financial Governance

Table 6.11 shows the service delivery information for Programme 3 as per the APP of Provincial Treasury, as well as the actual achievements for the first six months of the year.

No changes were made to the outputs, performance indicators and targets in this programme. Therefore, the service delivery targets as reported in the 2025/26 EPRE are fully aligned to the 2025/26 APP.

Table 6.11 : Service delivery measures – Programme 3: Financial Governance

Outputs	Performance indicators	Performance targets		
		2025/26 Original target	2025/26 Mid-year actual	2025/26 Revised target
1. Provincial Supply Chain Management				
1.1. SCM policies reviewed	• No. of SCM policies reviewed	16	13	
1.2. Contract registers reviewed	• No. of contract registers reviewed	24	12	
2. Accounting Services				
2.1. Report on financial management support provided to provincial departments	• No. of reports produced on financial management support provided to provincial departments	8	15	
	• No. of reports produced on financial management support provided to public entities	8	10	
2.2. Report on Asset management support provided to Public Sector Institutions	• No. of reports produced on Asset management support rendered to public sector institutions	13	16	
3. Financial Information Management System (FIMS)				
3.1. Financial transversal systems available	• % availability of financial transversal systems	97%	99%	
	• Mean time to resolve calls for transversal systems	8 hours	06:11:33 hours	

4.4 Programme 4: Internal Audit

The main purpose of the programme is to promote good governance by providing Internal Audit services to provincial departments and Risk Advisory services to provincial departments and municipalities.

Tables 6.12 and 6.13 reflect a summary of the 2025/26 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 R1.917 million, are provided in the paragraphs below the table.

Table 6.12 : Programme 4: Internal Audit

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/ unavoidable	Virement	Shifts	Other adjustments		
1. Programme Support	8 498			(1 383)			(1 383)	7 115
2. Assurance Services	78 299			2 748		2 052	4 800	83 099
3. Risk Management	25 918					(1 500)	(1 500)	24 418
Total	112 715	-	-	1 365	-	552	1 917	114 632
Amount to be voted								1 917

Table 6.13 : 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	111 548	-	-	1 741	-	552	2 293	113 841
Compensation of employees	103 492			(9 729)		1 921	(7 808)	95 684
Goods and services	8 056			11 470		(1 369)	10 101	18 157
Interest and rent on land							-	-
Transfers and subsidies to:	-	-	-	101	-	-	101	101
Provinces and municipalities							-	-
Departmental agencies and accounts							-	-
Higher education institutions							-	-
Foreign governments and international organisations							-	-
Public corporations and private enterprises							-	-
Non-profit institutions							-	-
Households				101			101	101
Payments for capital assets	1 167	-	-	(477)	-	-	(477)	690
Buildings and other fixed structures							-	-
Machinery and equipment	1 167			(477)			(477)	690
Heritage assets							-	-
Specialised military assets							-	-
Biological assets							-	-
Land and subsoil assets							-	-
Software and other intangible assets							-	-
Payments for financial assets	-	-	-	-	-	-	-	-
Total	112 715	-	-	1 365	-	552	1 917	114 632
Amount to be voted								1 917

Virement – Programme 4: Internal Audit: R1.365 million

The main appropriation of Programme 4 was increased by a net amount of R1.365 million as a result of the following virements:

- Total savings of R1.842 million were realised from Programme 1 against *Goods and services* mainly as a result of lower than anticipated costs related to the MEC's Community Outreach Programmes, as well as savings realised from the cancellation of the lease agreement for the Marine Building Office in Durban. These savings were moved as follows:
 - The total savings of R1.842 million were moved to *Goods and services* under the Assurance Services sub-programme to cater for shortfalls against various projects under the PFRP which were not budgeted for including the DSD: Verification of NPOs, DOE: School municipal bills and expenditure management, DOT: Performance information, and DOH: Financial reporting processes, among others.
 - This was offset to an extent by the virement of R477 000 against *Machinery and equipment* due to savings realised from across all sub-programmes due to the non-purchase of tools of trade in respect of vacant posts. These savings were moved to Programme 1 against the same economic classification category to cater for spending pressures in respect of the procurement of a departmental vehicle to accommodate employees with disabilities which was not budgeted for and the anticipated pressures in relation to the finance lease for photocopier machines which was inadequately budgeted for.
- In addition to the above virements to Programme 4, savings of R9.729 million were realised from *Compensation of employees* within the Assurance Services sub-programme due to internal delays in filling vacant funded posts. These savings were moved within Programme 4 as follows:
 - R9.628 million was moved to *Goods and services* to cater for shortfalls against various projects under the PFRP which were not budgeted for, as detailed above.
 - The balance of R101 000 was moved to *Transfers and subsidies to: Households* to cater for unanticipated staff exit costs.

The above virements are permissible in terms of the PFMA and Treasury Regulations. It should be noted that the reduction of R477 000 against *Machinery and equipment* does not require Legislature approval as capital for the Vote as a whole did not decrease.

Other adjustments – Programme 4: Internal Audit: R552 000

The main appropriation of Programme 4 was increased by a net amount of R552 000, as follows:

- The department's budget was increased by R3.552 million under the Assurance Services sub-programme in Programme 4 in respect of funds suspended from the department's budget in 2024/25. These funds were allocated against *Compensation of employees* to cater for additional capacity required for the implementation of projects under the PFRP which were undertaken in 2025/26.
- Offsetting the above allocation is a suspension of R3 million from the Assurance Services (R1.500 million) and Risk Management Services (R1.500 million) sub-programmes from savings realised against *Compensation of employees* (R1.631 million) due to internal delays in filling vacant funded posts and *Goods and services* (R1.369 million) due to savings realised from operational costs which were over-provided for. These funds are suspended from the 2025/26 budget to be allocated back to the department in the 2026/27 main budget for the procurement of Audit and Risk Management systems.

Service delivery measures – Programme 4: Internal Audit

Table 6.14 shows the service delivery information for Programme 4 as per the APP of Provincial Treasury, as well as the actual achievements for the first six months of the year. Note that minor changes were made to the wording of service delivery indicators to ensure alignment with the APP which was only finalised after the 2025/26 EPRE was published and these are indicated in bold italics, while deleted words are denoted by a strike-through.

Table 6.14 : Service delivery measures – Programme 4: Internal Audit

Outputs	Performance indicators	Performance targets		
		2025/26 Original target	2025/26 Mid-year actual	2025/26 Revised target
1. Assurance Services				
1.1. Internal Audit reviews conducted	• No. of internal audit reviews conducted	118	55	
1.2. Oversight reports issued	• No. of oversight reports issued to MECs of provincial departments	56	28	
2. Risk Management				
2.1. Risk assessments conducted	• No. of risk assessments conducted in municipalities	20	10	
2.2. <i>Internal audit function reviews conducted</i>	• No. of internal audit function reviews conducted at selected municipalities	8	4	
2.3. <i>Risk register analysis conducted</i>	• No. of risk register analysis conducted for provincial departments	26	13	

4.5 Programme 5: Municipal Finance Management

The main purpose of the programme is to provide oversight, technical support and guidance to delegated municipalities.

Tables 6.15 and 6.16 summarise the 2025/26 adjusted appropriation of Programme 5, summarised according to sub-programme and economic classification.

Details of the main adjustments, which resulted in a decrease of R2.400 million in the programme's overall budget, are provided in the paragraphs below the table.

Table 6.15 : Programme 5: Municipal Finance Management

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/ unavoidable	Virement	Shifts	Other adjustments		
1. Programme Support	6 408			(91)			(91)	6 317
2. Municipal Budget	31 723			(459)			(459)	31 264
3. Municipal Accounting and Reporting	15 749			(1 566)			(1 566)	14 183
4. Municipal Support Programme	12 762			106			106	12 868
5. Municipal Revenue and Debt Management	7 694			(390)			(390)	7 304
Total	74 336	-	-	(2 400)	-	-	(2 400)	71 936
Amount to be voted								(2 400)

Table 6.16 : Summary by economic classification

R thousand	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/ unavoidable	Virement	Shifts		
Current payments	73 419	-	-	(2 235)	-	(2 235)	71 184
Compensation of employees	62 869			(2 145)		(2 145)	60 724
Goods and services	10 550			(90)		(90)	10 460
Interest and rent on land						-	-
Transfers and subsidies to:	-	-	-	21	-	21	21
Provinces and municipalities						-	-
Departmental agencies and accounts						-	-
Higher education institutions						-	-
Foreign governments and international organisations						-	-
Public corporations and private enterprises						-	-
Non-profit institutions						-	-
Households				21		21	21
Payments for capital assets	917	-	-	(186)	-	(186)	731
Buildings and other fixed structures						-	-
Machinery and equipment	917			(186)		(186)	731
Heritage assets						-	-
Specialised military assets						-	-
Biological assets						-	-
Land and subsoil assets						-	-
Software and other intangible assets						-	-
Payments for financial assets	-	-	-	-	-	-	-
Total	74 336	-	-	(2 400)	-	(2 400)	71 936

Virement – Programme 5: Municipal Finance Management (R2.400 million)

The main appropriation of Programme 5 was decreased by an amount of R2.400 million as a result of the following virements:

- Savings of R2.400 million were realised across various sub-programmes from *Compensation of employees* (R2.124 million) due to internal delays in filling vacant posts, *Goods and services* (R90 000) due to savings on operational costs which were over-provided for, as well as *Machinery and equipment* (R186 000) due to the non-purchase of tools of trade in respect of vacant posts. These savings were moved to Programmes 1 and 3, as follows:
 - R2.214 million was moved to *Goods and services* in Programme 3 to defray spending pressures in respect of higher than anticipated transversal bank charges.
 - R186 000 was moved to *Machinery and equipment* in Programme 1 to defray spending pressures in respect of the procurement of a departmental vehicle to accommodate employees with disabilities which was not budgeted for and the anticipated pressures in relation to the finance lease for photocopier machines which was inadequately budgeted for.

In addition to the above virements to Programmes 1 and 3, internal virements were undertaken within Programme 5, affecting various sub-programmes and economic classification categories. In this regard, further savings of R21 000 were realised against *Compensation of employees* due to internal delays in filling vacant funded posts. These savings were moved to *Transfers and subsidies to: Households* to cater for unanticipated staff exit costs.

The above virements are permissible in terms of the PFMA and Treasury Regulations. It should be noted that the reduction of R186 000 in *Machinery and equipment* does not require Legislature approval as capital for the Vote as a whole did not decrease.

Service delivery measures – Programme 5: Municipal Finance Management

Table 6.17 shows the service delivery information for Programme 5 as per the APP of Provincial Treasury, and the actual achievements for the first six months of the year. Some targets are measured annually, as indicated in the table. Note that there are changes to the wording of outputs and performance indicators and these are indicated in bold italics, while deleted words are denoted by a strike-through.

Table 6.17 : Service delivery measures – Programme 5: Municipal Finance Management

Outputs	Performance indicators	Performance targets		
		2025/26 Original target	2025/26 Mid-year actual	2025/26 Revised target
1. Municipal Budget				
1.1. Municipal tabled budgets evaluated	• No. of tabled budgets evaluated	51	51	
1.2. Municipal approved budgets evaluated	• No. of approved budgets evaluated	51	51	
1.3. Report on municipal budget performance	• No. of Section 71(7) quarterly budget performance reports produced	4	2	
2. Municipal Accounting and Reporting				
2.1. Financial statements reviewed conducted at targeted municipalities	• No. of financial statements reviewed at targeted municipalities	7	Annual	
2.2. Financial management support projects implemented at targeted municipalities	• No. of financial management support projects implemented	6	Annual	
3. Municipal Support Programme				
3.1. Specialised projects implemented at targeted municipalities	• No. of specialised projects implemented	7	Annual	
4. Municipal Revenue and Debt Management				
4.1. Revenue and debt management projects implemented at targeted municipalities	• No. of revenue and debt management projects implemented	2	Annual	

5. Specifically and exclusively appropriated allocations

Table 6.18 shows the amounts that are specifically and exclusively appropriated for specific purposes in terms of the KZN Adjustments Appropriation Act, 2025. There are no changes in this regard.

Table 6.18 : 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: District champion of OSS/DDM responsibilities	2 000						-	2 000
2. Prog. 2: Infrastructure Development Improvement Programme	5 000						-	5 000
Total	7 000	-	-	-	-	-	-	7 000
Amount to be voted								-

6. Gifts, donations and sponsorships

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

7. Infrastructure

Table 6.19 shows the summary of infrastructure payments per main category. The adjustments in infrastructure resulted in an overall decrease of R4.817 million, which is explained below the table.

Table 6.19 : 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	300	-	-	-	-	-	-	300
Maintenance and repair: Current	300						-	300
Upgrades and additions: Capital							-	-
Refurbishment and rehabilitation: Capital							-	-
New infrastructure assets: Capital							-	-
Infrastructure transfers	-	-	-	-	-	-	-	-
Infrastructure transfers: Capital							-	-
Infrastructure transfers: Current							-	-
Infrastructure: Payments for financial assets							-	-
Infrastructure: Leases	26 433			(4 817)			(4 817)	21 616
Non infrastructure							-	-
Capital infrastructure	-	-	-	-	-	-	-	-
Current infrastructure	26 733	-	-	(4 817)	-	-	(4 817)	21 916
Total	26 733	-	-	(4 817)	-	-	(4 817)	21 916
Amount to be voted								(4 817)

- *Virement*: Savings of R4.817 million were realised against *Infrastructure: Leases* in Programme 1 as a result of the cancellation of the lease agreement for the Marine Building Office in Durban. These savings were moved to Programme 3 against *Goods and services* to cater for spending pressures in relation to higher than anticipated transversal bank charges.

8. Conditional grants

The department does not receive any conditional grant allocation.

9. Transfers and subsidies

Table 6.20 shows the summary of *Transfers and subsidies* per programme. The adjustments in *Transfers and subsidies* resulted in an overall increase of R1.612 million, as explained in the paragraphs after the table.

Table 6.20 : 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		
1. Administration	1 749	-	-	394	-	1 000	3 143
Provinces and municipalities	31	-	-	(4)	-	1 000	996
Motor vehicle licences	31	-	-	(4)	-	(4)	27
Ilembe Organic Farming project	-	-	-	-	-	1 000	1 000
Departmental agencies and accounts	3	-	-	-	(3)	-	(3)
SABC TV licences	3	-	-	-	(3)	-	(3)
Public corporations and private enterprises	-	-	-	-	3	-	3
SABC TV licences	-	-	-	-	3	-	3
Non-profit institutions	625	-	-	(29)	-	-	(29)
Thuthuka Education Upliftment Fund	625	-	-	(29)	-	-	(29)
Households	1 090	-	-	427	-	-	427
Staff exit costs	34	-	-	294	-	-	294
Injury on duty	-	-	-	133	-	-	133
External bursaries	1 056	-	-	-	-	-	-
2. Sustainable Resource Management	-	-	-	2	-	-	2
Households	-	-	-	2	-	-	2
Injury on duty	-	-	-	2	-	-	2
3. Financial Governance	156	-	-	94	-	-	94
Households	156	-	-	94	-	-	94
Staff exit costs	156	-	-	88	-	-	88
Injury on duty	-	-	-	6	-	-	6
4. Internal Audit	-	-	-	101	-	-	101
Households	-	-	-	101	-	-	101
Staff exit costs	-	-	-	101	-	-	101
5. Municipal Finance Management	-	-	-	21	-	-	21
Households	-	-	-	21	-	-	21
Staff exit costs	-	-	-	21	-	-	21
Total	1 905	-	-	612	-	1 000	3 517
Amount to be voted							1 612

- *Virement*: The *Transfers and subsidies* allocation sees a number of virements occurring, with the category as a whole increasing by R612 000, explained as follows:
 - o With regards to Programme 1:
 - *Provinces and municipalities* was reduced by R4 000 in respect of motor vehicle licence fees due to the non-renewal of licences for two departmental vehicles that were involved in accidents. These savings were moved to partly defray spending pressures against *Households* in respect of higher than anticipated staff exit costs.
 - *Non-profit institutions* was reduced by R29 000 in respect of the transfer to the TEUF which was over-provided for. These savings were moved to partly defray spending pressures against *Households* in respect of higher than anticipated staff exit costs.
 - *Households* was increased by R427 000 to cater for higher than anticipated staff exit costs (R294 000) and injury on duty payments (R133 000) as a result of some staff sustaining injuries at the departmental sports day event. These savings were realised from *Compensation of employees* due to internal delays in filling vacant posts, as well as *Provinces and municipalities* and *Non-profit institutions*, as mentioned.
 - o Programme 2 shows an increase of R2 000 against *Households* in respect of an injury on duty payment relating to an employee who sustained an injury while participating in games as part of the department's wellness day event in 2023. The payment made relates to follow up doctor visits.
 - o Programme 3 shows an increase of R94 000 against *Households* in respect of higher than anticipated staff exit costs (R88 000), as well as a payment of R6 000 in respect of an unanticipated injury on duty payment made in respect of an employee who sustained an injury during a fire drill.

- o Programme 4 shows an increase of R101 000 against *Households* to cater for unanticipated staff exit costs.
- o Programme 5 shows an increase of R21 000 against *Households* to cater for unanticipated staff exit costs.
- *Shift*: The department undertook a shift of the budget for TV licences of R3 000 from *Departmental agencies and accounts* to *Public corporations and private enterprises* due to the reclassification of TV licences, which is a change implemented by National Treasury with the introduction of BAS version 6. The purpose of the funds remains the same.
- *Other adjustments*: Programme 1 shows an increase of R1 million against *Provinces and municipalities* to cater for the iLembe Organic Farming project where the department is providing funding to the municipality to implement the project as part of the OSS/DDM responsibilities. This funding was allocated from funds suspended from the department's budget in 2024/25.

The above virements are permissible in terms of the Treasury Regulations and the PFMA. It should be noted that the decrease in *Transfers and subsidies to: Non-profit institutions* does not require Legislature approval as it was not gazetted for transfer to any particular institution.

10. Transfers to local government

The amounts against *Provinces and municipalities* in Table 6.20 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 2025/26

Tables 6.21 and 6.22 reflect actual payments as at the end of September 2025, projected payments for the rest of the year and total revised spending in Rand value and as a percentage of Adjusted Appropriation per programme and economic classification. The tables also show the 2024/25 Audited outcome.

Table 6.21 : Actual payments and revised spending projections by programme

R thousand	2024/25 Audited outcome	Adjusted appropriation	Actual payments		Projected payments		Projected actual
			April 2025 - September 2025	% of budget	October 2025 - March 2026	% of budget	
1. Administration	201 132	222 113	93 841	42.2	128 272	57.8	222 113
2. Sustainable Resource Management	43 994	50 435	24 215	48.0	26 220	52.0	50 435
3. Financial Governance	228 312	251 862	119 137	47.3	132 725	52.7	251 862
4. Internal Audit	94 043	114 632	46 390	40.5	68 242	59.5	114 632
5. Municipal Finance Management	66 822	71 936	35 997	50.0	35 939	50.0	71 936
Total	634 303	710 978	319 580	44.9	391 398	55.1	710 978

Table 6.22 : Actual payments and revised spending projections by economic classification

R thousand	2024/25 Audited outcome	Adjusted appropriation	Actual payments		Projected payments		Projected actual
			April 2025 - September 2025	% of budget	October 2025 - March 2026	% of budget	
Current payments	618 261	695 420	314 747	45.3	380 673	54.7	695 420
Compensation of employees	361 765	417 699	196 124	47.0	221 575	53.0	417 699
Goods and services	256 493	277 585	118 621	42.7	158 964	57.3	277 585
Interest and rent on land	3	136	2	1.5	134	98.5	136
Transfers and subsidies to:	4 595	3 517	1 306	37.1	2 211	62.9	3 517
Provinces and municipalities	1 021	1 027	460	44.8	567	55.2	1 027
Departmental agencies and accounts	3	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-
Public corporations and private enterprises	45	3	3	100.0	-	-	3
Non-profit institutions	1 117	596	-	-	596	100.0	596
Households	2 409	1 891	843	44.6	1 048	55.4	1 891
Payments for capital assets	9 466	12 014	3 513	29.2	8 501	70.8	12 014
Buildings and other fixed structures	-	-	-	-	-	-	-
Machinery and equipment	9 466	12 014	3 513	29.2	8 501	70.8	12 014
Heritage assets	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-
Payments for financial assets	1 981	27	14	51.9	13	48.1	27
Total	634 303	710 978	319 580	44.9	391 398	55.1	710 978

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
Current payments	698 469	-	-	(3 937)	-	888	(3 049)	695 420
Compensation of employees	439 855	-	-	(20 304)	-	(1 852)	(22 156)	417 699
Salaries and wages	389 345	-	-	(18 640)	-	(1 475)	(20 115)	369 230
Social contributions	50 510	-	-	(1 664)	-	(377)	(2 041)	48 469
Goods and services	258 480	-	-	16 365	-	2 740	19 105	277 585
Administrative fees	14 485	-	-	11 965	-	-	11 965	26 450
Advertising	3 558	-	-	(1 545)	-	-	(1 545)	2 013
Minor assets	653	-	-	(102)	-	-	(102)	551
Audit cost: External	4 420	-	-	1 604	-	-	1 604	6 024
Bursaries: Employees	725	-	-	-	-	-	-	725
Catering: Departmental activities	1 006	-	-	(122)	-	-	(122)	884
Communication (G&S)	3 215	-	-	1 082	-	-	1 082	4 297
Computer services	132 855	-	-	3 096	-	(1 369)	1 727	134 582
Cons. and prof. serv.: Bus. and advisory serv.	5 435	-	-	1 013	-	-	1 013	6 448
Infrastructure and planning	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-
Legal services	1 646	-	-	1 549	-	-	1 549	3 195
Scientific and technological services	-	-	-	-	-	-	-	-
Contractors	5 886	-	-	(1 728)	-	-	(1 728)	4 158
Agency and support / outsourced services	12 762	-	-	8 954	-	4 109	13 063	25 825
Entertainment	-	-	-	-	-	-	-	-
Fleet services (including govt. motor transport)	2 083	-	-	276	-	-	276	2 359
Housing	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	300	-	-	1	-	-	1	301
Inventory: Farming supplies	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	805	-	-	(300)	-	-	(300)	505
Inventory: Chemicals, fuel, oil, gas, wood and coal	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	286	-	-	286	286
Inventory: Medical supplies	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-
Medcas inventory interface	-	-	-	-	-	-	-	-
Inventory: Other supplies	1 021	-	-	(156)	-	-	(156)	865
Consumable supplies	1 904	-	-	(1 019)	-	-	(1 019)	885
Consumable: Stationery, printing and office supplies	2 441	-	-	(457)	-	-	(457)	1 984
Operating leases	26 433	-	-	(4 817)	-	-	(4 817)	21 616
Rental and hiring	-	-	-	-	-	-	-	-
Property payments	19 051	-	-	(1 645)	-	-	(1 645)	17 406
Transport provided: Departmental activity	1 090	-	-	(119)	-	-	(119)	971
Travel and subsistence	8 967	-	-	(1 257)	-	-	(1 257)	7 710
Training and development	2 510	-	-	1 291	-	-	1 291	3 801
Operating payments	3 015	-	-	(370)	-	-	(370)	2 645
Venues and facilities	2 214	-	-	(1 115)	-	-	(1 115)	1 099
Interest and rent on land	134	-	-	2	-	-	2	136
Interest	134	-	-	2	-	-	2	136
Rent on land	-	-	-	-	-	-	-	-
Transfers and subsidies to	1 905	-	-	612	-	1 000	1 612	3 517
Provinces and municipalities	31	-	-	(4)	-	1 000	996	1 027
Provinces	31	-	-	(4)	-	-	(4)	27
Provincial Revenue Funds	-	-	-	-	-	-	-	-
Provincial agencies and funds	31	-	-	(4)	-	-	(4)	27
Municipalities	-	-	-	-	-	1 000	1 000	1 000
Municipalities	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	1 000	1 000	1 000
Departmental agencies and accounts	3	-	-	-	(3)	-	(3)	-
Social security funds	-	-	-	-	-	-	-	-
Entities receiving funds	3	-	-	-	(3)	-	(3)	-
Higher education institutions	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	3	-	3	3
Public corporations	-	-	-	-	3	-	3	3
Subsidies on production	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	3	-	3	3
Private enterprises	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-
Non-profit institutions	625	-	-	(29)	-	-	(29)	596
Households	1 246	-	-	645	-	-	645	1 891
Social benefits	190	-	-	645	-	-	645	835
Other transfers to households	1 056	-	-	-	-	-	-	1 056
Payments for capital assets	9 816	-	-	3 298	-	(1 100)	2 198	12 014
Buildings and other fixed structures	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-
Machinery and equipment	9 816	-	-	3 298	-	(1 100)	2 198	12 014
Transport equipment	1 200	-	-	850	-	-	850	2 050
Other machinery and equipment	8 616	-	-	2 448	-	(1 100)	1 348	9 964
Heritage assets	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	27	-	-	27	27
Total	710 190	-	-	-	-	788	788	710 978
Amount to be voted								788