

VOTE 13

DEPARTMENT OF FINANCE

| | |
|---------------------------------------|-----------------------|
| To be appropriated by vote in 2015/16 | R1 171 505 000 |
| Responsible MEC | MEC for Finance |
| Administering Department | Department of Finance |
| Accounting Officer | Head of Department |

1. OVERVIEW

Vision

A Connected Gauteng City Region that uses Information and Communication Technology to support the delivery of quality services and equitable and inclusive social economic development of its citizens.

Mission

To provide GPG citizens with state-of-the-art Information and Communication Technology infrastructure that connects them to improved service delivery and greater economic opportunities in collaboration between government, citizens and the private sector through:

A high speed broadband network connecting government to its citizens;

- Digitization of back office support for enhanced service delivery;
- Coordination and regulation of information and communication technology infrastructure and applications to integrate e Government - services in the province;
- Support radical economic transformation by facilitating the development of an ICT linked economy that leverages off the Broadband Network;

Strategic goals

The strategic goals of the GDF are derived from an analysis of the environment, key challenges and strategic issues that the department should address; and are aligned to national and provincial strategic priorities. The department's strategic goals are to:

- To strategically invest in broadband to promote internal efficiencies and improved government and community connectivity;
- To re-engineer and transform back office processes to realize efficiencies and improve front line service delivery;
- To create regulatory and enabling environment and systems for sound corporate governance of ICT in GPG;
- To Facilitate an ICT-linked economy that leverages off the broadband network;

Core functions and responsibilities

- To rollout the GBN;
- To develop and maintain all provincial government owned ICT infrastructure;
- To develop and maintain applications, networks, and services;
- To improve and provide customer driven HR services;
- To implement e-Recruitment solution for job seekers; and
- To deploy HR systems in the province.

Main services

The main services will be delivered by:

- Providing universal access to broadband (as defined by the national broadband policy) for citizens, businesses and government institutions;

- Building network infrastructure and the information super-highway to encourage the development of an advanced workforce with better ICT skills;
- Enhancing economic productivity through ICT infrastructure development in order to lower the cost of doing business and increase connectivity for companies, especially small, medium and micro enterprises (SMMEs);
- Improving service delivery by providing high quality ICT services through e-government;
- Building capability and improving the quality of service and client experience in the provision of human resource services, through the automation of transactional services to improve efficiency; and

Ten-pillar programme of transformation, modernisation and re-industrialisation

The GDF has been repositioned towards being an ICT-centred and -oriented hub for the GPG, and the department's overall budget reflects this basic positioning. The budget for ICT services is the largest component of the department's overall allocation in the 2015 MTEF.

The department contributes to Pillar 4: Transformation of the state and governance and Pillar 5: Modernisation of the public service. It aims to invest strategically in broadband to promote internal efficiencies and improved government and community connectivity.

Over the 2015/16 financial year, the department will explore how it can coherently leverage the digitization of the back office ; to transform back office processes to realize efficiencies and improve front line service delivery in support of various projects, such as the rollout of Automated E-PMDS to 6 GPG Departments that are SAP ESS enabled The department intends to review , redesign and digitize all back office processes in GPG to improve internal efficiencies and the quality of service to citizen and digitize; automate paper based services GDF offers to GPG departments. For the past three years, the department has offered an e-recruitment service to the provincial government.

The department supports GPG Pillar 3 that relates to accelerated social transformation. Its contribution in this regard is through the provision of employee health and wellness programmes for the province. The GDF also supports Pillar 1: Radical economic transformation and Pillar 6: Modernisation of the economy. This relates to ensuring decent employment through inclusive economic growth.

The Premier's Hotline and the e-recruitment services are two services which will be catalysts in changing the way communities interact with government. GDF is constantly in consultation with relevant stakeholders to explore ways to improve these services. E-recruitment contributes towards job creation by providing wider access to job opportunities through the Job Centres located in the urban Thusong Centre at Maponya Mall. This enables job-seekers to access job opportunities offered by various departments. It is also the department's intention to change the collection and management of information from the Hotline to improve government's responsive standards.

National Development Plan

The NDP Vision 2030 is an overarching plan based on constitutional imperatives, and sets out the development trajectory of the country. The National Broadband Policy gives expression to South Africa's vision in the NDP of a "seamless information infrastructure by 2030 that will underpin a dynamic and connected vibrant information society and a knowledge economy that is inclusive, equitable and prosperous". It is in pursuit of this that the GDF promotes digital inclusion by connecting citizens to high-speed broadband through the Thusong centres located in townships across the province, and acts as an economic enabler by ensuring that priority townships and economic regeneration zones have access to high speed broadband.

External activities and events relevant to budget decisions

The department's budget has been prepared in accordance with the 10 provincial Pillars, and intends to contribute to radical transformation, modernisation and re-industrialisation of the province in the next 10 years. The key activity for the department is the maintenance and improvement of ICT service delivery and the implementation of government-wide solutions that are modern, reliable and secure.

Acts, rules and regulations

- Treasury Regulations 2005 and Delegations;
- Municipal Finance Management Act, 2004;
- Public Administrative and Management Act 11 of 2014
- Prevention and Combating of Corrupt Activities Act,2004;
- Broad-Based Black Economic Empowerment Act, 2003;
- Government Employees Pension Law Amendment Act 35 of 2003;
- The Tender Board Repeal Act, 2002;

- Municipality Systems Act, 2000;
- Preferential Procurement Policy Framework Act, 2000;
- Promotion of Access to Information Act, 2000 (Act 2 of 2000);
- Promotion of Administrative Justice Act, 2000;
- Public Finance Management Act, 1999;
- Employment Equity Act, 1998;
- Basic Conditions of Employment Act, 1997;
- Intergovernmental Fiscal Relations Act, 1997 (Act 97 of 1997);
- Public Service Laws Amendment Act, 1997;
- Borrowing Powers of Provincial Government Act, 1996 (Act 48 of 1996);
- The Constitution of the Republic of South Africa, 1996;
- The National Archives Act, 1996;
- Development Facilitation Act, 1995;
- Labour Relations Act, 1995;
- Occupational Health and Safety Act, 1995;
- Public Service Act, 1994 Regulations and Delegations; and
- Division of Revenue Act.

2. REVIEW OF THE CURRENT FINANCIAL YEAR (2014/15)

Pillar 1: Strategic investment in broadband

The department is leading the delivery of the GBN in the province, with strategic investment in broadband the backbone on which e-government services are to be provided to the citizens. The project is currently in the design phase and will result in a fibre optic transmission network of 1 600 kilometres across the province which will connect provincial buildings, all Thusong Centres, hospitals and schools. It is envisaged that the GBN will improve government efficiency, save government and citizen's time and money, and promote digital inclusion by connecting citizens to high speed fibre. The department is planning on migrating 7 piloting digital schools to the GBN fiber connectivity by the end of the 2014/15.

The GBN is aimed at promoting government efficiencies and service delivery by designing, building and rolling out a core network. The department expected to achieve high speed broadband connectivity to 137 government buildings by the end of the 2014/15 financial year. The department has built 6 core sites, 60 access sites have been connected with high speed connectivity.

The department achieved 98 per cent of server availability (uptime of all management servers) for 2 187 hours per quarter, 99 per cent of wide area network (WAN) availability (uptime of all lines per SLA) for Bronze Sites translating to 390 hours for the third quarter per site, 99 per cent of WAN availability (uptime of all data lines per SLA) for Silver standard sites 727 hours for the third quarter, 100 per cent of WAN availability (uptime of all data lines per SLA) for Gold Core Site of 1 452 hours for the third quarter per site and 100 per cent of WAN availability (uptime of all data lines per SLA) for Silver premium sites 1 448 hours per quarter per site. Overall 99 per cent was achieved for applications availability.

Pillar 2: Digitise back office services

The e-recruitment system launched under the Talent Attraction Services unit simplifies access to government employment opportunities. Through this, 6 790 job applicants gained access to job opportunities through the GPG Job Centre at the Maponya Mall Thusong Service Centre, and 10 GPG mobile recruitment campaigns were conducted. The Department initiated strategic partnerships with institutions of higher learning in order to source interns with scarce skills. Partnerships with CIDA, Vaal Technical College, Tshwane University of Technology and the University of Johannesburg were concluded and 24 interns were placed in the department's ICT division.

The department updated 39 (100 per cent) of GPG's transversal contracts in the central repository of awarded contracts within 25 days of the date of receipt of the award. Nine performance evaluations were conducted on suppliers awarded contracts through transversal contracts. The department processed 59 388 (100 per cent) of invoices within 4 working days of their receipt, and 606 procurement officials were trained on SCM processes and the SAP/SRM system. However the availability of training rooms remains a problem; because of this, the Department has decided to do one-on-one training across departments.

The department has initiated automated services and provided interactive applications such as implementing a pilot leave management at GPT and GDF, the department is deploying automated organisation development survey tool by 31 March 2015.

The department completed 10 GPG Mobile recruitment campaigns were conducted as planned. The department is committed to the quality of services and client department experiences in human resources as well as transforming the human resources environment as, 3 departments went live with automated PMDS under SAP ESS system.

Pillar 3: Coordination, regulation and standards

The department successfully completed 3 of organisational structure and post establishment investigations as per letter of engagement (LOE) for the following client departments; Economic Development, Gauteng Provincial Treasury and Department of Roads and Transport. Provincial debtors are expected to be reduced by 20 per cent by end of the 2014/15 financial year.

3. OUTLOOK FOR THE COMING FINANCIAL YEAR (2015/16)

Pillar 1: Strategic investment in broadband

The GDF will implement the establishment of core network infrastructure and connection onto the GBN of government buildings, Thusong Centres, urban renewal zones and targeted economic zones; the GBN has three key objectives which are to firstly improve government efficiency and to save government and citizens time and money; secondly to promote digital inclusion by connecting citizens to high-speed broad band initially, through the Thusong Centres located in townships across the province and thirdly to act as an economic enabler by ensuring that priority townships and economic regeneration zones have access to high speed broad band.

The department plans to promote government efficiencies and service delivery by designing, building and rolling out a core network; widening the reach of the contact centre; implementing Voice over IP (VoIP) telephony, video conferencing, Wi-Fi hotspots, SOS lines, kiosks and access points; build knowledge creation by migrating the current e-Learning network to the GBN; build universal access to broadband through connecting community centres, economic zones and urban renewal zones; stimulate cloud services for SMMEs: for example, infrastructure and applications as a service.

The department will continue to ensure the stability of provincial ICT services by:

- Sustaining stable LAN and WANs;
- Prioritising VoIP as soon as 1Gbps bandwidth is available from the GBN;
- Leveraging from the fully managed data centre and fibre optic network; and
- Integrating the Design and Validation (DAV) Centre with the rest of the GBN and current GPG networks.

Pillar 2: Digitise Back Office Services

During 2015/16, the department will implement a digitized back office service. This will lead to reengineering of business processes and end-to-end processes for case management on the Premier's Hotline; creation of digitized documents; improved internal efficiencies through business process reengineering; and enhanced quality of service through the automation of business processes in line with the e-government framework.

The department will implement a Case Management System that will enable efficient case resolution of all cases logged, and will implement video conferencing solution for end-user awareness, video conferencing is an alternative for physical meeting will develop a business intelligence capability and implement multiple channels to enable government, business, employees and citizens access to government services. In automating manual HR processes, the department will roll out the automated performance management development system. Service terminations will be extended to GPG departments already on SAP: ESS. The department will allocate time and resources to concluding the approval and issuing of letters of concurrence for GPG departments still finalising their organisational structures.

The Maponya Mall Professional Job Centre will continue to create access to available GPG vacancies. The department expects to receive 9000 prospective job applicants at the centre. It will inform communities about GPG vacancies through 10 mobile recruitment campaigns. The Employee Wellness Programme will generate the annual GPG EHWP trend analysis, and will aim for a 20 per cent reduction in GPG's recoverable debts. It will also design, pilot and rollout an e-tendering system.

The GDF will continue to provide transversal and operational support to all GPG departments. It will also

offer specialised consulting services to enhance departmental procurement performance. It will also provide operational support during emergency and other exceptional circumstances. Planned activities include managing the processing of requests for transversal contract-related proposals on behalf of departments; supporting departments implementing National Treasury's Contract Management Framework by facilitating electronic call-offs; processing supplier invoice payment within 30 days; automating procurement processes including the e-invoicing system, purchase orders and purchasing cards (the P-card project); providing procurement-related training to GPG officials; and managing the GPG supplier databases.

The department will continue to automate all transversal contracts awarded in the SAP/SRM systems and will pilot e-tendering systems. It will build capacity for SMMEs to qualify to register in GPG's supplier database, and will configure the procurement database to track procurement spend in targeted townships.

Pillar 3: Co-ordination, regulation and standards

The department will develop and implement Technology Blueprints and a Master Systems Plan for the GPG. It will streamline ICT policy frameworks, assess the GPG ICT Open Source Software environment and implement a governance risk and compliance system as part of the implementation of the province's ICT strategy. The department further plans to design and operationalise a functional DAV centre.

In 2015, the E-government political coordinating committee will drive the implementation of an up to date e-government strategy and ensure that all ICT initiatives in GPG are compliant in this regard. It will also ensure synergy with the provincial ICT standards, and facilitate the coordination between all spheres of government in the province. The Department will formulate ICT Standards as well as developing governance risk and compliance system.

Pillar 4: Facilitate an ICT economy in the province that leverages off the Broadband Network

The department aims to ensure that the work of GDF supports the township economy by promoting entrepreneurship through broadband to achieve radical economic transformation in the province. In order to meet this objective the department plans to partner with business industry to enhance the township ICT economy

The department will develop a Public Awareness and Communication strategy which will show incentives for citizens, business and government entities. This will ensure rolling out of two 2 Partnerships with ICT industry as well as offer technologies to SMMEs for the growth of ICT economy.

Pillar 5: Promote usage of e-Government services.

GPP wide technology standards will be adopted for validation of common technology standards that will be utilised GCR wide to assess the environment and produce technology blue prints. The results will be improvement government efficiency.

4. REPRIORITISATION

The GDF is the custodian and catalyst of e-governance in GPG. At the centre of the department's approach to reprioritisation are the following budget principles:

- Keep expenditure within aggregate ceilings set in the 2015 MTEF;
- Increase allocations to ICT infrastructure expenditure; and
- Increase the efficiency of ICT infrastructure programme delivery.

The belt-tightening approach to budget formulation and development has entailed providing budget resources to those initiatives and projects that will have maximum impact at the least possible cost. Tight fiscal conditions both nationally and provincially have compelled the department to prioritise funding for maintenance and upkeep of GPG's ICT infrastructure and platforms. An amount R91 million for 2015/16 and R68 million for 2016/17 was prioritised from Administration to ICT infrastructure to succeed in strategically investing in broadband to promote internal efficiencies and improved government and community connectivity. An amount of R540 000 for 2015/16 and R495 000 for 2016/17 was reprioritised towards E recruitment model, the department has expanded the scope of the model to include public awareness campaigns such as GPG Mobile campaigns.

Furthermore the department aligned projected spending of R63 million for 2015/16 and R70 million for 2016/17 under compensation of employees budget with total establishment to reposition the department into an effective e-government department, The department took its cue from the Premier's State of the Province Address and its associated programme of action, which relates to the modernisation of Gauteng's public service

as well as the radical transformation concept of connected government that lies at the centre of Gauteng's current modernisation and transformation.

To give expression to the priority being placed on ICT's role in the modernisation and connected government effort, the department reprioritised the ICT programme.

5. PROCUREMENT

GDF's major commitment in the 2015/16 financial year is to implement and rollout GBN. This will ensure that Gauteng's citizens have access to affordable, high speed broadband infrastructure and services that they can use in their day to day lives.

This rollout is part of the digitisation of government services and is in line with the Premier's concept of modernised government business. It promotes:

- More efficient and effective government services ;
- Knowledge creation by using broadband to transfer knowledge, support skills development and improve educational outcomes;
- Economic enablement by stimulating economic growth and job creation through gains in productivity and improved information exchange;
- Universal access through broadband which will enable new responses to socio-economic challenges.
- R750 million (R250 million in each financial year of the MTEF) has been earmarked for implementing and rolling out the GBN project.

Major procurement includes office furniture for establishing a walk-in centre at 77 Fox Street.

6. RECEIPTS AND FINANCING

6.1. Summary of receipts

TABLE: 13.1: SUMMARY OF RECEIPTS: DEPARTMENT OF FINANCE

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation 2014/15 | Revised estimate | Medium-term estimates | | |
|-----------------------|------------------|------------------|------------------|--------------------|--------------------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | | | | 2015/16 | 2016/17 | 2017/18 |
| Equitable share | 1 088 382 | 1 118 628 | 1 024 284 | 1 213 112 | 1 245 762 | 1 245 726 | 1 171 505 | 1 133 914 | 1 175 274 |
| Total receipts | 1 088 382 | 1 118 628 | 1 024 284 | 1 213 112 | 1 245 762 | 1 245 726 | 1 171 505 | 1 133 914 | 1 175 274 |

The department is funded through the equitable share. The allocation decreased from R1.2 billion in 2014/15 to R1.1 billion in 2015/16 to 2017/18.

The 2011/12 allocations funded the department's personnel requirements and implementation of the provincial e-governance plan and the former Gauteng-Online project. The e-governance plan related to the provision of ICT-related services in the province. Funding for these items continued in 2012/13, with the allocations adjusted in that year to align the budget with the shifting of the accounts payable to the GDF and accounts receivable function from the provincial Treasury as required by the mandates of these departments.

The total allocation decreased to R1 billion in 2013/14 because the contract of the former Gauteng Online project had expired in December 2012; no more allocations were made to the project. The decrease was also caused by the decentralisation of the HR and procurement functions from the GDF to the province's departments. The department was allocated funds additional funds for the personnel requirements of the Hotline project. It also received an additional allocation to fund interim arrangements after the expiry of the Gauteng Online contract in 2013/14.

The higher total allocation of R1.2 billion in 2014/15 included funds for finalising the commitments of the former Gauteng Online project during the transition to the e-Learning project that provides connectivity for schools; and continued funding for the Hotline's personnel requirements. The total allocation increased to R1.25 billion in the adjustments period to fund a further implementation of the GBN project and ICT-related capital projects.

Compared with 2014/15, the allocations are lower over the MTEF mainly because of functions transferred to provincial departments to reposition the GDF and the province for optimal service delivery. The Office of the Premier received the functions relating to organisational development, employee relations and function and the GPG Hotline. The Provincial Treasury received functions relating to the Gauteng Audit Services and transversal procurement.

6.2. Departmental receipts

13.2: DEPARTMENTAL RECEIPTS: GAUTENG DEPARTMENT OF FINANCE

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation 2014/15 | Revised estimate | Medium-term estimates | | |
|---|--------------|--------------|--------------|--------------------|-----------------------------------|------------------|-----------------------|------------|------------|
| | 2011/12 | 2012/13 | 2013/14 | | | | 2015/16 | 2016/17 | 2017/18 |
| Sales of goods and services other than capital assets | 1 095 | 1 313 | 953 | 795 | 795 | 795 | 744 | 751 | 759 |
| Interest, dividends and rent on land | | | 41 | 16 | 16 | 10 | 10 | 11 | 12 |
| Transactions in financial assets and liabilities | 1 477 | 1 042 | 416 | 150 | 150 | 507 | 160 | 155 | 150 |
| Total departmental receipts | 2 572 | 2 355 | 1 410 | 961 | 961 | 1 312 | 914 | 917 | 921 |

The department generates revenue on a cost recovery basis from sources such as gym and parking fees. The departments collect revenue from fees charged on the issue of tender documents and commission earned on third-party payments for insurance premiums on behalf of GDF employees.

The department's revenue decreases from R2.6 million in 2011/12 to R1.0 million in 2013/14 financial years; this shows a decrease of 59 per cent. The decrease in the staff complement as a result of the demerger from GPT and the reverse migration of functions that led to the transfer of officials to other GPG departments both had a negative impact on revenue collection, as both gym and parking fees are volume sensitive. The department projected to collect R961 000 in the 2014/15 financial year however due to unexpected increase in fees for issuing tender documents, this was revised to R1.3 million. The department projects to collect R914 000 in 2015/16 and this increase minimally to R921 000 in 2017/18 showing an annual growth rate of 1 per cent over the 2015 Medium Term Revenue Framework (MTRF).

7. PAYMENT SUMMARY

7.1. Key assumptions

The 2015 MTEF budget is informed by the GDF's Strategic Plan and Annual Performance Plan, the provincial pillars and the GPG's programme of action (POA). The key assumptions underpinning the budget are: provision for annual salary adjustments at 5.6 per cent average projected CPI plus 1.5 per cent salary notch increase for 2015/16; 5.5 percentage average projected CPI plus 1.5 per cent notch increase for 2016/17; 5 per cent average projected CPI plus 1.5 per cent notch increase for 2017/18. Funds have also been allocated for the following key priorities of the department:

Gauteng Broadband Network;

GPG ICT infrastructure maintenance and support; and
E-recruitment.

7.2. Programme summary

TABLE 13.3 : SUMMARY OF PAYMENTS AND ESTIMATES BY PROGRAMME: GAUTENG DEPARTMENT OF FINANCE

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation 2014/15 | Revised estimate | Medium-term estimates | | |
|-------------------------------------|------------------|------------------|------------------|--------------------|-----------------------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Administration | 144 170 | 154 781 | 262 618 | 299 170 | 191 184 | 191 018 | 215 271 | 222 968 | 265 700 |
| 2. ICT Shared Services | 878 845 | 896 722 | 685 131 | 829 958 | 973 962 | 974 072 | 867 096 | 816 224 | 809 264 |
| 3. Business Process Services | 65 367 | 67 125 | 76 535 | 83 984 | 80 616 | 80 636 | 89 138 | 94 722 | 100 310 |
| Total payments and estimates | 1 088 382 | 1 118 628 | 1 024 284 | 1 213 112 | 1 245 762 | 1 245 726 | 1 171 505 | 1 133 914 | 1 175 274 |

7.3. Summary of economic classification

TABLE 13.4: SUMMARY OF PAYMENTS AND ESTIMATES: GAUTENG DEPARTMENT OF FINANCE

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation 2014/15 | Revised estimate | Medium-term estimates | | |
|---|------------------|------------------|------------------|--------------------|-----------------------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 1 077 206 | 1 019 000 | 1 011 506 | 1 187 931 | 879 169 | 879 114 | 1 160 925 | 1 133 274 | 1 174 697 |
| Compensation of employees | 209 015 | 220 276 | 245 369 | 352 320 | 280 289 | 280 289 | 343 540 | 366 376 | 389 090 |
| Goods and services | 856 858 | 798 724 | 766 137 | 835 611 | 598 880 | 598 825 | 817 385 | 766 898 | 785 607 |
| Interest and rent on land | 11 333 | | | | | | | | |
| Transfers and subsidies to | 220 | 223 | 388 | 2 089 | 2 075 | 2 039 | 525 | 550 | 577 |
| Departmental agencies and accounts | | | | 1 589 | 1 589 | 1 589 | | | |
| Public corporations and private enterprises | | | 5 | | | | | | |
| Households | 220 | 223 | 383 | 500 | 486 | 450 | 525 | 550 | 577 |
| Payments for capital assets | 10 158 | 99 060 | 11 343 | 23 092 | 364 518 | 364 517 | 10 055 | 90 | |
| Machinery and equipment | 7 403 | 16 079 | 10 708 | 1 200 | 279 776 | 279 775 | 10 055 | 90 | |
| Software and other intangible assets | 2 755 | 82 981 | 635 | 21 892 | 84 742 | 84 742 | | | |
| Payments for financial assets | 798 | 345 | 1 047 | | | 56 | | | |
| Total economic classification | 1 088 382 | 1 118 628 | 1 024 284 | 1 213 112 | 1 245 762 | 1 245 726 | 1 171 505 | 1 133 914 | 1 175 274 |

The department's budget shows a slight increase over the seven-year period under review, from R1 billion in 2011/12 to an estimated R1.2 billion in 2017/18. Between 2011/12 and 2012/13, the spending increased by R30 million and by 8 per cent between 2013/14 and 2014/15, from R1 billion to R1.2 billion. This was due to the annual adjustments to compensation of employees and increases in capital expenditure for the purchase of SAP limited/unlimited licences. The increase in the department's from 2014/15 and throughout the 2015 MTEF is the result of earmarked allocations for the GBN project amounting to R250 million in 2015/16 and R250 million in 2016/17 and 2017/18.

Compensation has steadily decreased for the period under review from R209 million in 2011/12 to R389.1 million in 2017/18, R245.4 million in 2013/14 and R280.3 million in 2014/15. This is very largely explained by the repositioning of the GDF and its projected capacitation to carry out its mandate of creating a connected government. Included in the compensation estimates is provision for filling vacant posts and provision for notch progressions and annual performance bonuses as regulated by the DPSA and required by National Treasury. The average increase in compensation over the 2015 MTEF reflects annual cost-of-living adjustments in line with CPI.

Expenditure on goods and services will continue to fall in the period under review, from R856.9 million in 2011/12 to a projected R785.6 million in 2017/18. This is the result of changes to the e-Learning funding model. The decrease in expenditure on goods and services is also due to the GDF's decision to use consultants only when the department does not have the necessary skills and competencies; and to compliance with National Treasury's call for government departments and agencies to minimise waste and allocate limited resources so that the state has a sustainable financial future.

Under payments for capital assets, provision has been made for refreshing computer equipment over the MTEF. This includes buying servers for the department and payments for software licenses and for the security operations centre. A significant part of the capital expenditure is related to the capital outlay in rolling out broadband in the province. This is the reason for the spike in capital investment from the original appropriation of R23.1 million to a projected R364.5 million in 2014/15. The GBN project is allocated R250 million per annum from 2015/16 to 2017/18.

The department's major cost drivers are ICT infrastructure maintenance and upgrade, digitisation of the back-office functions, rollout of the broadband in the province, licence support and maintenance, and leases and operating costs.

Over the 2015 MTEF, the total allocation to the department increases. This is because of funds allocated for the operationalization of GBN

No new projects or initiatives are planned for the period under review. Given the prevailing tight fiscal conditions, the department has matched its planned expenditure to the allocated resources. The spending plans cover the department's operational costs such as utilities, building maintenance and other administrative costs. A large portion of the budget is assigned to maintenance and upkeep of the provincial ICT infrastructure, in accordance with the department's responsibility to provide modern, reliable and secure ICT infrastructure for the GPG.

Allocations for transfers and subsidies relate to households. These include payment of leave gratuities to former employees, employee social benefits and injury on duty and severance packages. Under this heading, the department spent R220 000 in 2011/12 and R223 000 in 2012/13. Expenditure is projected to be R450 000 in 2014/15, and there are budget allocations of R525 000 in 2015/16 and R577 000 in 2017/18.

R1.6 million is allocated to skills development levies to PSETA in 2014/15, as per the National Treasury directive.

7.4. Infrastructure payments

N/A

7.4.1. Departmental infrastructure payments

N/A

7.4.2. Departmental public-private-partnership (PPP) projects

N/A

7.5. Transfers

7.5.1. Transfers to public entities

N/A

7.5.2. Transfers to other entities

TABLE 13.5: SUMMARY OF DEPARTMENTAL TRANSFERS TO DEPARTMENTAL AGENCIES

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation 2014/15 | Revised estimate | Medium-term estimates | | |
|-------------------------------------|---------|---------|---------|--------------------|-----------------------------------|------------------|-----------------------|---------|---------|
| | 2011/12 | 2012/13 | 2013/14 | | | | 2015/16 | 2016/17 | 2017/18 |
| Departmental Agencies and Accounts | | | | 1 589 | 1 589 | 1 589 | | | |
| Total departmental transfers | | | | 1 589 | 1 589 | 1 589 | | | |

As noted above, R1.6 million in 2014/15 is allocated for payments to PSETA. This falls under departmental agencies and accounts and is in line with the DPSA directive that provision for training and development is needs-based and responds to priority skills.

7.5.3. Transfers to local government

N/A

8. PROGRAMME DESCRIPTION

PROGRAMME 1: ADMINISTRATION

Programme description

To provide strategic leadership, administrative support, sound financial management and management support services that enable the GDF to achieve its objectives

Programme objectives

- To provide strategic financial planning support, financial management and high quality supply chain management services to the GDF;
- To provide effective and efficient risk management services within GDF;
- To provide strategic support, advice and interventions to develop and retain employees; and

- To establish and maintain processes and systems that provide good quality organizational performance information.

TABLE 13.6: SUMMARY OF PAYMENTS AND ESTIMATES: ADMINISTRATION

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation 2014/15 | Revised estimate | Medium-term estimates | | |
|-------------------------------------|----------------|----------------|----------------|--------------------|-----------------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Office of the HOD | 24 685 | 2 695 | 6 222 | 8 236 | 6 615 | 6 615 | 8 824 | 9 397 | 9 976 |
| 2. Risk Management | | 1 721 | 2 992 | 3 237 | 3 003 | 3 003 | 3 507 | 3 741 | 3 968 |
| 3. Office of the CFO | 31 308 | 47 032 | 150 981 | 118 054 | 38 598 | 37 166 | 44 152 | 46 660 | 48 704 |
| 4. Corporate Services | 88 177 | 103 333 | 102 423 | 169 643 | 142 968 | 144 234 | 158 788 | 163 170 | 203 052 |
| Total payments and estimates | 144 170 | 154 781 | 262 618 | 299 170 | 191 184 | 191 018 | 215 271 | 222 968 | 265 700 |

TABLE 13.7: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ADMINISTRATION

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation 2014/15 | Revised estimate | Medium-term estimates | | |
|---|----------------|----------------|----------------|--------------------|-----------------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 139 749 | 145 818 | 257 863 | 296 881 | 188 030 | 187 988 | 214 691 | 222 328 | 265 123 |
| Compensation of employees | 79 476 | 75 946 | 85 499 | 135 945 | 98 806 | 98 807 | 121 283 | 129 352 | 137 359 |
| Goods and services | 60 273 | 69 872 | 172 364 | 160 936 | 89 224 | 89 181 | 93 408 | 92 976 | 127 764 |
| Transfers and subsidies to | 93 | 88 | 138 | 2 089 | 1 977 | 1 811 | 525 | 550 | 577 |
| Departmental agencies and accounts | | | | 1 589 | 1 589 | 1 589 | | | |
| Public corporations and private enterprises | | | 5 | | | | | | |
| Households | 93 | 88 | 133 | 500 | 388 | 222 | 525 | 550 | 577 |
| Payments for capital assets | 3 543 | 8 662 | 3 581 | 200 | 1 177 | 1 177 | 55 | 90 | |
| Machinery and equipment | 3 543 | 8 567 | 2 946 | 200 | 1 177 | 1 177 | 55 | 90 | |
| Software and other intangible assets | | 95 | 635 | | | | | | |
| Payments for financial assets | 785 | 213 | 1 036 | | | 42 | | | |
| Total economic classification | 144 170 | 154 781 | 262 618 | 299 170 | 191 184 | 191 018 | 215 271 | 222 968 | 265 700 |

Expenditure on Administration grows from R144.2 million in 2011/12 to a projected R265.7 million in 2017/18. The increase from R154.8 million in 2012/13 to R262.6 million in 2013/14 resulted from the structural change that located the Documents and Records Management Centre (DRMC) in the Corporate Services sub-programme; and provision for building and facilities, utilities, communication costs, office automation, and shared and common items such as stationery and printing.

Personnel spending increased from R79.5 million to R85.5 million in the three years from 2011/12. This included payment of stipends for the interns and payment of annual performance bonuses. The inclusion of the DMC in the programme contributes to the higher expenditure in 2014/15. The budget is set to increase to R121.3 million in 2015/16 and to R137.4 million in 2017/18 in line with prescribed salary increase rates.

Goods and services increases from R60.3 million in 2011/12 to a projected R127.8 million in 2017/18. The increase is caused by the centralisation of shared items under the Office of the CFO; provision for operational costs; and provision for HR-related payments. The HR-related payments and provisions include performance bonuses, overtime, notch progression and service-based payments. Operational costs include utility payments, audit fees, lease payments, property payments, travel and subsistence claims, building and facilities maintenance, staff development and training.

The department will focus its spending on improving internal efficiencies to improve front-line service delivery over the MTEF.

SERVICE DELIVERY MEASURES**PROGRAMME 1: ADMINISTRATION**

| Performance measures | Estimated Annual Targets | | |
|---|---|---|---|
| | 2015/16 | 2016/17 | 2017/18 |
| Reviewed and approved GDF Risk Management Strategy by 30 May 2015 | Reviewed and approved GDF Risk Management Strategy by 30 May 2015 | Reviewed and approved GDF Risk Management Strategy by 30 May 2016 | Reviewed and approved GDF Risk Management Strategy by 30 May 2017 |

PROGRAMME 2: ICT SHARED SERVICES**Programme description**

Creation of an enabling environment and systems for sound corporate governance of ICT.

Programme objectives

- Provide a central point for coordinating continuous improvement, and manage e-services;
- Provide effective and efficient applications development to GPG departments;
- Support the GPG SAP ERP;
- Ensure compliance with information security governance across GPG;
- Manage ICT infrastructure and operations; and
- Support GPG's ICT systems.

TABLE 13.8 : SUMMARY OF PAYMENTS AND ESTIMATES: ICT SHARED SERVICES

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation 2014/15 | Revised estimate | Medium-term estimates | | |
|-------------------------------------|----------------|----------------|----------------|--------------------|-----------------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | | | | 2015/16 | 2016/17 | 2017/18 |
| 1. ICT Programme Support | 1 706 | 1 544 | 1 612 | 2 222 | 1 803 | 1 803 | 2 629 | 2 810 | 2 990 |
| 2. Applications | 630 632 | 678 185 | 463 637 | 525 568 | 640 564 | 640 597 | 561 034 | 487 612 | 494 599 |
| 3. ICT Infrastructure | 237 409 | 205 281 | 207 404 | 275 371 | 305 925 | 305 942 | 276 201 | 296 723 | 280 738 |
| 4. Business Alignment | 9 098 | 11 712 | 12 478 | 26 797 | 25 670 | 25 730 | 27 232 | 29 079 | 30 937 |
| Total payments and estimates | 878 845 | 896 722 | 685 131 | 829 958 | 973 962 | 974 072 | 867 096 | 816 224 | 809 264 |

TABLE 13.9 : SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ICT SHARED SERVICES

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation 2014/15 | Revised estimate | Medium-term estimates | | |
|--------------------------------------|----------------|----------------|----------------|--------------------|-----------------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 872 168 | 806 121 | 677 324 | 807 066 | 610 531 | 610 532 | 857 096 | 816 224 | 809 264 |
| Compensation of employees | 66 771 | 77 807 | 84 096 | 133 232 | 101 965 | 101 964 | 134 508 | 143 656 | 152 711 |
| Goods and services | 794 068 | 728 314 | 593 228 | 673 834 | 508 566 | 508 568 | 722 588 | 672 568 | 656 553 |
| Interest and rent on land | 11 329 | | | | | | | | |
| Transfers and subsidies to: | 62 | 89 | 35 | | 90 | 200 | | | |
| Households | 62 | 89 | 35 | | 90 | 200 | | | |
| Payments for capital assets | 6 615 | 90 398 | 7 762 | 22 892 | 363 341 | 363 340 | 10 000 | | |
| Machinery and equipment | 3 860 | 7 512 | 7 762 | 1 000 | 278 599 | 278 598 | 10 000 | | |
| Software and other intangible assets | 2 755 | 82 886 | | 21 892 | 84 742 | 84 742 | | | |
| Payments for financial assets | | 114 | 10 | | | | | | |
| Total economic classification | 878 845 | 896 722 | 685 131 | 829 958 | 973 962 | 974 072 | 867 096 | 816 224 | 809 264 |

Expenditure decreased from R878.8 million to R685.1 million in the three years from 2011/12 to 2013/14. The expiry of the former Gauteng Online project's contract in December 2012 contributed to the lower spending in 2013/14 as the funds were no longer allocated to the project. Included in R685.1 million in 2013/14 is the approved expenditure incurred whilst interim arrangements were in place to conclude the project.

The allocation increased to R974.1 million in 2014/15 because of an allocation for finalising commitments to the former Gauteng Online project during the transition to the e-Learning project. The revised approach to the e-Learning project (which replaces the Gauteng Online project) lowers the annual expenditure. Annual

connectivity costs are considerably less than the costs under the former project. The allocations to the programme therefore fall from R974.1 million in 2014/15 to 867.1 million in 2015/16 and to R809.3 million in 2017/18.

Total allocations include R250 million a year for the GBN project over the MTEF. It is projected that six core sites will have been connected for internet by the end of 2014/15: Chris Hani Baragwanath Hospital; 75 Fox Street; 82 Grayston Drive; West Rand District Offices, Randfontein; Teraco, Kempton Park and Telkom for the government data centre. The core sites are distribution nodes to which other government buildings can be connected. Voice and data services will be the first applications available to 130 000 GPG employees between 2014/15 to 2015/16.

Compensation of employees significantly increases over the seven year period under review, from R66.8 million in 2011/12 to an estimated R152.7 million in 2017/18. Factors contributing to this significant increase include the reorganisation of the GDF after the demerger with the provincial Treasury. As a result of the reorganisation:

- The Centre of Innovation sub-unit was transferred to the ICT shared services programme; and
 - A new chief directorate (Business Alignment) was created; its roles include housing the Centre of Innovation.
- One purpose of expenditure on personnel is to provide the skills needed for GPG's ICT strategy. Aside from the impact of the reorganisation referred to above, the personnel budget over the MTEF increases to provide for annual salary adjustments. The annual changes in compensation are consistent with the projected increases over the MTEF period.

The budget for goods and services decreases from R794.1 million in 2011/12 to R656.6 million in 2017/18. Between 2011/12 and 2012/13, more than 90 per cent of the total goods and services budget was allocated to the three main cost drivers under the ICT shared services programme: the former Gauteng Online project; computer services; and license support and maintenance. The budget increases to R722.5 million in 2015/16, and will be used to maintain and support GPG's ICT infrastructure.

This pattern reflects GDF's prioritisation of critical operational costs. Beyond 2012/13, with the exception of financial years 2014/15 and 2015/16 when special allocation was made for GBN, the budget for goods and services is mainly for maintaining GPG's ICT infrastructure, licences, support and maintenance, and computer services such as SITA, the fully managed data centre and information security service.

Expenditure in 2013/14 was for procurement of an Intrusion Protection Services (IPS) device to strengthen GPG's information security; and replacing redundant switches in the ICT operations environment. The Auditor General had identified this as a risk factor.

SERVICE DELIVERY MEASURES

PROGRAMME 2: ICT SHARED SERVICES

| Performance measures | Estimated Annual Targets | | |
|---|---|---|---|
| | 2015/16 | 2016/17 | 2017/18 |
| % of server availability (uptime of all managed servers) | 98% of server availability (uptime of all managed servers) for 8585 hrs per annum | 99% of server availability (uptime of all managed servers) for 8672 hrs per annum | 99% of server availability (uptime of all managed servers) for 8672 hrs per annum |
| % applications availability | 95% | 95% | 95% |
| Standard Operating Procedures approved | Standard Operating procedures approved | Standard Operating procedures approved | Standard Operating procedures approved |
| GCR wide technology standards adopted | Adopted Technology Architecture | Adopted Technology Architecture | Adopted Technology Architecture |
| Governance Risk and Compliance system developed | Implemented Access control | Implemented Risk Management | Maintenance of governance risk and compliance system |
| Change and Request Manager implemented | Change and Request Manager implemented | Maintenance of Change and Request Manager | Maintenance of Change and Request Manager |
| Public Awareness and Communication strategy approved | Public awareness and communication strategy approved | Public awareness and communication strategy implemented | Public awareness and communication strategy implemented |
| Omni-Channel CRM strategy approved | Omni-channel strategy approved | Omni-channel strategy implemented | Omni-channel strategy implemented |
| Partnerships with ICT industry established | 2 Partnerships established with ICT industry | Adopted roadmap for software and infrastructure as a service for SMME | SMME's use of ICT infrastructure and software as a service from government |
| Number of technologies offered | 2 Technologies offered | 2 Technologies offered | 2 Technologies offered |
| Number of additional automated business/mobile applications implemented for the GPG | 3 | 3 | |
| Number of additional source ICT systems to be monitored by Security Operations Centre | 1 | 1 | |

| Performance measures | Estimated Annual Targets | | |
|---|--------------------------|---------|---------|
| | 2015/16 | 2016/17 | 2017/18 |
| Number of additional automated business/mobile applications implemented for the GPG | 3 | 3 | 3 |
| Number of GBN core sites built | 2 | 8 | 8 |
| Number of access sites connected with high speed broadband connectivity | 263 | 400 | 400 |

PROGRAMME 3: BUSINESS PROCESS SERVICES

Programme description

Improvement of back-office services to support service delivery.

Programme objectives

- Provide strategic advisory services relating to human capital management
- Coordinate the GPG Employee Relations Health and Wellness Programme;
- Provide HR information management systems (HRIMS);

TABLE 13.10 : SUMMARY OF PAYMENTS AND ESTIMATES BY SUB-PROGRAMME: BUSINESS PROCESS SERVICES

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation 2014/15 | Revised estimate | Medium-term estimates | | |
|-------------------------------------|---------------|---------------|---------------|--------------------|-----------------------------------|------------------|-----------------------|---------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Human Resources | 65 367 | 67 125 | 76 535 | 83 984 | 80 616 | 80 636 | 89 138 | 94 722 | 100 310 |
| Total payments and estimates | 65 367 | 67 125 | 76 535 | 83 984 | 80 616 | 80 636 | 89 138 | 94 722 | 100 310 |

TABLE 13.11 : SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: BUSINESS PROCESS SERVICES

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation 2014/15 | Revised estimate | Medium-term estimates | | |
|--------------------------------------|---------------|---------------|---------------|--------------------|-----------------------------------|------------------|-----------------------|---------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 65 289 | 67 061 | 76 319 | 83 984 | 80 608 | 80 594 | 89 138 | 94 722 | 100 310 |
| Compensation of employees | 62 768 | 66 523 | 75 774 | 83 143 | 79 518 | 79 518 | 87 749 | 93 368 | 99 020 |
| Goods and services | 2 517 | 538 | 545 | 841 | 1 090 | 1 076 | 1 389 | 1 354 | 1 290 |
| Interest and rent on land | 4 | | | | | | | | |
| Transfers and subsidies to | 65 | 46 | 215 | | 8 | 28 | | | |
| Households | 65 | 46 | 215 | | 8 | 28 | | | |
| Payments for capital assets | | | | | | | | | |
| Software and other intangible assets | | | | | | | | | |
| Payments for financial assets | 13 | 18 | 1 | | | 14 | | | |
| Total economic classification | 65 367 | 67 125 | 76 535 | 83 984 | 80 616 | 80 636 | 89 138 | 94 722 | 100 310 |

The Business Process Services budget, which currently provides only for HR services functions after the migration of Procurement Services to the provincial Treasury, increased from R65.4 million in 2011/12 to R100.3 million in 2017/18. It increases from R76.5 million in 2013/14 to a projected R80.6 million in 2014/15. As most of the automation initiatives of previous years have been completed, compensation of employees accounts for more than 97 percent of the programme's estimated expenditure. The main cost drivers are personnel-related costs, which account for more than 97 percent of the programme's expenditure estimates.

Aggregate compensation of employees increases from R62.8 million in 2011/12 to an estimated R99.0 million in 2017/18. A steady increase from R66.5 million to R75.8 million between 2012/13 and 2013/14, a further increase from R79.5 million in 2014/15 to R87.7 million in 2015/16, The spending focus over the 2015 MTEF planning period is on the annual changes in the compensation of employees, taking in to account annual cost of living adjustments. Compensation of employees represents the biggest spending item under the Business Process Services programme. With most of the automation initiatives finalised in 2014/15, compensation of employees accounts for more than 95 percent of actual and projected expenditure in the programme. The programme will continue on supporting GPG departments on automated PMDS.

The budget for goods and services decreases from R2.5 million in 2011/12 to R1.3 million in 2017/18. The main cost drivers under this heading relate to the Maponya Mall Jobs Centre. The department will also continue to support the process of digitising back-office services as part of the GBN project to transform and modernise the public service.

It will also provide GPG's e-Recruitment service which, Over the last three years, has handled 666 056 online applications for 5 959 jobs. The benefits to GPG departments of this service include:

- Reduction of recruitment advertising costs from R13 million to R2 million in 2011/12;
- Improved turnaround times for processing of applications from 10 working days to 2 working days;
- Promoting a paperless environment; and
- Availability of candidate records for enquiry and audit purposes.

The benefits to the job applicant include:

- Viewing and applying GPG vacancies electronically;
- Immediate SMS notifications and automated responses;
- Access to GPG job opportunities through the internet, saving time and transport costs; and
- Information from GPG's mobile recruitment campaigns. During these, candidates are assisted to register on the e-Recruitment system, search for vacancies and find out information about other government-supported opportunities, such as learnerships.

SERVICE DELIVERY MEASURES

PROGRAMME 3: BUSINESS PROCESS SERVICES

| Performance measures | Estimated Annual Targets | | |
|---|--------------------------|-----------------------------------|-----------------------------------|
| | 2015/16 | 2016/17 | 2017/18 |
| Number of GPG departments with SAP ESS to go live on automated PMDS | 4 | 3 | Monitor and improve functionality |
| Number of GPG departments with SAP ESS to go live on automated termination services(HR21 and 24) | 2 | Monitor and improve functionality | Monitor and improve functionality |
| Number of people accessing the Maponya Mall Thusong Service Centre | 10000 | 9000 | 9000 |
| Number of GPG mobile recruitment campaigns conducted | 10 | 10 | 10 |
| Number of reports issued on the GPG's EHWP trend analysis | 1 | 1 | 1 |
| % of organisational structures and post establishment investigations completed as per letters of engagement (LOE) | 100% | 100% | 100% |
| % reduction of the GPG's recoverable debtors book by 31 March 2015 | 20% | 20% | 20% |

9. OTHER PROGRAMME INFORMATION

9.1. Personnel numbers and costs

TABLE 13.12: PERSONNEL NUMBERS AND COSTS: DEPARTMENT OF FINANCE

| Personnel numbers | As at |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 31 March 2012 | 31 March 2013 | 31 March 2014 | 31 March 2015 | 31 March 2016 | 31 March 2016 | 31 March 2016 |
| 1. Administration | 259 | 259 | 259 | 330 | 330 | 330 | 330 |
| 2. ICT Shared Services | 158 | 157 | 157 | 254 | 254 | 254 | 254 |
| 3. Human Resources Services | 309 | 309 | 309 | 334 | 334 | 334 | 334 |
| Total provincial personnel numbers | 726 | 725 | 725 | 918 | 918 | 918 | 918 |
| Total provincial personnel cost (R thousand) | 209 015 | 220 276 | 245 369 | 280 289 | 343 540 | 366 376 | 389 090 |
| Unit cost (R thousand) | 288 | 304 | 338 | 305 | 374 | 399 | 424 |

TABLE 13.13: PERSONNEL NUMBERS AND COSTS: DEPARTMENT OF FINANCE

| | Outcome | | | Main appropriation | Adjusted appropriation 2014/15 | Revised estimate | Medium-term estimates | | |
|--------------------------------|---------|---------|---------|--------------------|--------------------------------|------------------|-----------------------|---------|---------|
| | 2011/12 | 2012/13 | 2013/14 | | | | 2015/16 | 2016/17 | 2017/18 |
| Total for department | | | | | | | | | |
| Personnel numbers (head count) | 726 | 725 | 725 | 918 | 918 | 918 | 918 | 918 | 918 |
| Personnel cost (R thousands) | 209 015 | 220 276 | 245 369 | 352 320 | 280 289 | 280 289 | 343 540 | 366 376 | 389 090 |

| | Outcome | | | Main appropriation | Adjusted appropriation 2014/15 | Revised estimate | Medium-term estimates | | |
|---|---------|---------|---------|--------------------|-----------------------------------|------------------|-----------------------|---------|---------|
| | 2011/12 | 2012/13 | 2013/14 | | | | 2015/16 | 2016/17 | 2017/18 |
| Human resources component | | | | | | | | | |
| Personnel numbers (head count) | 35 | 35 | 35 | 42 | 42 | 42 | 42 | 42 | 42 |
| Personnel cost (R thousands) | 13 831 | 13 353 | 13 753 | 13 249 | 13 249 | 13 249 | 15 281 | 16 312 | 17 350 |
| Head count as % of total for department | 4.8% | 4.8% | 4.8% | 4.6% | 4.6% | 4.6% | 4.6% | 4.6% | 4.6% |
| Personnel cost as % of total for department | 6.6% | 6.1% | 5.6% | 3.8% | 4.7% | 4.7% | 4.4% | 4.5% | 4.5% |
| Finance component | | | | | | | | | |
| Personnel numbers (head count) | 36 | 36 | 40 | 52 | 52 | 52 | 52 | 52 | 52 |
| Personnel cost (R thousands) | 31 308 | 18 544 | 19 694 | 19 393 | 19 393 | 19 393 | 21 731 | 23 210 | 24 656 |
| Head count as % of total for department | 5.0% | 5.0% | 5.5% | 5.7% | 5.7% | 5.7% | 5.7% | 5.7% | 5.7% |
| Personnel cost as % of total for department | 15.0% | 8.4% | 8.0% | 5.5% | 6.9% | 6.9% | 6.3% | 6.3% | 6.3% |
| Full time workers | | | | | | | | | |
| Personnel numbers (head count) | 726 | 725 | 725 | 918 | 918 | 918 | 918 | 918 | 918 |
| Personnel cost (R thousands) | 209 015 | 220 276 | 245 369 | 280 289 | 280 289 | 280 289 | 343 540 | 366 376 | 389 090 |
| Head count as % of total for department | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| Personnel cost as % of total for department | 100.0% | 100.0% | 100.0% | 79.6% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |

Personnel cost are aligned with the GDF's approved structure, and overall growth assumptions have been taken into account. The department is streamlining its functions to be a provider of ICT maintenance and support to the GPG. The department migrated procurement services as well the GPG hotline to the OoP as well as the Gauteng Audit Services programme, Forensic unit to the GPT. This is line with the repositioning of the three department to ensure effective service delivery.

9.2. Training

TABLE 13.14: PAYMENTS OF TRAINING : DEPARTMENT OF FINANCE

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation 2014/15 | Revised estimate | Medium-term estimates | | |
|-----------------------------------|------------|--------------|--------------|--------------------|-----------------------------------|------------------|-----------------------|--------------|--------------|
| | 2011/12 | 2012/13 | 2013/14 | | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Administration | 696 | 1 899 | 1 648 | 2 805 | 3 458 | 3 458 | 2 000 | 2 300 | 2 415 |
| Payments on tuition | 696 | 1 899 | 1 648 | 2 805 | 3 458 | 3 458 | 2 000 | 2 300 | 2 415 |
| Total payments on training | 696 | 1 899 | 1 648 | 2 805 | 3 458 | 3 458 | 2 000 | 2 300 | 2 415 |

TABLE 13.15: INFORMATION ON TRAINING: DEPARTMENT OF FINANCE

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation 2014/15 | Revised estimate | Medium-term estimates | | |
|----------------------------------|---------|---------|---------|--------------------|-----------------------------------|------------------|-----------------------|---------|---------|
| | 2011/12 | 2012/13 | 2013/14 | | | | 2015/16 | 2016/17 | 2017/18 |
| Number of staff | 726 | 725 | 725 | 918 | 918 | 918 | 918 | 918 | 918 |
| Number of personnel trained | 320 | 283 | 820 | 535 | 535 | 535 | 600 | 600 | 630 |
| Male | 101 | 108 | 380 | 215 | 215 | 215 | 200 | 200 | 210 |
| Female | 219 | 175 | 440 | 320 | 320 | 320 | 400 | 400 | 420 |
| Number of training opportunities | 505 | 486 | 562 | 776 | 776 | 776 | 900 | 900 | 945 |
| Tertiary | 173 | 173 | 320 | 227 | 227 | 227 | 350 | 350 | 368 |
| Workshops | 90 | 90 | 150 | 128 | 128 | 128 | 100 | 100 | 105 |
| Seminars | 38 | 38 | 40 | 56 | 56 | 56 | 50 | 50 | 53 |
| Other | 204 | 185 | 52 | 365 | 365 | 365 | 400 | 400 | 420 |
| Number of bursaries offered | 173 | 171 | 266 | 227 | 227 | 227 | 350 | 350 | 368 |
| Number of interns appointed | 25 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 42 |
| Number of learnerships appointed | 14 | | | 40 | 40 | 40 | 40 | 40 | 42 |
| Number of days spent on training | | | | | | | | | |

Transforming the GDF into an ICT department for the province requires continuous acquisition of the necessary skills. Lifelong learning is a vital mind-set to enable the GDF to thrive in the 21st century and to respond to the service requests of the people of Gauteng. The department will do this through relevant skills programmes, internships and learnership programmes.

The GDF's most important asset are its employees, who must be appropriately enabled and managed to ensure the continued success of the department. To maintain employees' productivity, well-being and motivation in a rapidly changing technological environment, the GDF must provide support through adequate and appropriate development and training opportunities. It must:

- Provide a wide set of options for capacity development to respond to varying needs and requirements;
- Provide a framework that aligns training and development with the GDF's objectives and targets;
- Promote a positive environment for learning and development;
- Provide a work environment that is supportive and receptive to development opportunities and activities;
- Ensure ownership that ownership of training and development lies with managers and employees; and
- Capitalise on the investment in training and development activities through monitoring, review and evaluation.

9.3 Reconciliation of structural changes

TABLE 13.16 : RECONCILIATION OF STRUCTURAL CHANGES: DEPARTMENT OF FINANCE

| 2014/15 | | 2015/16 | |
|-------------------------------------|------------------|-------------------------------------|------------------|
| Programmes | R'000 | Programmes | R'000 |
| 1. Administration | 238 427 | 1. Administration | 215 271 |
| 1. Office Of The HOD | 6 615 | 1. Office Of The HOD | 8 824 |
| 2. Forensic Services | 15 085 | 2. Risk Management | 3 507 |
| 3. Risk Management | 3 003 | 3. Office of the CFO | 44 152 |
| 4. Office Of The CFO | 38 598 | 4. Corporate Services | 158 788 |
| 5. Corporate Services | 175 126 | | |
| 2. Gauteng Audit Services | 60 969 | | |
| 1. Gas Programme Support | 4 564 | | |
| 2. Risk & Compl Audit Serv clus 12 | 14 893 | | |
| 3. Risk & Compl Audit Serv Clus 345 | 20 066 | | |
| 4. Performance And Computer Audit | 15 911 | | |
| 5. Audit Centre Of Excellence | 5 535 | | |
| 3 ICT Shared Services | 974 052 | 2. ICT Shared Services | 867 096 |
| 1. ICT Programme Support | 1 803 | 1. ICT Programme Support | 2 629 |
| 2. Applications | 640 654 | 2. Applications | 561 034 |
| 3. Ict Infrastructure | 305 925 | 3. Ict Infrastructure | 276 201 |
| 4. Business Alignment | 25 670 | 4. Business Alignment | 27 232 |
| 4. Business Process Services | 164 406 | 4. Business Process Services | 89 138 |
| 1. Human Resources | 106 591 | 1. Human Resources | 89 138 |
| 2. Procurement Services | 57 815 | | |
| Total | 1 437 854 | | 1 171 505 |

As part of repositioning the department, there was a need to migrate functions to the GPT in order to re align the GPT with the uniform generic structure of the Treasuries. The changes will enable the GPT to deliver effectively on its mandate, and will also reposition the GDF as an ICT-centered and -oriented hub for the GPG.

ANNEXURES TO ESTIMATES OF PROVINCIAL REVENUE AND EXPENDITURE

TABLE 13.17: SPECIFICATION OF RECEIPTS: DEPARTMENT OF FINANCE

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation 2014/15 | Revised estimate | Medium-term estimates | | |
|--|--------------|--------------|--------------|--------------------|-----------------------------------|------------------|-----------------------|------------|------------|
| | 2011/12 | 2012/13 | 2013/14 | | | | 2015/16 | 2016/17 | 2017/18 |
| Sales of goods and services other than capital assets | 1 095 | 1 313 | 970 | 795 | 795 | 795 | 744 | 751 | 759 |
| Sale of goods and services produced by department (excluding capital assets) | 1 095 | 1 313 | 970 | 795 | 795 | 795 | 744 | 751 | 759 |
| Sales by market establishments | 1 095 | 1 313 | 970 | 795 | 795 | 795 | 744 | 751 | 759 |
| Administrative fees | | | | | | | | | |
| Interest, dividends and rent on land | | | 16 | 16 | 16 | 10 | 10 | 11 | 12 |
| Interest | | | 16 | 16 | 16 | 10 | 10 | 11 | 12 |
| Transactions in financial assets and liabilities | 1 477 | 1 042 | 62 | 150 | 150 | 507 | 160 | 155 | 150 |
| Total departmental receipts | 2 572 | 2 355 | 1 048 | 961 | 961 | 1 312 | 914 | 917 | 921 |

TABLE 13.18: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ADMINISTRATION

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation 2014/15 | Revised estimate | Medium-term estimates | | |
|---|----------------|----------------|----------------|--------------------|-----------------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 139 749 | 145 818 | 257 863 | 296 881 | 188 030 | 187 988 | 214 691 | 222 328 | 265 123 |
| Compensation of employees | 79 476 | 75 946 | 85 499 | 135 945 | 98 806 | 98 807 | 121 283 | 129 352 | 137 359 |
| Salaries and wages | 71 535 | 57 307 | 84 937 | 120 866 | 85 976 | 88 927 | 105 973 | 113 302 | 120 500 |
| Social contributions | 7 941 | 18 639 | 562 | 15 079 | 12 830 | 9 880 | 15 310 | 16 050 | 16 859 |
| Goods and services | 60 273 | 69 872 | 172 364 | 160 936 | 89 224 | 89 181 | 93 408 | 92 976 | 127 764 |
| Administrative fees | 261 | 114 | 155 | 295 | 402 | 417 | 226 | 235 | 247 |
| Advertising | 489 | 534 | 1 297 | 450 | 1 065 | 1 065 | 460 | 470 | 476 |
| Minor Assets | 986 | 880 | 75 | 25 | 255 | 292 | | | |
| Audit cost: External | 5 871 | 3 639 | 4 989 | 5 230 | 4 612 | 4 612 | 5 753 | 6 328 | 6 644 |
| Bursaries: Employees | 1 456 | 1 620 | 2 038 | 1 750 | 2 310 | 2 310 | 581 | 620 | 659 |
| Catering: Departmental activities | 240 | 118 | 194 | 430 | 139 | 139 | 133 | 134 | 136 |
| Communication (G&S) | 8 360 | 1 433 | 1 325 | 1 933 | 1 818 | 1 819 | 1 321 | 1 317 | 1 318 |
| Computer services | 56 | 15 053 | 123 486 | 12 | 16 | 132 | 12 | 13 | 13 |
| Consultants and professional services: | | | | | | | | | |
| Business and advisory services | 2 425 | 1 116 | 2 665 | 250 | 250 | 2 092 | 4 250 | 250 | 250 |
| Consultants and professional services: | | | | | | | | | |
| Legal costs | 22 652 | 3 448 | 2 771 | 3 619 | 3 619 | 3 619 | 3 785 | 3 960 | 4 158 |
| Contractors | 385 | 479 | 656 | 86 516 | 6 135 | 4 155 | 11 304 | 11 308 | 11 246 |
| Agency and support / outsourced services | 39 | | | | | | | | |
| Entertainment | | 2 | | | | | | | |
| Fleet services (including government motor transport) | 25 | | 1 532 | 2 474 | 2 254 | 2 254 | 2 448 | 2 615 | 2 746 |
| Inventory: Clothing material and accessories | | | | 50 | | | | | |
| Inventory: Food and food supplies | 115 | 60 | | 177 | | | | | |
| Inventory: Fuel, oil and gas | | 11 | | | | | | | |
| Inventory: Materials and supplies | 68 | 54 | | | | 1 | | | |
| Consumable supplies | 17 | 197 | 519 | 31 | 638 | 639 | 387 | 495 | 520 |
| Consumable: Stationery, printing and office supplies | 1 967 | 1 725 | 1 520 | 1 349 | 1 587 | 1 596 | 637 | 669 | 701 |
| Operating leases | 5 662 | 6 549 | 6 868 | 8 007 | 8 196 | 8 196 | 7 071 | 6 683 | 6 982 |
| Property payments | 6 205 | 25 246 | 15 483 | 40 127 | 44 847 | 44 753 | 48 249 | 50 702 | 84 228 |

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation 2014/15 | Revised estimate | Medium-term estimates | | |
|--|----------------|----------------|----------------|--------------------|-----------------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | | | | 2015/16 | 2016/17 | 2017/18 |
| Transport provided: Departmental activity | | | | | | | | | |
| Travel and subsistence | 1 606 | 2 302 | 2 103 | 1 500 | 2 000 | 2 000 | 1 627 | 1 870 | 1 963 |
| Training and development | 691 | 1 899 | 1 648 | 2 749 | 3 427 | 3 427 | 1 050 | 1 112 | 1 175 |
| Operating payments | 212 | 1 965 | 1 987 | 2 121 | 2 829 | 2 838 | 2 613 | 2 638 | 2 666 |
| Venues and facilities | 483 | 1 428 | 1 053 | 1 841 | 2 825 | 2 825 | 1 501 | 1 558 | 1 636 |
| Rental and hiring | 2 | | | | | | | | |
| Transfers and subsidies | 93 | 88 | 138 | 2 089 | 1 977 | 1 811 | 525 | 550 | 577 |
| Departmental agencies and accounts | | | | 1 589 | 1 589 | 1 589 | | | |
| Provide list of entities receiving transfers | | | | 1 589 | 1 589 | 1 589 | | | |
| Public corporations and private enterprises | | | 5 | | | | | | |
| Private enterprises | | | 5 | | | | | | |
| Subsidies on production | | | 5 | | | | | | |
| Non-profit institutions | | | | | | | | | |
| Households | 93 | 88 | 133 | 500 | 388 | 222 | 525 | 550 | 577 |
| Social benefits | 93 | 88 | 133 | 500 | 388 | 222 | 525 | 550 | 577 |
| Other transfers to households | | | | | | | | | |
| Payments for capital assets | 3 543 | 8 662 | 3 581 | 200 | 1 177 | 1 177 | 55 | 90 | |
| Machinery and equipment | 3 543 | 8 567 | 2 946 | 200 | 1 177 | 1 177 | 55 | 90 | |
| Transport equipment | | | | | | | | | |
| Other machinery and equipment | 3 543 | 8 567 | 2 946 | 200 | 1 177 | 1 177 | 55 | 90 | |
| Software and other intangible assets | | 95 | 635 | | | | | | |
| Payments for financial assets | 785 | 213 | 1 036 | | | 42 | | | |
| Total economic classification | 144 170 | 154 781 | 262 618 | 299 170 | 191 184 | 191 018 | 215 271 | 222 968 | 265 700 |

TABLE 13.19: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ICT SHARED SERVICES

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation 2014/15 | Revised estimate | Medium-term estimates | | |
|--|----------------|----------------|----------------|--------------------|-----------------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 872 168 | 806 121 | 677 324 | 807 066 | 610 531 | 610 532 | 857 096 | 816 224 | 809 264 |
| Compensation of employees | 66 771 | 77 807 | 84 096 | 133 232 | 101 965 | 101 964 | 134 508 | 143 656 | 152 711 |
| Salaries and wages | 57 178 | 69 664 | 84 096 | 119 231 | 90 551 | 91 775 | 119 556 | 127 854 | 136 065 |
| Social contributions | 9 593 | 8 143 | | 14 001 | 11 414 | 10 189 | 14 952 | 15 802 | 16 646 |
| Goods and services | 794 068 | 728 314 | 593 228 | 673 834 | 508 566 | 508 568 | 722 588 | 672 568 | 656 553 |
| Advertising | 5 | | | | | | | | |
| Minor assets | 513 | 37 | 17 | 200 | 176 | 678 | 100 | 100 | 105 |
| Communication (G&S) | | 2 325 | 5 856 | 5 532 | 7 036 | 7 036 | 5 140 | 5 393 | 5 701 |
| Computer services | 144 827 | 131 020 | 558 882 | 196 991 | 387 156 | 366 329 | 662 797 | 609 502 | 577 625 |
| Consultants and professional services: | | | | | | | | | |
| Business and advisory services | 645 485 | 581 438 | 3 687 | 392 270 | 69 221 | 89 954 | 4 873 | 2 349 | 8 816 |
| Contractors | 717 | 5 511 | 6 150 | 41 255 | 12 859 | 12 328 | 6 689 | 5 855 | 7 377 |
| Consumable supplies | | | 4 | | | 30 | | | |
| Consumable: Stationery, printing and office supplies | 332 | | | 308 | 1 | 78 | | | |
| Operating leases | 208 | 7 815 | 18 495 | 34 212 | 30 771 | 30 771 | 41 519 | 47 898 | 55 389 |
| Property payments | 148 | | | 2 454 | 761 | 760 | 798 | 798 | 837 |
| Travel and subsistence | 50 | | | 467 | 467 | 484 | 419 | 419 | 441 |
| Training and development | | | | 56 | 31 | 31 | 50 | 50 | 52 |
| Operating payments | 1 783 | 160 | 107 | 89 | 87 | 89 | 133 | 134 | 136 |

Vote 13 - Finance • EPRE - 2015/16

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation 2014/15 | Revised estimate | Medium-term estimates | | |
|--------------------------------------|----------------|----------------|----------------|--------------------|-----------------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | | | | 2015/16 | 2016/17 | 2017/18 |
| Venues and facilities | | 8 | 30 | | | | 70 | 70 | 74 |
| Interest and rent on land | 11 329 | | | | | | | | |
| Interest | 11 329 | | | | | | | | |
| Transfers and subsidies | 62 | 89 | 35 | | 90 | 200 | | | |
| Households | 62 | 89 | 35 | | 90 | 200 | | | |
| Social benefits | 62 | 89 | 35 | | 90 | 200 | | | |
| Payments for capital assets | 6 615 | 90 398 | 7 762 | 22 892 | 363 341 | 363 340 | 10 000 | | |
| Machinery and equipment | 3 860 | 7 512 | 7 762 | 1 000 | 278 599 | 278 598 | 10 000 | | |
| Transport equipment | | | | | | | | | |
| Other machinery and equipment | 3 860 | 7 512 | 7 762 | 1 000 | 278 599 | 278 598 | 10 000 | | |
| Software and other intangible assets | 2 755 | 82 886 | | 21 892 | 84 742 | 84 742 | | | |
| Payments for financial assets | | 114 | 10 | | | | | | |
| Total economic classification | 878 845 | 896 722 | 685 131 | 829 958 | 973 962 | 974 072 | 867 096 | 816 224 | 809 264 |

TABLE 13-20 PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: BUSINESS PROCESS SERVICES

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation 2014/15 | Revised estimate | Medium-term estimates | | |
|--|---------------|---------------|---------------|--------------------|-----------------------------------|------------------|-----------------------|---------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 65 289 | 67 061 | 76 319 | 83 984 | 80 608 | 80 594 | 89 138 | 94 722 | 100 310 |
| Compensation of employees | 62 768 | 66 523 | 75 774 | 83 143 | 79 518 | 79 518 | 87 749 | 93 368 | 99 020 |
| Salaries and wages | 56 332 | 65 007 | 75 774 | 71 188 | 67 864 | 72 430 | 75 148 | 80 202 | 85 265 |
| Social contributions | 6 436 | 1 516 | | 11 955 | 11 654 | 7 088 | 12 601 | 13 166 | 13 755 |
| Goods and services | 2 517 | 538 | 545 | 841 | 1 090 | 1 076 | 1 389 | 1 354 | 1 290 |
| Administrative fees | | | 29 | 166 | 166 | 166 | 166 | 166 | 166 |
| Advertising | | 244 | 42 | 5 | | | | | |
| Minor assets | | | 1 | | | | | | |
| Catering: Departmental activities | | 2 | 2 | 4 | 8 | 8 | 10 | 11 | 11 |
| Communication (G&S) | | | | 42 | | | | | |
| Computer services | 1 245 | 228 | 385 | 477 | 439 | 387 | 542 | 547 | 474 |
| Consultants and professional services: | | | | | | | | | |
| Business and advisory services | 7 | | 1 | | | | | | |
| Contractors | 1 258 | 64 | | | 111 | 55 | 141 | 149 | 155 |
| Inventory: Materials and supplies | | 1 | | | | | | | |
| Consumable supplies | | | 2 | | | | | | |
| Consumable: Stationery, printing and office supplies | | | 10 | | | | | | |
| Operating leases | (1) | | | | 129 | 129 | 136 | 145 | |
| Property payments | | | | | 25 | 64 | 29 | 32 | 166 |
| Travel and subsistence | 3 | (1) | | | | 3 | 80 | | |
| Training and development | 5 | | | | | | | | |
| Operating payments | | | 72 | 105 | 84 | 84 | 100 | 108 | 113 |
| Venues and facilities | | | 1 | 42 | 128 | 180 | 185 | 195 | 205 |
| Rental and hiring | | | | | | | | | |
| Interest and rent on land | 4 | | | | | | | | |
| Interest | | | | | | | | | |
| Rent on land | 4 | | | | | | | | |
| Transfers and subsidies | 65 | 46 | 215 | | 8 | 28 | | | |
| Households | 65 | 46 | 215 | | 8 | 28 | | | |
| Social benefits | 65 | 46 | 215 | | 8 | 28 | | | |
| Other transfers to households | | | | | | | | | |
| Payments for capital assets | | | | | | | | | |
| Payments for financial assets | 13 | 18 | 1 | | | 14 | | | |
| Total economic classification | 65 367 | 67 125 | 76 535 | 83 984 | 80 616 | 80 636 | 89 138 | 94 722 | 100 310 |



VOTE 14

GAUTENG PROVINCIAL TREASURY

| | |
|---------------------------------------|-----------------------------|
| To be appropriated by vote in 2015/16 | R584 362 000 |
| Responsible MEC | MEC for Finance |
| Administering Department | Gauteng Provincial Treasury |
| Accounting Officer | Head of Department |

1. OVERVIEW

Vision

To provide strategic leadership in financial and fiscal matters to ensure sustainable and inclusive social and economic development of the people of Gauteng so that all may enjoy value for money services of the highest quality.

Mission

We are an activist Treasury that enables and promotes quality service delivery for the citizens of Gauteng through:

- Sustainable financing and funding that ensures developmentally focused allocation of resources and innovative revenue generation;
- Efficient cash management that ensures sustainable liquidity levels in the province;
- Effective financial management and reporting that ensures responsible stewardship and transparent resource utilization and expenditure; and
- A well-structured governance framework that ensures accountability, transparency and fiscal discipline in line with statutory obligations.

Strategic Goals

The strategic objectives for the department are:

- To promote better planning and budgeting synergy across all spheres of government in the province;
- To ensure balanced budgeting and sustainable funding for the legislative mandates and strategic priorities of the province;
- To ensure approved financial resources are spent efficiently, effectively and economically across the province;
- To support all departments, entities and municipalities to achieve unqualified audits;
- To promote accountable and transparent financial governance in the province; and
- To ensure statutory obligations are met and that decision makers facilitate appropriate interventions.

Core functions and responsibilities

The functions or powers of the Gauteng Provincial Treasury are described in the Public Finance Management Act (PFMA), 1999 and the Municipal Finance Management Act, 2003. These can be summarized as follows:

- To manage the budget allocation for the Gauteng Provincial Government (GPG);
- To ensure the instilling of fiscal discipline and corporate governance in the province;
- To ensure proper cash management;
- To ensure the effective and efficient utilization of resources – value for money, compliance with all relevant legislation;
- To develop, implement and monitor compliance with corporate governance norms and standards relating to provincial and local government; and
- To ensure adequate financial accountability.

Overview of the main services

The mandate of Gauteng Treasury is to promote good governance by providing stewardship on all financial matters in the province and to ensure that provincial budgets and budgetary processes promote transparency, accountability and the effective financial management of the economy. In essence, the role of Gauteng Treasury is to ensure that strategies are funded through projects and other initiatives that are aligned to the provincial priorities and the principles of Batho Pele

- To manage the budget allocation for the Gauteng Provincial Government;
- To ensure the instilling of fiscal discipline and corporate governance in the Province;
- To ensure proper cash management;
- To ensure the effective and efficient utilization of resources – value for money, compliance with all relevant legislations;
- To develop, implement and monitor compliance with corporate governance norms and standards relating to provincial and local governments;
- To ensure adequate financial accountability.

Ten Pillar Programme of Transformation, Modernisation and Re-industrialisation

The GPG has adopted the Ten-Pillar Programme (TPP) which aims to radically transform, modernise and re-industrialise Gauteng over the next five years. The GPT has defined key game changers and catalytic projects in its Strategic Plan for the 2014 – 2019 term, which will contribute to repositioning government as responsive and activist. As the custodian of the provincial financial resources, GPT supports all 14 national outcomes and directs resources to the TPP.

The key focus areas over the MTEF will be exploration of alternative sources of funding and other revenue streams to supplement the fiscus, and improvement of planning synergies between the different spheres of government in order to ensure efficiency in the planning and budgeting processes.

Furthermore the department intends to ensure that the limited resources available are allocated and spent on provincial priorities. It will also eliminate wastage of resources and enhance transparency and accountability by enhancing investigations through the introduction of business intelligence (BI) tools that have digital forensic capabilities. The aim of the BI tools are to detect and prevent fraud and also monitor contract management in the province in order to ensure that services are rendered timeously and cost effectively.

The GPT, as an enabler of service delivery in Gauteng province, will endeavor to ensure resource allocation alignment to the Gauteng Plan which is based on the GPG's Ten-Pillar Programme. This aims to fast-track service delivery to ensure real impact on the Gauteng citizenry, and automate cash management and in-year monitoring processes. This is in order to improve operational efficiencies and the quality and credibility of data, stabilise the GPG wage bill and improve on delivery of infrastructure projects in order to stimulate economic growth and contribute towards job creation.

The department will continue to provide training and technical support to provincial departments, public entities and local municipalities that will yield improved audit outcomes.

National Development Plan

The Medium Term Strategic Framework (MTSF) is informed by the National Development Plan (NDP) which aims to eliminate poverty and reduce inequality by 2030 through uniting South Africans, unleashing the energies of its citizens, growing an inclusive economy, building capabilities, enhancing the capability of the state and encouraging leaders to work together to solve complex problems.

In addition, Gauteng Province has adopted the Gauteng Vision 2030. This vision is as follows: "A livable, equitable, prosperous and united GCR, established through the combined efforts of a developmental state, an engaged civil society and an active citizenry – together targeting the objectives of equitable growth, sustainable development and infrastructure, social inclusivity and cohesion, and the necessary condition of good governance."

The GPT contributes to all 14 national outcomes. In allocating financial resources and funding in alignment with the provincial priorities as espoused in the provincial TPP, in alignment with the NDP and G2030, the department will ensure that budget reviews and reforms are developmentally focused on the allocation of resources in terms of the National Treasury guidelines, promoting growth and creating sustainable jobs.

External activities and events relevant to budget decisions

The 5th administration of Gauteng Province has adopted a TPP of transformation, modernisation and re-industrialisation. The GPT is aware that its work is central to the achievement of this broad programme of ensuring that Gauteng is developed into an integrated, socially cohesive, economically inclusive city region, underpinned by a smart and green industrial economy. The generic structures for provincial treasuries will be deliberated on to ensure that the GPT's organisational structure and establishment supports the executive optimally in discharging its key statutory and other strategic mandates.

Act, rules and regulations

- Division of Revenue Act (DORA), 2008;
- Treasury Regulations 2005, and Delegations;
- Prevention and Combating of Corrupt Activities Act, 2004;
- Municipal Finance Management Act, 2004;
- Broad-Based Black Economic Empowerment Act, 2003;
- The Tender Board Repeal Act, 2002;
- Unemployment Insurance Contributions Act, 2002
- Preferential Procurement Policy Framework Act, 2000;
- Promotion of Access to Information Act, 2000;
- Municipality Systems Act, 2000;
- Development Facilitation Act, 1995;
- Promotion of Administrative Justice Act, 2000;
- Public Finance Management Act, 1999;
- Employment Equity Act, 1998;
- Skills Development Act, 1998;
- Basic Conditions of Employment Act, 1997;
- Intergovernmental Fiscal Relations Act, 1997;
- Public Service Laws Amendment Act, 1997;
- Government Employees Pension Act, 1996;
- The National Archives Act, 1996;
- Borrowing Powers of Provincial Government Act, 1996;
- The Constitution of the Republic of South Africa, 1996;
- Labour Relations Act, 1995;
- Occupational Health and Safety Act, 1995; and
- Public Service Act, 1994 and Regulations and Delegations.

2. REVIEW OF THE CURRENT FINANCIAL YEAR (2014/15)

The 2014/15 financial year saw to the beginning of a new political term of office for the South African government. The 5th administration of Gauteng Province immediately set to work and adopted a TPP of radical transformation, modernisation and re-industrialisation for the province. The GPT identified catalytic projects that will fulfil its mandate and developed plans and strategies for implementation.

The GPT's role is transversal and cuts across all spheres of government. It is therefore better positioned to facilitate better planning and budgeting synergy across all spheres of government. Thus collaboration and partnership with stakeholders is crucial in fulfilling its mandate and in ensuring that oversight structures function optimally. As a proactive and solution-driven department, the GPT continued with its activist interventions in GPG, aimed at eliminating wastage of financial resources and ensuring that spending is aligned with provincial priorities.

One of our successes in the current financial year was that of maintaining sustainable liquidity levels for the province. Cash outflows for provincial departments remained within the available provincial revenue streams. This was as a result of the efficient cash management processes put in place. The department has also developed an automated cash flow forecasting model so that GPT and departments can monitor and plan cash flows. Revenue forums were successfully conducted with GPG departments and revenue reports prepared accordingly.

With regard to promoting effective and efficient financial management in the province, the GPT developed improved municipal administrative and financial capabilities through supporting and monitoring municipal capacity initiatives. The Municipal Finance Hands-on Support Programme was extended and other supplementary support initiatives explored as a means of improving the financial viability of certain local municipalities. The

department assessed municipal budgets to improve their credibility and the affordability of their plans and their alignment with integrated development plans (IDPs).

The province saw improvement in 2014/15 in increasing the number of unqualified audits. The GPT supported departments in the compilation of their annual and interim financial statements and further analysed their appropriation statements, providing them with feedback to help monitor their annual expenditure. A clean audit opinion was maintained for the GPT and the Provincial Revenue Fund.

The Health Intervention Programme has continued in the current financial year and the support provided focused on inventory management, compiling a credible budget, reviewing finance structures in hospitals and enhancing finance systems and processes in hospitals and at head office. The online payroll certification tool has been successfully rolled out to seven provincial departments. A business intelligence tool to identify and recall fictitious payments to government employees has been developed.

The payment of suppliers within 30 days is a key priority for the province as the impact of non- and late payments to suppliers has a crippling effect on the Gauteng economy and ultimately, that of our country. In tackling this issue, the GPT started a process of exploring an electronic platform that can be accessed by all current and prospective GPG suppliers enabling them to send invoices directly and communicate with us about non-payments.

The South African Institute of Professional Accountants (SAIPA) learnership programme which is a joint collaboration between the GPT (which is now an approved training centre) and the SAIPA, started in February 2013. Its primary objective is to improve the level of financial and accounting skills in the province, whilst also providing learning and work opportunities to the youth. The learners are rotated within the various provincial departments so that they can be exposed to various functions and roles.

With regard to performing statutory obligations and promoting transparent and accountable government, the department continued to research topical economic issues jointly with research and academic institutions. The provincial main and adjustment budgets were tabled at the Provincial Legislature timeously and economic publications such as the Provincial Economic Review and Outlook, Socio-Economic Review and Outlook and the Medium Term Budget Policy Statements were published.

Legislated reports including in-year monitoring (IYM) reports, quarterly performance reports, PFMA compliance reports and evaluation reports on the performance of conditional grants were prepared and submitted timeously to the department's various stakeholders. The consolidated financial statements for the 2013/14 financial year were prepared and submitted to the Auditor General (AG) according to the prescribed timeframes.

Consultations on the new generic structure for the GPT have been carried out successfully with various stakeholders to ensure a smooth transition in the coming financial year.

3. OUTLOOK FOR THE COMING FINANCIAL YEAR (2015/16)

The generic structure adopted by the GPT in the 2014/15 financial year will be implemented in the 2015/16 financial year. The new structure will reposition the GPT as a department that will be able to accelerate service delivery, enhance institutional capacity, create synergistic relations between related service delivery nodes and thus create a more responsive government.

Pillar 4: Transformation of state and governance

Although the GPT has achieved its key objectives in the previous year to a significant extent, the new financial year represents an opportunity to continue positively impacting on service delivery to the people of Gauteng. The slowing economic growth, resulting in a shrinking fiscus, necessitates that GPT be innovative, developing new ways of ensuring that the provincial departments get value for money. The GPT will explore alternative sources of funding and other revenue streams to supplement the fiscus. This will be achieved through development of a revenue strategy which will seek to protect surplus income, whilst encouraging provincial departments to pursue revenue maximization progressively as a financial incentive and to maximize and optimize revenue streams in a sustainable manner.

In order to ensure efficiency in planning and budgeting processes, GPT will ensure that the limited resources are spent on provincial priorities, eliminating wastage of resources. Furthermore the department will continue to

improve planning and spending synergy between provincial and local government as well as with state enterprises who are engaged in significant capital projects in the Gauteng Province. To achieve this synergy in government planning and programmes, the GPT will work with the Gauteng Planning Commission, the Department of Cooperative Governance and Traditional Affairs and local municipalities to develop an integrated planning framework to inform resource allocation and efficiency as well as process improvement.

The GPT will continue to provide structural training to provincial departments, entities and local municipalities. The audit outcomes from the prior financial years will be improved and an online tracking system will be implemented in order to ensure implementation of recommendations by the AG and thus reduce recurring audit findings.

In dealing decisively with incidents of fraud and corruption, the department will continue to strengthen transparency and accountability by enhancing investigations through the introduction of BI tools with digital forensic capabilities to detect and prevent fraud. It will also monitor contract management in the province to ensure that services are rendered timeously and in a cost effective manner. The department has vetted all officials responsible for financial and procurement duties.

GPG wage bill stabilization is one of the department's key projects. The department will keep track of the province's personnel spending, keeping the budget within a reasonable level.

Pillar 5: Modernization of the public service

As part of maintaining sustainable liquidity levels for the province and improving on the department's cash management processes, the GPT will automate the cash management environment. The cash flow forecasting model developed in the prior financial year will be deployed to provincial departments.

The IYM reporting process will also be automated in order to provide access to an accurate and complete dataset. This will enable compilation of IYM timeously and improve quality analysis and feedback to enable stakeholders to improve decision making. It will also be beneficial to have the processes automated to ensure improvement on data credibility, free from human error. IYM could function as an early warning detector for over and underspending.

Strengthening financial management in the province is one of the GPT's key focus areas. This is important in ensuring that resources are used to support provincial priorities, thereby optimizing service delivery. The department will build institutional capacity and enhance transparency in government accounting and procurement processes as measures to combat corruption and fraud.

Contract management for infrastructure is the proactive monitoring, review and management of contractual terms secured through the procurement process, to ensure that the appointed service providers deliver the right outputs timeously and cost effectively. The purpose of this is to promote the use of the limited resources most effectively towards delivering services in areas of need. Through contract management an efficient infrastructure programme can stimulate economic growth, contribute to job creation, and accelerate delivery of infrastructure projects in the province.

The success of the Identification Verification System (IVS) resulted in the introduction of other business intelligence platforms in the department. The IVS was implemented to verify that all employees currently paid through PERSAL by GPG are legitimate; to ensure that employees are allocated to correct cost centres; and to update PERSAL with accurate information. In 2015/16, the GPT will implement the Know your Patient project which will focus on identification of patients for correct billing, thus resulting in revenue increase, reduction in debt write-offs and opportunities to generate more revenue which will be redistributed back to the provincial departments.

Pillar 1: Radical economic transformation

GPT will actively support the Department of Economic Development (DED) in driving the radical economic transformation of township enterprises and re-industrialisation of the province by ensuring that township enterprises, co-operatives and SMMEs are registered on the government service provider database and are compliant with the regulatory requirements in order for them to do business with government. This will be done through actively utilising the five DED enterprise hubs already functioning in the province to implement on-site assistance with vendor registration, register suppliers on the online invoice submission and tracking system, provide training sessions on "how to tender for government business", and provide purchasing-card registration and the verification of township suppliers.

The SAIPA learnership programme will reach its last year in 2015. Successful learners who will have completed the three-year programme will be recognized as suitably qualified accountants. They will then be in a position to plough back their knowledge into the public service.

4. REPRIORITISATION

The department has identified areas of reprioritization in order to remain within the allocated budget. During the 2015-18 MTEF budget process the department reprioritised within compensation of employees to align and cater for the new departmental structure and reprioritization goods and services to compensation of employees for Municipalities Advisors as well as additional personnel.

The department reprioritized its budget mainly to align the current GPT structure with the uniform budget structure for treasuries in order to ensure that the GPT fulfils its legislated role. Funds were also reprioritized towards the establishment of a new Municipal Financial Governance unit. This will involve new automation projects as part of the department's role in fulfilling the provincial pillar of Modernisation of the Public Sector.

5. PROCUREMENT

The main projects that will be funded and that will influence major procurement over the 2015 MTEF are stated below:

In-Year Monitoring Automation

The project entails automating the compilation of the monthly financial reports that provincial departments submit to the GPT as per the requirements stipulated in the PFMA.

The system will generate monthly financial reports by sourcing data from the existing Basic Accounting System (BAS) automation portal and the Personnel Forecasting Model and then populate the prescribed IYM report with this information. The aim is to reduce potential human error that might render provincial figures unreliable. The automated process will improve accuracy and efficiency in the overall provincial reporting system, generate more reliable financial information, and enable stakeholders to focus on credibility of information.

Implementation of the infrastructure delivery management system

The department intends to support provincial departments with infrastructure by monitoring infrastructure performance and offering relevant advice where necessary. This is aimed at ensuring rapid infrastructure delivery as well as maintaining existing infrastructure. The department envisages that by appointing an external service provider with the necessary skills internal capacity will be enhanced.

Professional service providers will be appointed on a full-time basis to work in the department. They will provide technical support especially in specialised engineering. Specialist skills are required in developing the construction procurement system and institutionalisation of infrastructure planning and budgeting. On appointment, the professional service providers will be required to work closely with all provincial departments responsible for infrastructure delivery.

6. RECEIPTS AND FINANCING

6.1 Summary of receipts

TABLE 14.1: SUMMARY OF RECEIPTS: GAUTENG PROVINCIAL TREASURY

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation 2014/15 | Revised estimate | Medium-term estimates | | |
|-----------------------|----------------|----------------|----------------|--------------------|-----------------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | | | | 2015/16 | 2016/17 | 2017/18 |
| Equitable share | 321 764 | 346 250 | 454 547 | 560 060 | 527 514 | 557 697 | 584 362 | 596 933 | 628 756 |
| Conditional grants | | | | | | | | | |
| Total receipts | 321 764 | 346 250 | 454 547 | 560 060 | 527 514 | 557 697 | 584 362 | 596 933 | 628 756 |

The department is funded through the equitable share. Funds allocated to the department during the period under review include resources for the new functions received from the Gauteng Department of Finance as part of aligning the GPT with the revised treasury structure. The functions are: Gauteng Audit Services, Provincial Forensic Audit Services, Specialised Provincial Supply Chain Management and a newly established dedicated programme for Municipal Financial Governance. The allocations also cater for personnel requirements, printing of GPT publications, provision of support to departments, public entities and municipalities, the infrastructure capacity building programme, the IVAS personal verification expansion and Operation Clean Audit.

The new GPT configuration and the planned interventions such as the core programmes capacity building programmes and business intelligence projects will see allocations increase from R560 million to R629 million over the 2015 MTEF.

6.2 Departmental receipts

TABLE 14.2: DEPARTMENTAL RECEIPTS: GAUTENG PROVINCIAL TREASURY

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation 2014/15 | Revised estimate | Medium-term estimates | | |
|---|----------------|----------------|----------------|--------------------|-----------------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | | | | 2015/16 | 2016/17 | 2017/18 |
| Tax receipts | | | | | | | | | |
| Motor vehicle licenses | | | | | | | | | |
| Sales of goods and services other than capital assets | | 175 | 235 | 211 | 211 | 311 | 222 | 234 | 245 |
| Transfers received | | | | | | | | | |
| Fines, penalties and forfeits | | | | | | | | | |
| Interest, dividends and rent on land | 164 758 | 187 570 | 247 283 | 80 000 | 80 000 | 335 835 | 88 000 | 100 000 | 105 000 |
| Sales of capital assets | | | | | | | | | |
| Transactions in financial assets and liabilities | | 66 | 375 | | | 399 | 395 | 415 | 436 |
| Total departmental receipts | 164 758 | 187 811 | 247 893 | 80 211 | 80 211 | 356 545 | 88 617 | 100 649 | 105 681 |

Departmental receipts are made up of interest, dividends and rent on land; sale of goods and services other than capital assets; and financial transactions in assets and liabilities, with most revenue generated from interest earned from positive cash balances from the Corporation of Public Deposits (CPD) account. Actual collection in 2012/13 amounted to R187.8 million while actual collection for 2013/14 is R247.8 million, an increase of R60 million.

Interest, dividends and rent on land contribute the most revenue with R247.2 million or 99.75 per cent towards total revenue. Financial transactions in assets and liabilities contributed R399 000; this revenue item consists mainly of debt recoveries from previous years as well as transactions with other institutions. Sales of goods and services other than capital assets contributed R235 000; this revenue source consists mainly of parking for officials.

The department conservatively projected interest revenue at R80 million in 2014/15. However, this budget was reached within three months of the 2014/15 financial year and therefore there is a revised estimate of R356 million to be collected in the 2014/15 financial year.

Given the measures in place to improve the department's spending, potentially minimizing cash balances, GPT prudently projects its revenue collection as R89 million in 2015/16, gradually increasing to R106 million in 2017/18. This includes transactions in financial assets and liabilities in respect of money received relating to previous years.

7. PAYMENT SUMMARY

7.1 Key assumptions

The 2015 Medium Term Expenditure Framework (MTEF) budget is informed by GPT's Strategic Plan, Annual Performance Plan, provincial outcomes and the GPG's programme of action (POA). Provision for annual salary adjustments is made as follows: 5.6 per cent in 2015/16; 5.5 per cent in 2016/17; 5 per cent in 2017/18. Provision has also been made for notch progressions and performance bonuses.

7.2 Programme Summary

TABLE 14.3: SUMMARY OF PAYMENTS AND ESTIMATES: GAUTENG PROVINCIAL TREASURY

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation 2014/15 | Revised estimate | Medium-term estimates | | |
|---|----------------|----------------|----------------|--------------------|--------------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Administration | 47 417 | 59 768 | 79 876 | 95 852 | 98 752 | 97 871 | 111 528 | 116 725 | 122 562 |
| 2. Sustainable Fiscal Resource Management | 99 549 | 100 757 | 109 128 | 162 426 | 144 756 | 176 404 | 183 781 | 169 099 | 177 939 |
| 3. Financial Governance | 48 081 | 54 318 | 102 359 | 135 194 | 121 680 | 142 336 | 98 608 | 105 894 | 111 439 |
| 4. Provincial Supply Chain And Movable Asset Management | 66 235 | 65 002 | 58 311 | 69 572 | 61 856 | 61 603 | 86 592 | 94 924 | 100 055 |
| 5. Municipal Financial Governance | 16 532 | 17 958 | 27 526 | 32 412 | 28 630 | 28 480 | 30 097 | 31 919 | 33 520 |
| 6. Gauteng Audit Services | 43 950 | 48 672 | 52 705 | 64 604 | 60 969 | 61 004 | 73 756 | 78 372 | 83 241 |
| Total payments and estimates | 321 764 | 346 475 | 429 905 | 560 060 | 516 643 | 567 698 | 584 362 | 596 933 | 628 756 |

7.3 Summary of economic classification

TABLE 14.4: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: GAUTENG PROVINCIAL TREASURY

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation 2014/15 | Revised estimate | Medium-term estimates | | |
|--------------------------------------|----------------|----------------|----------------|--------------------|--------------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 268 694 | 294 558 | 375 064 | 509 149 | 437 974 | 488 973 | 513 184 | 543 041 | 572 169 |
| Compensation of employees | 238 190 | 257 114 | 291 210 | 388 004 | 349 612 | 359 265 | 417 813 | 442 901 | 467 028 |
| Goods and services | 30 439 | 37 444 | 83 854 | 121 145 | 88 362 | 129 708 | 95 371 | 100 141 | 105 142 |
| Interest and rent on land | 65 | | | | | | | | |
| Transfers and subsidies to | 50 208 | 50 244 | 51 119 | 50 000 | 76 757 | 76 796 | 70 225 | 52 888 | 55 533 |
| Provinces and municipalities | | | | | | | | | |
| Departmental agencies and accounts | 50 000 | 50 000 | 50 000 | 50 000 | 75 000 | 75 000 | 70 000 | 52 650 | 55 283 |
| Households | 208 | 244 | 1 119 | | 1 757 | 1 796 | 225 | 238 | 250 |
| Payments for capital assets | 2 426 | 1 573 | 3 718 | 911 | 1 912 | 1 929 | 953 | 1 004 | 1 054 |
| Buildings and other fixed structures | | | | | | | | | |
| Machinery and equipment | 2 426 | 1 559 | 3 557 | 911 | 1 620 | 1 627 | 953 | 1 004 | 1 054 |
| Software and other intangible assets | | 14 | 161 | | 292 | 302 | | | |
| Payments for financial assets | 436 | 100 | 4 | | | | | | |
| Total economic classification | 321 764 | 346 475 | 429 905 | 560 060 | 516 643 | 567 698 | 584 362 | 596 933 | 628 756 |

GPT has been reconfigured to align to the generic structure prescribed for provincial treasuries as from 1 April 2015. The department has created new specialized and focused programmes, also taking over functions formerly existing at the Gauteng Department of Finance (GDF). Functions moving to the GPT from GDF are Forensic Audit Services, Procurement and Gauteng Audit Services. The move has impacted the outcomes and the 2015 MTEF, as this shows historical expenditure of the functions moving from GDF and the 2015 MTEF budget inclusive of the adopted functions.

Spending increased from R321.7 million in 2011/12 to R429.9 million in 2013/14. Projected spending increases to R527 million in 2014/15. The increased spending and allocation was due to the health intervention programme during the 2013/14 and 2014/15 financial years. In the 2015 MTEF period the allocation increases further to R584.3 million, peaking at R628.7 million in the 2017/18 outer year.

Compensation of Employees has steadily increased for the period under review, particularly between financial years 2013/14 and 2014/15 where the outcome had been R291.2 million in the 2013/14 financial year and the projected spending R362.1 million. This was due to higher than expected salary adjustments and also the cost of re-establishing GPT as a stand-alone department. The budget continues to grow in the 2015 MTEF period, R417.8 million in 2015/16 to R467.0 million in 2017/18, which corresponds with departmental plans to fully implement the approved structure and to align the GPT as closely as possible with the uniform budget structure. Provision for notch progression and annual performance bonuses has been made.

Goods and Services expenditure was R84 million in the 2013/14 financial year. The main appropriation increased to R121 million in 2014/15, this inclusive of the R30 million allocations to the Health Intervention Project. Over the MTEF the department is funding various key projects, such as the expansion of the IVS project and various automation projects (IYM and Budget Database). There is also a focus on capacity building for contract management in infrastructure projects. The department also continues to strengthen initiatives in support of Operation Clean Audit. The department continues to run the municipal advisor hands on support programme and various training on generally recognised accounting practices (GRAP) and modified cash standard to GPG departments and entities. The 2015 MTEF period goods and services estimate indicates the amount of R100 million in 2015/16, R100 million in 2016/17 and R105.1 million in 2017/18.

Provision has been made under Households for employee social benefits as well as severance packages, the increase in spending in 2012/13 of R244 000 to R1.1 million 2013 is as a result of severance packages paid to a retiring official.

The department spending under Capital Assets represent purchasing of laptops as well as desktops, the decrease from R2.4 million in 2011/12 to R1.1 million in 2012/13 represents a bulk purchase of laptops in 2011/12. The department's projected spending over the MTEF is for computer refreshment and replacement where necessary.

7.4 Infrastructure payments

N/A

7.4.1 Departmental Infrastructure payments

N/A

7.4.2 Departmental Public – Private Partnerships (PPP) projects

N/A

7.5 Transfers

7.5.1 Transfers to public entities

N/A

7.4.1 Transfers to other entities

14.5: SUMMARY OF DEPARTMENTAL TRANSFERS TO DEPARTMENTAL AGENCIES

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation 2014/15 | Revised estimate | Medium-term estimates | | |
|---------------------------------------|---------------|---------------|---------------|--------------------|--------------------------------|------------------|-----------------------|---------------|---------------|
| | 2011/12 | 2012/13 | 2013/14 | | | | 2015/16 | 2016/17 | 2017/18 |
| Gauteng Infrastructure Funding Agency | 50 000 | 50 000 | 50 000 | 50 000 | 75 000 | 75 000 | 70 000 | 52 650 | 55 283 |
| Total departmental transfers | 50 000 | 50 000 | 50 000 | 50 000 | 75 000 | 75 000 | 70 000 | 52 650 | 55 283 |

During the 2014/15 financial year, the budget for the Gauteng Infrastructure Funding Agency (GIFA) increased from R50 million to R75 million due to the re-establishment of the agency and provision for the project preparation facility. For the 2015/16 financial year GIFA receives an amount of R70 million to ensure a sustainable pipeline of strategic infrastructure projects that are catalysts for socio-economic development in the province.

8. PROGRAMME DESCRIPTION

Programme 1: Administration

Programme purpose

The programme aims to provide effective leadership, management and administrative support to treasury programmes as well as to the Member of the Executive Council and the Head of Treasury. This is done in fulfilment of the mission and mandate of the Treasury.

Programme objectives

- To ensure statutory obligations are met and that decision makers facilitate appropriate interventions.

TABLE 14.6: SUMMARY OF PAYMENTS AND ESTIMATES: ADMINISTRATION

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation 2014/15 | Revised estimate | Medium-term estimates | | |
|--|---------------|---------------|---------------|--------------------|-----------------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Office of the MEC | 6 715 | 6 385 | 7 033 | 7 386 | 7 827 | 7 869 | 7 719 | 8 188 | 8 598 |
| 2. Office of the HOD | 2 376 | 6 607 | 10 314 | 14 391 | 15 955 | 15 341 | 15 523 | 16 565 | 17 393 |
| 3. Corporate Management | 24 901 | 29 891 | 41 855 | 52 968 | 55 757 | 54 835 | 64 241 | 66 519 | 69 845 |
| 4. Financial Management Services (CFO) | 13 425 | 16 885 | 20 674 | 21 107 | 19 213 | 19 826 | 24 045 | 25 453 | 26 726 |
| Total payments and estimates | 47 417 | 59 768 | 79 876 | 95 852 | 98 752 | 97 871 | 111 528 | 116 725 | 122 562 |

TABLE 14.7: SUMMARY OF PAYMENTS BY ESTIMATES BY ECONOMIC CLASSIFICATION: ADMINISTRATION

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation 2014/15 | Revised estimate | Medium-term estimates | | |
|--------------------------------------|---------------|---------------|---------------|--------------------|-----------------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 44 633 | 58 195 | 77 006 | 94 941 | 95 601 | 94 701 | 110 350 | 115 484 | 121 258 |
| Compensation of employees | 26 539 | 32 629 | 44 926 | 66 568 | 65 419 | 65 210 | 73 160 | 77 120 | 80 976 |
| Goods and services | 18 029 | 25 566 | 32 080 | 28 373 | 30 182 | 29 491 | 37 190 | 38 364 | 40 282 |
| Interest and rent on land | 65 | | | | | | | | |
| Transfers and subsidies to | 22 | | 75 | | 1 281 | 1 293 | 225 | 238 | 250 |
| Provinces and municipalities | | | | | | | | | |
| Households | 22 | | 75 | | 1 281 | 1 293 | 225 | 238 | 250 |
| Payments for capital assets | 2 426 | 1 573 | 2 795 | 911 | 1 870 | 1 877 | 953 | 1 004 | 1 054 |
| Machinery and equipment | 2 426 | 1 559 | 2 774 | 911 | 1 595 | 1 602 | 953 | 1 004 | 1 054 |
| Software and other intangible assets | | 14 | 21 | | 275 | 275 | | | |
| Payments for financial assets | 336 | | | | | | | | |
| Total economic classification | 47 417 | 59 768 | 79 876 | 95 852 | 98 752 | 97 871 | 111 528 | 116 725 | 122 562 |

The budget for Administration increased from R47.4 million in 2011/12 to R59.7 million in 2012/13. The budget continues to increase from R98.7 million in the 2014/15 financial year to R122.5 million in the 2017/18 financial year.

The main costs drivers in Goods and Services are utilities, external audit, lease payments, communication and property payments. The department also has various projects earmarked and catered for under Goods and Services, the hosting of network servers externally, IT equipment refreshment programme, corporate performance and evaluation information systems and disaster recovery site establishment.

Compensation of Employees increases from R32.6 million in the 2012/13 financial year to R44.9 million in 2013/14, R65.4 million in 2014/15 and R80.9 million in the 2017/18 financial year. The increase in Compensation of Employees is due to the establishment of new posts after demerger from the GDF and the implementation of the approved structure. Other contributions to the increase include the annual cost of living salary increases, notch progressions and personnel related costs such as performance and service bonuses as well as implementation of the approved structure and the re-grading of clerk posts.

Over the MTEF, spending for payments for capital assets is expected to stay within the baseline at average allocation of R1 million per financial year, making provision for replacement of capital assets, the estimated allocations being R953 000, R1 million, R1 million for the 2015/16, 2016/17 and 2017/18 financial years respectively.

SERVICE DELIVERY MEASURES

PROGRAMME 1: ADMINISTRATION

| Performance Measures | Estimated Annual Targets | | |
|--|--|--|--|
| | 2015/16 | 2016/17 | 2017/18 |
| Administration | | | |
| Unqualified audit opinion with no other matters from the previous financial year | Unqualified audit opinion with no other matters from the previous financial year | Unqualified audit opinion with no other matters from the previous financial year | Unqualified audit opinion with no other matters from the previous financial year |
| % of external audit report recommendations implemented before next audit cycle | 100% | 100% | 100% |

| Performance Measures | Estimated Annual Targets | | |
|--|--------------------------|---------|---------|
| | 2015/16 | 2016/17 | 2017/18 |
| % of supplier payments paid within 30 days after receipt of final and correct invoice | 100% | 100% | 100% |
| % compliance with regulatory and legislated reporting requirements as per the compliance dashboard | 100% | 100% | 100% |

PROGRAMME 2: SUSTAINABLE FISCAL RESOURCES MANAGEMENT

Programme purpose

The programme aims to promote accountability through substantive reflection of financial activities as well as compliance with financial norms and standards in PFMA compliant institutions.

Programme objectives:

- To promote better planning, budgeting and resourcing synergy across all spheres of government in the province;
- To ensure government programmes are adequately resourced within the tight fiscal envelope; and
- To ensure approved financial resources are spent efficiently, effectively and economically across the province.

14.8: SUMMARY OF PAYMENTS BY ESTIMATES: SUSTAINABLE FISCAL RESOURCES MANAGEMENT

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation 2014/15 | Revised estimate | Medium-term estimates | | |
|---|---------------|----------------|----------------|--------------------|--------------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Programme Support/Office Of The DDG | 51 855 | 52 867 | 55 911 | 79 154 | 80 934 | 103 341 | 102 810 | 85 509 | 89 785 |
| 2. Budget Management | 10 006 | 10 959 | 12 406 | 22 983 | 14 005 | 15 850 | 22 127 | 21 740 | 22 827 |
| 3. Economic And Fiscal Policy Oversight | 7 925 | 7 610 | 8 058 | 10 176 | 9 514 | 10 129 | 11 193 | 11 858 | 12 451 |
| 4. Infrastructure Management | 3 520 | 2 984 | 3 114 | 3 465 | 3 515 | 3 404 | 8 159 | 8 916 | 9 746 |
| 5. Financial Asset And Liabilities Management | 15 656 | 15 416 | 16 962 | 20 820 | 20 650 | 20 417 | 21 846 | 23 262 | 24 425 |
| 6. Public Finance | 10 587 | 10 921 | 12 677 | 25 828 | 16 138 | 23 263 | 17 646 | 17 814 | 18 704 |
| Total payments and estimates | 99 549 | 100 757 | 109 128 | 162 426 | 144 756 | 176 404 | 183 781 | 169 099 | 177 939 |

TABLE 14.9: SUMMARY OF PAYMENTS AND ESTIMATES: SUSTAINABLE FISCAL RESOURCES MANAGEMENT

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation 2014/15 | Revised estimate | Medium-term estimates | | |
|--------------------------------------|---------------|----------------|----------------|--------------------|--------------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 49 449 | 50 727 | 59 088 | 112 426 | 69 446 | 101 136 | 113 781 | 116 449 | 122 656 |
| Compensation of employees | 45 959 | 47 986 | 53 562 | 82 244 | 62 434 | 71 751 | 80 381 | 83 108 | 87 649 |
| Goods and services | 3 490 | 2 741 | 5 526 | 30 182 | 7 012 | 29 385 | 33 400 | 33 341 | 35 008 |
| Interest and rent on land | | | | | | | | | |
| Transfers and subsidies to | 50 000 | 50 030 | 50 040 | 50 000 | 75 310 | 75 268 | 70 000 | 52 650 | 55 283 |
| Departmental agencies and accounts | 50 000 | 50 000 | 50 000 | 50 000 | 75 000 | 75 000 | 70 000 | 52 650 | 55 283 |
| Households | | 30 | 40 | | 310 | 268 | | | |
| Payments for capital assets | | | | | | | | | |
| Software and other intangible assets | | | | | | | | | |
| Payments for financial assets | 100 | | | | | | | | |
| Total economic classification | 99 549 | 100 757 | 109 128 | 162 426 | 144 756 | 176 404 | 183 781 | 169 099 | 177 939 |

The Sustainable Fiscal Resource Management Programme is one of the programmes affected by the re-configuration of the GPT. It has received Financial Asset Management and Infrastructure Management as new functions and is also expected to provide specialized capacity in the areas of data management, monitoring and evaluation.

The budget for Sustainable Resource Management increased from R99.5 million in the 2011/12 financial year to R109.1 million in the 2013/2014 financial year. In the 2014/15 financial year the budget decreased to R145.6million million. In the MTEF period the allocation is as follows: R183.7 million in the 2015/16 financial year, R169 million in the 2016/17 financial year and R177.9 million in the 2017/18 financial year. The spending focus over the MTEF period will be on catering for additional capacity in infrastructure management, data management, monitoring and evaluation, and also for the various business systems projects.

Compensation of Employees increased from R45.9 million in the 2011/12 financial year to R47.9 million in the 2012/13 financial year. It further increased from R53.5 million in the 2013/14 financial year to R71.7million in the 2014/15 financial year. In the MTEF period the allocation is as follows: R80.3 million in the 2015/16 financial year, R83.1 million in the 2016/17 financial year and R87.6 million in the 2017/18 financial year. The increase in the budget will cater for the additional capacity in infrastructure management, data management, monitoring and evaluation.

Goods and Services expenditure was at R3.4 million for 2011/12 and R2.7 million for the 2012/13 financial years. There was an increase of R3 million in expenditure to R5.5 million in the 2013/14 financial year. In 2014/15 the budget increased to R30 million. For the MTEF period the allocations are as follows: R33 million for both the 2015/16 and 2016/17 financial years, and R35.0 million in the 2017/18 financial year. The main cost drivers under this programme are capacity building projects, system development projects as well as the printing of provincial publications such as the Provincial Economic Review Outlook (PERO), Socio-economic Review and Outlook (SERO), Medium-term Budget Policy Statement (MTBPS), and Estimates of Provincial Revenue and Expenditure (EPRE).

Transfers and subsidies to GIFA for the 2014/15 financial year are at 75million.For the MTEF period allocations are as follows : R70million for 2015/16,R52million for 2016/17 and 55 million for 2017/18

PROGRAMME2: SUSTAINABLE FISCAL RESOURCES MANAGEMENT

SERVICE DELIVERY MEASURES

| Performance Measures | Estimated Annual Targets | | |
|---|---|--|--|
| | 2015/16 | 2016/17 | 2017/18 |
| Economical & Fiscal Policy Oversight | | | |
| Average % increase in own revenue collection | 10% | 12% | 12% |
| Table the SERO, PERO and MTBPS at Legislature according to the prescribed timeframes | SERO published in March 2016 | SERO published in March 2017 | SERO published in March 2018 |
| | PERO published in October 2015 | PERO published in October 2016 | PERO published in October 2017 |
| | MTBPS tabled in November 2015 | MTBPS tabled in November 2016 | MTBPS tabled in November 2017 |
| Budget Management | | | |
| Number of engagements conducted with GPG departments on the alignment of budgets to provincial plan | 14 MTEC sessions and key MTEC resolutions prepared | 14 MTEC sessions held and key MTEC resolutions prepared | 14 MTEC sessions held and key MTEC resolutions prepared |
| | 15 budget fora held | 15 budget fora held | 15 budget fora held |
| Number of budgets tabled according to the prescribed timeframes | 1 credible MTEF budget that resources the 10 pillars tabled | 1 credible MTEF budget that resources the 10 pillars tabled | 1 credible MTEF budget that resources the 10 pillars tabled |
| | 1 credible adjustment budget that resources the 10 pillars tabled | 1 credible adjustment budget that resources the 10 pillars tabled | 1 credible adjustment budget that resources the 10 pillars tabled |
| Number of strategic projects resourced from the fiscus and implemented (game changers) | 1 | 2 | 2 |
| % variance between projections and actuals | 10% variance between quarterly projections and actual for transfers | 7% variance between quarterly projections and actual resources spend | 5% variance between quarterly projections and actual resources spend |
| | 10% variance between quarterly projections and actual spending on personnel | | |
| Develop automated IYM | User requirements for the automation of IYM approved | Automated IYM developed | N/A |
| Public Finance | | | |
| % reduction of accruals as disclosed in the Annual Financial Statements | 10% | 15% | 20% |
| Number of budget bilaterals conducted | 1 | 1 | 1 |
| Number of annual budget assessments for identified key programmes/ departments conducted | GPT and 2 entities budget assessed | DED budget assessed | 3 entities budgets assessed |
| % of GPG wage bill against budget | 60% | 60% | 60% |
| % spent on conditional grants expenditure | 90% | 95% | 95% |
| Develop a value for money framework | Value for money framework developed | VFM framework implemented in 3 departments | VFM framework implemented in 4 departments |
| Infrastructure Management | | | |
| Number of budgets tabled according to the prescribed timeframes | Credible budget for infrastructure tabled as per the provincial budget timeline | Credible budget for infrastructure table as per the provincial budget timeline | Credible budget for infrastructure table as per the provincial budget timeline |

| Performance Measures | Estimated Annual Targets | | |
|---|---|--|---|
| | 2015/16 | 2016/17 | 2017/18 |
| Develop unit cost model for roads | Unit cost model for roads developed | 10% of roads designed and costs be based on the unit cost | 25% of roads designed and costs be based on the unit cost |
| % utilization of cost benefit analysis model to analyse mega projects | 100% utilization of CBA to analyse mega projects | 100% utilization of CBA to analyse mega projects | 100% utilization of CBA to analyse mega projects |
| % spent on infrastructure allocation | 90% | 95% | 95% |
| Number of local municipalities with provincial infrastructure plans aligned to the Gauteng Infrastructure Master Plan | 2 local municipalities | 2 local municipalities | 2 local municipalities |
| Develop draft guideline for infrastructure projects | Draft guideline for infrastructure projects developed | Conduct legislative compliance on draft guideline for infrastructure projects | Contract management guideline for infrastructure projects approved |
| Revenue Fund Management | | | |
| Unqualified audit opinion with no matters for the Provincial Revenue Fund | Unqualified audit opinion for the with no other matters from the previous year maintained | Unqualified audit opinion for the with no other matters from the previous year maintained | Unqualified audit opinion for the with no other matters from the previous year maintained |
| Cash Management | | | |
| Monthly cash-outflows for departments does not exceed the provincial revenue streams | Cash-outflow does not exceed the provincial revenue streams | Cash-outflow does not exceed the provincial revenue streams | Cash-outflow does not exceed the provincial revenue streams |
| Number of departments with ring-fenced funds for compensation of employees, conditional grants, critical services, local municipalities and infrastructure grants | All | All | All |
| | Ring fence COE, conditional grants, infrastructure and critical services funds at 4 central hospitals | Ring fence COE, conditional grants, infrastructure and critical services funds at 4 central and 3 tertiary hospitals | |
| Number of departments deployed with the CFF model | All departments | N/A | N/A |
| % of monthly cash allocated in-line with cash forecast | 70% | 90% | 70% |

PROGRAMME 3: FINANCIAL GOVERNANCE

Programme description

The programme aims to promote accountability through substantive reflection of financial activities as well as compliance with financial norms and standards in PFMA compliant institutions.

Programme objectives

- To reduce fraud and corruption and promote clean government across the province; and
- To support all departments, entities and municipalities in achieving unqualified audits.

TABLE 14.10: SUMMARY OF PAYMENTS AND ESTIMATES: FINANCIAL GOVERNANCE

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation 2014/15 | Revised estimate | Medium-term estimates | | |
|---|---------------|---------------|----------------|--------------------|--------------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Programme Support/Office Of The DDG | 857 | 1 746 | 28 986 | 43 349 | 36 599 | 56 357 | 3 464 | 3 688 | 3 872 |
| 2. Provincial Accounting Services | 21 978 | 26 105 | 30 896 | 33 276 | 33 451 | 33 080 | 37 147 | 39 605 | 41 585 |
| 3. Provincial Forensic Audits | 8 887 | 10 177 | 14 341 | 17 156 | 15 085 | 15 085 | 19 194 | 20 558 | 21 836 |
| 4. Transversal Internal Audit And Risk Management | 8 429 | 7 587 | 10 377 | 13 847 | 12 347 | 13 195 | 14 704 | 15 725 | 16 511 |
| 5. Compliance | 3 505 | 3 300 | 6 075 | 19 243 | 16 300 | 16 608 | 13 699 | 13 301 | 13 966 |
| 6. Financial Information Management Systems | 4 425 | 5 403 | 11 684 | 8 323 | 7 898 | 8 011 | 10 400 | 13 018 | 13 669 |
| Total payments and estimates | 48 081 | 54 318 | 102 359 | 135 194 | 121 680 | 142 336 | 98 608 | 105 894 | 111 439 |

TABLE 14.11: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: FINANCIAL GOVERNANCE

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation 2014/15 | Revised estimate | Medium-term estimates | | |
|--------------------------------------|---------------|---------------|----------------|--------------------|--------------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 48 081 | 54 252 | 100 557 | 135 194 | 121 571 | 142 208 | 98 608 | 105 894 | 111 439 |
| Compensation of employees | 44 878 | 50 934 | 64 490 | 84 456 | 77 353 | 78 073 | 86 364 | 90 206 | 94 969 |
| Goods and services | 3 203 | 3 318 | 36 067 | 50 738 | 44 218 | 64 135 | 12 244 | 15 688 | 16 470 |
| Interest and rent on land | | | | | | | | | |
| Transfers and subsidies to | | 66 | 879 | | 75 | 94 | | | |
| Households | | 66 | 879 | | 75 | 94 | | | |
| Payments for capital assets | | | 923 | | 34 | 34 | | | |
| Buildings and other fixed structures | | | | | | | | | |
| Machinery and equipment | | | 783 | | 25 | 25 | | | |

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation 2014/15 | Revised estimate | Medium-term estimates | | |
|--------------------------------------|---------------|---------------|----------------|--------------------|-----------------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | | | | 2015/16 | 2016/17 | 2017/18 |
| Software and other intangible assets | | | 140 | | 9 | 9 | | | |
| Payments for financial assets | | | | | | | | | |
| Total economic classification | 48 081 | 54 318 | 102 359 | 135 194 | 121 680 | 142 336 | 98 608 | 105 894 | 111 439 |

The Financial Governance Programme is one of the programmes affected by the re-configuration of the GPT. The programme has received Provincial Forensic Audit and Accounting Services and has additional capacity in the area of compliance. The outcomes (historical expenditure) and 2015 MTEF is inclusive of the new functions.

The budget for Financial Governance increases from R48 million in the 2011/12 financial year to R102.3 million in the 2013/14 and R135.1 million in the 2014/15 financial years. The main factor in the increasing trend was the R70 million allocation to the Health Intervention Project between the 2013/14 and 2014/15 financial years. For the MTEF period the financial governance allocation is R98.6 million in the 2015/16 financial year, R105.8 million in the 2016/17 and R111.4 million in 2017/18 financial years. The main factors contributing to the increase in the budget over the MTEF is the allocation of additional funding for Compensation of Employees, the Systems Development Project, infrastructure project management information systems, SAP inventory management information systems, forensic laboratory establishment and GRAP/modified cash standard training for the department and entities. The automation project is part of the department's commitment to modernizing the public service for effective service delivery.

Compensation of Employees increases from R44.8 million in the 2011/12 financial year to R64.9 million in the 2013/14 financial year. The budget further increases from R78 million in the 2014/15 financial year to R94.9 million in the 2017/18 financial year. The increase in Compensation of Employees is due to filling of critical positions as per reconfiguration to align to generic structures prescribed for provincial treasuries, and for salary settlements that have been above inflation over the period as well as notch progressions.

Goods and Services increase from R3.2 million in 2011/12 to R3.3 million in 2012/13. They increased from R36.0 million in the 2013/14 financial year to R54.2 million in the 2014/15 financial year. The 2015 MTEF period sees a significant decrease in Goods and Services as the R70 million allocated to the Health Intervention Project ended in 2014/15. The allocation for the MTEF period is R12.2 million in the 2015/16 financial year, and is at R15.6 million and R16.4 million for 2016/17 and 2017/18 respectively. The spending focus over the MTEF will be on conducting fraud detection reviews as well as implementation of audit recommendations.

SERVICE DELIVERY MEASURES

PROGRAMME 3: FINANCIAL GOVERNANCE

| Performance measures | Estimated annual targets | | |
|---|---|---|---------------------------------------|
| | 2015/16 | 2016/17 | 2017/18 |
| Financial Accounting | | | |
| % of audit recommendations implemented by entities and departments before the next audit cycle | 85% of recommendations | 90% of recommendations | 95% of recommendations |
| Number of departments and public entities receiving structured targeted training | All departments and public entities | All departments and public entities | All departments and public entities |
| Number of departments and entities with unqualified audit outcomes for the 2014/15 financial year | 13 departments All GPG entities | 14 departments All GPG entities | All departments |
| Statutory Deductions | | | |
| Number of departments with the online payroll certificate system | 6 | All remaining departments | N/A |
| % of fictitious payments recalled | 100% | 100% | 100% |
| Transversal Internal Audit & Risk Management | | | |
| Number of strategic risk assessment workshops conducted in GPG departments | 14 | 14 | 14 |
| Financial Information Management Systems | | | |
| Develop the BI tool | BI tool developed Pilot the BI tool with 2 departments | Deploy BI tool in all remaining departments | Monitor compliance in all departments |
| Number of departments with BI tool deployed | 4 | Hand over the tool to remaining departments | N/A |
| Provincial Forensic Audit | | | |
| % of committed investigations completed as per the letter of engagement with the client | 100% | 100% | 100% |
| Number of fraud detection reviews conducted | 14 | 14 | 14 |

| Performance measures | Estimated annual targets | | |
|---|----------------------------------|---------|---------|
| | 2015/16 | 2016/17 | 2017/18 |
| Number of fraud risk assessments reports issued | 14 | 14 | 14 |
| Develop a fraud detection system | Fraud detection system developed | | |
| Develop a case management system | Case management system developed | | |
| Accounts Payable | | | |
| Number of departments and institutions implementing P-card | 36 | 36 | |
| Number of departments with payment system for leases, contracts and utilities | 10 | | |

PROGRAMME 4 : PROVINCIAL SUPPLY CHAIN MANAGEMENT & MOVEABLE ASSET MANAGEMENT

Programme purpose

The programme aims to promote and enforce transparency and effective supply chain management and asset Management.

Programme objectives

- To reduce fraud and corruption and promote clean government across the province; and
- To ensure that service providers (especially SMME's from targeted groups) are registered and paid timeously.

TABLE 14.12: SUMMARY OF PAYMENTS AND ESTIMATES: PROVINCIAL SUPPLY CHAIN & MOVABLE ASSET MANAGEMENT

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation 2014/15 | Revised estimate | Medium-term estimates | | |
|--|---------------|---------------|---------------|--------------------|-----------------------------------|------------------|-----------------------|---------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Programme Support/ Office of the DDG | 1 792 | 2 303 | 2 347 | 3 396 | 3 391 | 3 787 | 11 490 | 12 357 | 12 975 |
| 2. SCM Policy, Norms and Standards | | | | 650 | 650 | | 7 000 | 10 000 | 10 500 |
| 3. Governance, Compliance, Monitoring and Evaluation | | | | | | | 3 200 | 3 400 | 3 570 |
| 4. SCM Client Support | | | | | | | 29 120 | 31 025 | 32 576 |
| 5. Strategic Procurement | | | | | | | 7 373 | 7 868 | 8 261 |
| 6. Transversal Contract Management | | | | | | | 16 642 | 17 761 | 18 649 |
| 7. Movable Asset Management | | | | | | | 3 000 | 3 165 | 3 708 |
| 8. Procurement Services | 64 443 | 62 699 | 55 964 | 65 526 | 57 815 | 57 816 | 8 767 | 9 348 | 9 815 |
| Total payments and estimates | 66 235 | 65 002 | 58 311 | 69 572 | 61 856 | 61 602 | 86 592 | 94 924 | 100 055 |

TABLE 14.13: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: PROVINCIAL SUPPLY CHAIN & MOVABLE ASSET MANAGEMENT

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation 2014/15 | Revised estimate | Medium-term estimates | | |
|--------------------------------------|---------------|---------------|---------------|--------------------|-----------------------------------|------------------|-----------------------|---------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 66 054 | 64 926 | 58 228 | 69 572 | 61 830 | 61 576 | 86 592 | 94 924 | 100 055 |
| Compensation of employees | 61 821 | 63 051 | 56 132 | 66 984 | 58 779 | 58 779 | 80 457 | 88 503 | 93 313 |
| Goods and services | 4233 | 1875 | 2096 | 2588 | 3051 | 2797 | 6135 | 6421 | 6742 |
| Transfers and subsidies to | 181 | 19 | 79 | | | 18 | 9 | | |
| Households | 181 | 19 | 79 | | | 18 | 9 | | |
| Payments for capital assets | | | | | | 8 | 18 | | |
| Software and other intangible assets | | | | | | 8 | 18 | | |
| Payments for financial assets | | 57 | 4 | | | | | | |
| Total economic classification | 66 235 | 65 002 | 58 311 | 69 572 | 61 856 | 61 603 | 86 592 | 94 924 | 100 055 |

Provincial Supply Chain and Movable Asset Management is a new programme in the GPT. This is also one of the programmes created after re-configuration of the GPT as mentioned earlier. It is made up of the former GDF procurement functions and GPT supply chain management (SCM) and asset management oversight functions. Specialist capacity has been added in the areas of SCM governance, asset management, SCM compliance monitoring and evaluation.

Outcomes (historical expenditure) and 2015 MTEF is inclusive of the of the procurement function from GDF. The new functions have no outcomes (historical expenditure).

Expenditure was R66.2 million in the 2011/12 financial year. There was a decrease to R58.3 million in the

2013/14 financial year. The allocation over the MTEF is as follows: R86.5 million in the 2015/16 financial year, R94.9 million in the 2016/17 financial year and R100 million in the 2017/18 financial year. The main contributor to the increase in the budget is the additional capacity to be added in SCM governance, asset management and SCM compliance monitoring and evaluation.

Compensation of Employees expenditure was R61.8 million in the 2011/12 financial year, increasing to R63.0 million in the 2012/13 financial year. Expenditure then decreased to R56.1 million in the 2013/14 financial year. The budget is R58.7 million for the 2014/15 financial year. The allocation over the MTEF is as follows: R80.4 million for the 2015/16 financial year, R88.5 million for the 2016/17 financial year and R93.3 million for the 2017/18 financial year. The main contributor to the increase in the budget is the additional capacity to be added in the areas of SCM governance, asset management and SCM compliance monitoring and evaluation.

Goods and Services expenditure was R4.2 million in the 2011/12 financial year, decreasing to R1.8 million in 2012/13 and remaining at R2 million in the 2013/14 financial year. The budget in the 2014/15 financial year is R3 million. The allocation over the MTEF is as follows: R6 million for both the 2015/16 and 2016/17 financial years and R7 million for the 2017/18 financial year.

SERVICE DELIVERY MEASURE

PROGRAMME 4: PROVINCIAL SUPPLY CHAIN & MOVEABLE ASSET MANAGEMENT

| Performance measures | Estimated annual targets | | |
|---|--|---|--|
| | 2015/16 | 2016/17 | 2017/18 |
| Provincial Supply Chain Management | | | |
| Number of institutions with contract management framework implemented | Contract management framework implemented in 3 departments, 3 public entities and 2 local municipalities | Contract management framework implemented in 3 departments, 4 trading entities and 4 local municipalities | Contract management framework implemented in all departments, all public entities and all local municipalities |
| Develop a price scheduling index | 1 price scheduling index developed | 1 price scheduling index developed | 1 price scheduling index developed |
| Number of approved SCM frameworks for GPG Departments and Municipalities | 1 approved SCM framework for GPG departments | 1 approved SCM framework for GPG departments | 1 approved SCM framework for GPG departments |
| | 1 approved SCM framework for local municipalities | 1 approved SCM framework for GPG departments | 1 approved SCM framework for GPG departments |
| Number of reports on the analysis of compliance to the cost containment measures strategy | 4 | 4 | 4 |
| Establishment of a procurement hub in GPG | Procurement hub established in GPG | Monitor to ensure all tenders awarded in the province are published | |
| Number of departments targeted for open tender projects | 2 | 2 | 2 |
| Procurement | | | |
| Number of suppliers identified and registered in township hubs across the 5 commodity groups | 30 | 50 | 100 |
| % of transversal term agreements established within SLA of 90 days from the date a tender is published in the Tender Bulletin to the date of tender award | 100% | 100% | 100% |
| % of GPG transversal contracts available and updated in the central repository of awarded contracts within 15 days from the date of receipt of the contract | 100% | 100% | 100% |
| % of suppliers registered on the GPG centralized database of suppliers within 12 working days upon receipt of the application form | 100% | 100% | 100% |

PROGRAMME 5 : MUNICIPAL FINANCIAL GOVERNANCE

Programme purpose

The programme aims to ensure effective and efficient management in municipalities and municipal entities and coordinate the provisioning of capacity building.

Programme objective

To support all departments, entities and municipalities in achieving unqualified audits.

TABLE 14.14: SUMMARY OF PAYMENTS AND ESTIMATES: MUNICIPAL FINANCIAL GOVERNANCE

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation 2014/15 | Revised estimate | Medium-term estimates | | |
|--|---------------|---------------|---------------|--------------------|-----------------------------------|------------------|-----------------------|---------------|---------------|
| | 2011/12 | 2012/13 | 2013/14 | | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Programme Support/ Office of the DDG | 16 532 | 17 958 | 27 526 | 32 412 | 28 630 | 28 480 | 2 899 | 3 040 | 3 192 |
| 2. Municipal Budget | | | | | | | 5 439 | 5 781 | 6 070 |
| 3. Municipal Accounting and Reporting | | | | | | | 5 439 | 5 775 | 6 064 |
| 4. Municipal Financial Assets And Liabilities | | | | | | | 5 440 | 5 774 | 6 063 |
| 5. Municipal Supply Chain and Asset Management | | | | | | | 5 440 | 5 774 | 6 063 |
| 6. Municipal Governance and Institutional Management | | | | | | | 5 440 | 5 775 | 6 069 |
| Total payments and estimates | 16 532 | 17 958 | 27 526 | 32 412 | 28 630 | 28 480 | 30 097 | 31 919 | 33 520 |

TABLE 14.15: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: MUNICIPAL FINANCIAL GOVERNANCE

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation 2014/15 | Revised estimate | Medium-term estimates | | |
|--------------------------------------|---------------|---------------|---------------|--------------------|-----------------------------------|------------------|-----------------------|---------------|---------------|
| | 2011/12 | 2012/13 | 2013/14 | | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 16 527 | 17 946 | 27 526 | 32 412 | 28 558 | 28 384 | 30 097 | 31 919 | 33 520 |
| Compensation of employees | 16 072 | 17 309 | 20 061 | 25 715 | 27 643 | 27 469 | 29 298 | 31 079 | 32 638 |
| Goods and services | 455 | 637 | 7 465 | 6 697 | 915 | 915 | 799 | 839 | 881 |
| Transfers and subsidies to | 5 | 12 | | | 72 | 96 | | | |
| Departmental agencies and accounts | | | | | 72 | 96 | | | |
| Households | 5 | 12 | | | | | | | |
| Payments for capital assets | | | | | | | | | |
| Buildings and other fixed structures | | | | | | | | | |
| Payments for financial assets | | | | | | | | | |
| Total economic classification | 16 532 | 17 958 | 27 526 | 32 412 | 28 630 | 28 480 | 30 097 | 31 919 | 33 520 |

Municipal Financial Governance is a new programme in the GPT. This is also one of the programmes created after re-configuration of the GPT as mentioned earlier. This function existed in GPT as Local Government Financial Services.

Outcomes (historical expenditure) and the 2015 MTEF is inclusive of the of the Local Government Financial Services function from GPT. The expenditure for Municipal Financial Governance was R 16.5 million in the 2011/12 financial year and increased to R32.4 million by the 2014/15 financial year. The increase in allocation was mainly to fund the Municipal Advisor Programme for hands-on financial management support at municipalities. The allocation for the programme over the MTEF period is as follows: R30.0 million in the 2015/16 financial year and R31.9 million in the 2016/17 financial year, peaking at R33.5 million in the 2017/18 financial year.

Compensation of Employees expenditure was R16.0 million in the 2011/12 financial year. The budget increased to R20.0 million by the 2013/14 financial year. The allocation over the MTEF period is as follows: R29.2 million in the 2015/16 financial year, R31.0 million in the 2016/17 financial year and R32.6 million in the 2017/18 financial year. The increase caters for the annual cost of living adjustment, notch progression and performance bonuses.

Goods and Services expenditure was R455 thousand in the 2011/12 financial year. The budget increased to fund various interventions at municipalities and was R7.4 million in 2013/14. The allocation for Goods and Services for the programme over the MTEF is as follows: R799 thousand in the 2015/16 financial year, R839 thousand in the 2016/17 financial year and R881 thousand in the 2017/18 financial year. The main cost drivers in the programme are printing of gazettes, travel expenditure to municipalities, software licenses, training and development. The programme will also embark on a project to develop asset management strategies for municipalities.

SERVICE DELIVERY MEASURE**PROGRAMME 5: MUNICIPAL FINANCIAL GOVERNANCE**

| Performance measures | Estimated annual targets | | |
|--|---|--|--|
| | 2015/16 | 2016/17 | 2017/18 |
| Local Government Financial Services | | | |
| Number of local municipalities with draft budget assessments conducted to check alignment to IDPs | 9 | 9 | 9 |
| Number of local municipalities final budget assessments conducted | 9 | 9 | 9 |
| Number of municipalities receiving structured targeted training on GRAP standards | 9 | 9 | 9 |
| Track the implementation of recommendations on assessment on municipalities level of compliance and financial sustainability | Track the implementation of recommendations and corrective measures from the assessment monitored Conduct an impact analysis of the MFHSP and make recommendations | Track the implementation the recommendations from the impact analysis | |
| % of audit recommendations and commitments implemented by management to address AG findings | 85% | 90% | 95% |
| Number of local municipalities with unqualified audit opinions for the financial year under review | Maintain all unqualified audit outcomes for the financial year under review 85% reduction in repeat findings as per the GPT Action Plan dashboard in the 2 qualified local municipalities (Westonaria & Randfontein) | Maintain all unqualified audit outcomes for the financial year under review Improve 1 qualified local municipality outcome to unqualified | All local municipalities with unqualified audit outcomes for the financial year under review |
| Dissemination of the Estimates of Capital Expenditure to municipalities and metros | Estimates of Capital Expenditure disseminated to municipalities and metros | Estimates of Capital Expenditure disseminated to municipalities and metros | Estimates of Capital Expenditure disseminated to municipalities and metros |
| Number of assessments conducted on local municipal annual reports | All local municipalities | All local municipalities | All local municipalities |
| Facilitation of the installation of prepaid meters in the CoT, CoJ and Ekurhuleni in government facilities in the province | Conduct assessment on installation of prepaid meters in government facilities in the province (CoT, COJ, Ekurhuleni) Pilot the installation of prepaid meters in identified departments (buildings in the precinct) | Roll-out the installation of prepaid meters to 50% of the identified government facilities in the province | Roll-out the installation of prepaid meters to all remaining government facilities in the province |

PROGRAMME 6 : GAUTENG AUDIT SERVICES**Programme purpose**

To enhance transparency, good governance and clean government through strengthening the internal control and regulatory environment in the province.

Programme objectives

To support all departments, entities and municipalities to achieve clean audits.

TABLE 14.16: SUMMARY OF PAYMENTS AND ESTIMATES: GAUTENG AUDIT SERVICES

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation 2014/15 | Revised estimate | Medium-term estimates | | |
|--|---------------|---------------|---------------|--------------------|--------------------------------|------------------|-----------------------|---------------|---------------|
| | 2011/12 | 2012/13 | 2013/14 | | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Programme Support/ Office of the DDG | 1 739 | 2 269 | 1 910 | 4 134 | 4 564 | 4 564 | 7 302 | 7 313 | 7 701 |
| 2. Risk and Compliance Audit Services (Cluster 1 & 2) | 16 013 | 17 398 | 15 136 | 15 564 | 14 893 | 14 893 | 16 881 | 18 066 | 19 209 |
| 3. Risk and Compliance Audit Services (Cluster 3; 4 & 5) | 10 941 | 11 638 | 16 569 | 21 432 | 20 066 | 20 074 | 23 375 | 24 987 | 26 559 |
| 4. Performance and Computer Audit Services | 11 040 | 13 438 | 14 204 | 17 884 | 15 911 | 15 938 | 19 815 | 21 193 | 22 535 |
| 5. Audit Centre of Excellence | 4 217 | 3 929 | 4 886 | 5 590 | 5 535 | 5 535 | 6 383 | 6 811 | 7 237 |
| Total payments and estimates | 43 950 | 48 672 | 52 705 | 64 604 | 60 969 | 61 004 | 73 756 | 78 372 | 83 241 |

TABLE 14.17: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: GAUTENG AUDIT SERVICES

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation 2014/15 | Revised estimate | Medium-term estimates | | |
|--------------------------------------|---------------|---------------|---------------|--------------------|-----------------------------------|------------------|-----------------------|---------------|---------------|
| | 2011/12 | 2012/13 | 2013/14 | | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 43 950 | 48 512 | 52 659 | 64 604 | 60 968 | 60 968 | 73 756 | 78 372 | 83 241 |
| Compensation of employees | 42 921 | 45 205 | 52 039 | 62 037 | 57 984 | 57 983 | 68 153 | 72 884 | 77 483 |
| Goods and services | 1 029 | 3 307 | 620 | 2 567 | 2 984 | 2 985 | 5 603 | 5 488 | 5 758 |
| Transfers and subsidies to | | 117 | 46 | | 1 | 36 | | | |
| Non-profit institutions | | | | | | | | | |
| Households | | 117 | 46 | | 1 | 36 | | | |
| Payments for capital assets | | | | | | | | | |
| Software and other intangible assets | | | | | | | | | |
| Payments for financial assets | | 43 | | | | | | | |
| Total economic classification | 43 950 | 48 672 | 52 705 | 64 604 | 60 969 | 61 004 | 73 756 | 78 372 | 83 241 |

Gauteng Audit Services (GAS) is a new programme in the GPT. This is also one of the programmes created after re-configuration of the GPT as mentioned earlier.

Outcomes (historical expenditure) and 2015 MTEF is inclusive of the of the GAS function from GDF.

The GAS budget increases from R43.9 million in 2011/12 to a revised estimate of R83.2 million in 2017/18. More than 95 per cent of the GAS budget lies under Compensation of Employees. Due to the scarce skills in the audit industry in general, priority has been directed toward ensuring adequate capacitation of the programme in order to execute its provincial obligations, primarily to contribute towards the achievement of clean audits in the province. Whilst the programme has historically relied on external audit services, the decision to desist from the use of consultants resulted in the shifting of funds away from Goods and Services into Compensation to enable the programme to be sufficiently capacitated in this regard.

The GAS Compensation budget increases from R42.9 million in 2011/12 to R77.4 million in 2017/18. The trend is consistent with the need to fully capacitate the programme by filling critical vacant posts. Although the effort to fill vacant posts in the programme was accelerated in 2012/13, resulting in the decrease in the vacancy rate in the programme, the competition with the private sector for scarce audit skills has resulted in a regression. Of the total staff establishment of 138 posts, 104 posts were active as of 1 July 2014, with the number of vacancies doubling from 17 to 34 posts. The programme is actively recruiting in the audit market and adopting various strategies to attract and retain audit talent.

Goods and Services under this programme consist mainly of provisions for specialised audits skills for which are not available internally, necessitating the filling of this gap by the use of consultants to assist with the execution of these specialised audits. The Goods and Services budget increases from R1 million in 2011/12 to just R5.7 million in 2017/18. This pattern is in keeping with both the departmental decision to move away from the use of consultants, and giving priority to building sufficient capacity within the programme to execute its audit functions in the province.

SERVICE DELIVERY MEASURE

PROGRAMME 6: GAUTENG AUDIT SERVICES

| Performance measures | Estimated annual targets | | |
|---|--|--|--|
| | 2015/16 | 2016/17 | 2017/18 |
| Gauteng Audit Services | | | |
| Number of planned risk audits completed - risk and compliance clusters 1 & 2 | 86 | 86 | 86 |
| Number of planned risk audits completed - risk and compliance clusters 3; 4 & 5 | 86 | 86 | 86 |
| Number of planned computer audits completed | 24 | 24 | 24 |
| Number of planned performance audits completed | 39 | 39 | 39 |
| Number of information technology (IT) risk assessments completed | 14 | 14 | 14 |
| Number of cost containment circular compliance audits completed | 32 | 32 | 32 |
| Number of follow-up audits on 2014/15 AG significant findings completed | 56 Follow-up audits on 2014/15 AG significant findings completed | 56 Follow-up audits on 2015/16 AG significant findings completed | 56 Follow-up audits on 2016/17 AG significant findings completed |

| Performance measures | Estimated annual targets | | |
|--|-------------------------------|--|---|
| | 2015/16 | 2016/17 | 2017/18 |
| % implementation of AG and internal audit findings | 80% | 80% | 98% |
| Establish internal capacity for consulting (advisory) activities | Internal capacity established | Advisory support provided to departments | Advisory support Provided to departments and municipalities |
| Number of key controls reviews conducted | 12 | 12 | 12 |

9. OTHER PROGRAMME INFORMATION

9.1 Personnel numbers and costs

TABLE 14.18 PERSONNEL NUMBERS AND COSTS: GAUTENG PROVINCIAL TREASURY

| Personnel numbers | As at |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 31 March 2012 | 31 March 2013 | 31 March 2014 | 31 March 2015 | 31 March 2016 | 31 March 2017 | 31 March 2018 |
| 1. Administration | 148 | 120 | 175 | 226 | 264 | 264 | 264 |
| 2. Sustainable Fiscal Resource Management | 89 | 69 | 72 | 80 | 117 | 117 | 117 |
| 3. Financial Governance | 126 | 92 | 101 | 258 | 257 | 257 | 257 |
| 4. Provincial Supply Chain and Movable Asset Management | | | | | 157 | 157 | 157 |
| 5. Municipal Financial Governance | | | | | 52 | 52 | 52 |
| 6. Gauteng Audit Services | 120 | 109 | 135 | 103 | 105 | 105 | 105 |
| Total provincial personnel numbers | 483 | 390 | 483 | 667 | 952 | 952 | 952 |
| Total provincial personnel cost (R thousand) | 238 190 | 257 114 | 291 210 | 359 265 | 417 813 | 442 901 | 467 028 |
| Unit cost (R thousand) | 493 | 659 | 603 | 539 | 439 | 465 | 491 |

14.19: SUMMARY OF DEPARTMENTAL PERSONNEL NUMBERS AND COSTS: GAUTENG PROVINCIAL TREASURY

| | Outcome | | | Main appropriation | Adjusted appropriation 2014/15 | Revised estimate | Medium-term estimates | | |
|---|---------|---------|---------|--------------------|--------------------------------|------------------|-----------------------|---------|---------|
| | 2011/12 | 2012/13 | 2013/14 | | | | 2015/16 | 2016/17 | 2017/18 |
| Total for department | | | | | | | | | |
| Personnel numbers (head count) | 483 | 390 | 483 | 667 | 667 | 667 | 952 | 952 | 952 |
| Personnel cost (R thousands) | 238 190 | 257 114 | 291 210 | 359 265 | 359 265 | 359 265 | 417 813 | 442 901 | 467 028 |
| Human resources component | | | | | | | | | |
| Personnel numbers (head count) | 55 | 18 | 24 | 29 | 29 | 29 | 39 | 39 | 39 |
| Personnel cost (R thousands) | 29 974 | 5 437 | | 10 974 | 10 974 | 10 974 | 10 730 | 11 481 | 12 227 |
| Head count as % of total for department | | | | | | | | | |
| Personnel cost as % of total for department | | | | | | | | | |
| Finance component | | | | | | | | | |
| Personnel numbers (head count) | 68 | 23 | 36 | 35 | 35 | 35 | 52 | 52 | 52 |
| Personnel cost (R thousands) | 6 726 | 7 406 | 3 299 | 11 842 | 11 842 | 11 842 | 14 165 | 15 156 | 16 141 |
| Head count as % of total for department | 14.1% | 5.9% | 7.5% | 5.2% | 5.2% | 5.2% | 5.5% | 5.5% | 5.5% |
| Personnel cost as % of total for department | 2.8% | 2.9% | 1.1% | 3.1% | 3.3% | 3.3% | 3.4% | 3.4% | 3.5% |
| Full time workers | | | | | | | | | |
| Personnel numbers (head count) | 483 | 390 | 483 | 667 | 667 | 667 | 952 | 952 | 952 |
| Personnel cost (R thousands) | 238 190 | 257 114 | 291 210 | 359 265 | 233 771 | 359 265 | 417 813 | 442 901 | 467 028 |
| Head count as % of total for department | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| Personnel cost as % of total for department | 100.0% | 100.0% | 100.0% | 92.6% | 99.2% | 100.0% | 100.0% | 100.0% | 100.0% |
| Contract workers | | | | | | | | | |
| Personnel numbers (head count) | 26 | | 44 | 59 | 59 | 59 | 67 | 70 | 76 |
| Personnel cost (R thousands) | 1 670 | | | 3 854 | 3 854 | 3 854 | 8 093 | 4 277 | 4 491 |
| Head count as % of total for department | 5.4% | 0.0% | 9.1% | 8.8% | 8.8% | 8.8% | 7.0% | 7.4% | 8.0% |
| Personnel cost as % of total for department | 0.7% | 0.0% | 0.0% | 1.0% | 1.1% | 1.1% | 1.9% | 1.0% | 1.0% |

The human resource component of the GPT maintains a consistent pattern throughout the period under review, in both personnel numbers and cost. The increases in cost over the period are mainly a reflection of projected compensation adjustments in keeping with the cost of living. The increases in cost over the MTEF for part-time/contract workers are mainly a reflection of projected compensation adjustments in keeping with the cost of living.

The increase in personnel between 2014/15 to 2015/16 indicates the department's plans to fully capacitate in order to full fill its mandate.

9.2 Training

TABLE 14.20: PAYMENTS ON TRAINING

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation 2014/15 | Revised estimate | Medium-term estimates | | |
|--|--------------|--------------|--------------|--------------------|--------------------------------|------------------|-----------------------|--------------|--------------|
| | 2011/12 | 2012/13 | 2013/14 | | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Administration | 298 | 1 119 | 3 199 | 532 | 2 262 | 1 863 | 560 | 501 | 526 |
| Subsistence and travel | | | | | | | | | |
| Payments on tuition | 298 | 1 119 | 3 199 | 532 | 2 262 | 1 863 | 560 | 501 | 526 |
| Other | | | | | | | | | |
| 2. Sustainable Fiscal Resource Management | 574 | 1 344 | 268 | 406 | | 406 | 428 | 451 | 473 |
| Subsistence and travel | 574 | 574 | | | | | | | |
| Payments on tuition | | 770 | 268 | 406 | | 406 | 428 | 451 | 473 |
| Other | | | | | | | | | |
| 3. Financial Governance | 573 | 1 175 | 3 776 | 1 880 | 2 349 | 1 880 | 3 090 | 3 256 | 3 421 |
| Subsistence and travel | 573 | 573 | | | | | | | |
| Payments on tuition | | 602 | 3 776 | 1 880 | 2 349 | 1 880 | 3 090 | 3 256 | 3 421 |
| Other | | | | | | | | | |
| 4. Provincial Supply Chain And Movable Asset Management | | | | 560 | 560 | 560 | 1 229 | 1 303 | 1 369 |
| Subsistence and travel | | | | | | | | | |
| Payments on tuition | | | | 560 | 560 | 560 | 1 229 | 1 303 | 1 369 |
| Other | | | | | | | | | |
| 5. Municipal Financial Governance | | | 167 | | | | | | |
| Subsistence and travel | | | | | | | | | |
| Payments on tuition | | | 167 | | | | | | |
| Other | | | | | | | | | |
| 6. Gauteng Audit Services | | | | | | | 682 | 729 | 775 |
| Subsistence and travel | | | | | | | | | |
| Payments on tuition | | | | | | | 682 | 729 | 775 |
| Other | | | | | | | | | |
| Total payments on training | 1 445 | 3 638 | 7 410 | 3 378 | 5 171 | 4 709 | 5 989 | 6 240 | 6 563 |

TABLE 14.21: INFORMATION ON TRAINING: GAUTENG PROVINCIAL TREASURY

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation 2014/15 | Revised estimate | Medium-term estimates | | |
|----------------------------------|---------|---------|---------|--------------------|--------------------------------|------------------|-----------------------|---------|---------|
| | 2011/12 | 2012/13 | 2013/14 | | | | 2015/16 | 2016/17 | 2017/18 |
| Number of staff | 483 | 390 | 483 | 667 | 667 | 667 | 952 | 952 | 952 |
| Number of personnel trained | 239 | 271 | 366 | 350 | 350 | 350 | 450 | 500 | 525 |
| of which | | | | | | | | | |
| Male | 106 | 115 | 148 | 140 | 140 | 140 | 160 | 180 | 189 |
| Female | 133 | 156 | 218 | 210 | 210 | 210 | 290 | 320 | 336 |
| Number of training opportunities | 290 | 271 | 333 | 490 | 490 | 490 | 600 | 710 | 746 |
| of which | | | | | | | | | |
| Tertiary | 192 | 98 | 150 | 250 | 250 | 250 | 300 | 350 | 368 |
| Workshops | 98 | 173 | 153 | 200 | 200 | 200 | 250 | 300 | 315 |
| Seminars | | | 30 | 40 | 40 | 40 | 50 | 60 | 63 |
| Other | | | | | | | | | |
| Number of bursaries offered | 192 | 98 | 150 | 173 | 173 | 173 | 200 | 200 | 210 |
| Number of interns appointed | 21 | 46 | 26 | 35 | 35 | 35 | 40 | 45 | 50 |
| Number of learnerships appointed | 13 | 40 | 18 | 18 | 18 | 18 | 20 | 25 | 26 |
| Number of days spent on training | | | | | | | | | |

The above tables reflect the department's commitments on the training and development of employees. The focus remains on the development of females. The department intends to continue implementing focussed leadership development programmes aimed at women.

The department considers training and development of employees as one of its key priorities, especially in the scarce and critical skills categories, and has allocated approximately 2.5 per cent of the personnel compensation budget for training. Funds will be utilised for bursaries, learnerships, internships and training and development interventions. The human resource development (HRD) strategy was approved by the head of department on 18 April 2013 and the implementation plan is developed and reviewed on an annual basis for the rest of the MTEF period as one of the integrated systems and processes for workforce development. However, it is challenging to retain these employees once having invested in their growth.

Strategic management, management and leadership, and people management training for all management are prioritised for the 2014/15 Workplace Skills Plan (WSP) as critical skills to address the gap identified during the culture survey and competency assessment.

The Management Advancement Programme for all middle management service members was implemented with effect from the 2013/14 financial year and again in the 2014 academic year in order to create the talent pipeline for filling the senior management positions internally. The department will also participate in the GCRA Integrated Management Development Programme in the 2014 academic year. It will also prioritise the Emerging Management Development Programme and the Middle Management Development Programme to develop the skills of staff.

The department should therefore consider including contract obligations with training and development interventions, including obligatory skills transfer programmes, to ensure that skills remain within the department. Furthermore, the review of the budgeting process for training and development should ensure that allocated funds are ring-fenced and used only for skills development. Additionally, the department should strengthen its 'buying power' within the province in order to negotiate reduced rates with institutions of higher learning.

Training interventions, including seminars and workshops, will focus on improving the generic and functional skills of employees. All training interventions will be in line with the approved WSP, as well as individual personal development plans (PDPs) which form part of the performance management and development system.

The department is continuously committed to addressing skills shortages and scarce skills, and aims to appoint at least 8 per cent of the staff establishment as interns each financial year. This exceeds the mandated 5 per cent. In implementing the above-mentioned programmes, the department is contributing towards reducing poverty, creating jobs, youth development and ultimately addressing skills shortages in the country. Interns and learners are appointed additional to the staff establishment, and must therefore be budgeted for.

While the department is committed to providing workplace experience, permanent placement of high performing interns in the department is not guaranteed, as this depends on the availability of positions and their success during normal recruitment processes. In instances where interns are trained by the department but these skills are later not absorbed, our interns are of such high calibre that they do not experience too much difficulty in being recruited by the private sector.

9.3 Reconciliation of structural changes

TABLE 14.22: RECONCILIATION OF STRUCTURAL CHANGES: GAUTENG PROVINCIAL TREASURY

| 2014/15 | | 2015/16 | |
|--|----------------|--|----------------|
| Programmes | R'000 | Programmes | R'000 |
| 1. Administration | 98 752 | 1. Administration | 111 528 |
| 1. Office of the MEC | 7 827 | 1. Office of the MEC | 7 719 |
| 2. Office of the HOD | 15 955 | 2. Office of the HOD | 15 523 |
| 3. Corporate Services | 55 757 | 3. Corporate Management | 64 241 |
| 4. Financial Management Services (CFO) | 19 213 | 4. Financial Management Services (CFO) | 24 045 |
| 2. Sustainable Fiscal Resource Management | 157 106 | 2. Sustainable Fiscal Resource Management | 183 781 |
| 1. SRM Programme Support | 104 034 | 1. Programme Support/ Office of the DDG | 82 810 |
| 2. Budget Management | 15 994 | 2. Budget Management | 22 127 |
| | | 3. Economic and Fiscal Policy Oversight | 11 193 |

| 2014/15 | | 2015/16 | |
|--|----------------|--|----------------|
| Programmes | R'000 | Programmes | R'000 |
| 3. Fiscal Policy and Economic Analysis | 10 285 | 4. Infrastructure Management | 28 159 |
| 4. Public Private Partnership | 3 515 | 5. Financial Asset and Liabilities Management | 21 846 |
| 5. Public Finance | 23 278 | 6. Public Finance | 17 646 |
| 3. Financial Governance | 114 274 | 3. Financial Governance | 98 608 |
| 1. FG Programme Support | 46 649 | 1. Programme Support/ Office Of The DDG | 3 464 |
| 2. Risk Management | 13 347 | 2. Provincial Accounting Services | 37 147 |
| 3. Norms and Standards | 16 950 | 3. Provincial Forensic Audits | 19 194 |
| 4. Local Government Financial Services Support | 28 630 | 4. Transversal Internal Audit and Risk Management | 14 704 |
| 5. Financial Business System | 8 698 | 5. Compliance | 13 699 |
| 4. Provincial Accounting Services | 58 142 | 6. Financial Information Management Systems | 10 400 |
| 1. PAS Programme Support | 4 041 | 4. Provincial Supply Chain And Movable Asset Management | 86 592 |
| 2. Financial Asset and Liabilities | 20 650 | 1. Programme Support/ Office of the DDG | 11 490 |
| 3. Accounting Services | 21 357 | 2. SCM Policy, Norms and Standards | 7 000 |
| 4. Statutory Deductions Management | 12 094 | 3. Governance, Compliance, Monitoring and Evaluation | 3 200 |
| | | 4. SCM Client Support | 29 120 |
| | | 5. Strategic Procurement | 7 373 |
| | | 6. Transversal Contract Management | 16 642 |
| | | 7. Movable Asset Management | 3 000 |
| | | 8. Procurement Services | 8 767 |
| | | 5. Municipal Financial Governance | 30 097 |
| | | 1. Programme Support/ Office Of The DDG | 2 899 |
| | | 2. Municipal Budget | 5 439 |
| | | 3. Municipal Accounting and Reporting | 5 439 |
| | | 4. Municipal Financial Assets and Liabilities | 5 440 |
| | | 5. Municipal Supply Chain and Asset Management | 5 440 |
| | | 6. Municipal Governance and Institutional Management | 5 440 |
| | | 6. Gauteng Audit Services | 73 756 |
| | | 1. Programme Support/ Office of the DDG | 7 302 |
| | | 2. Risk and Compliance Audit Services(Cluster 1 & 2) | 16 881 |
| | | 3. Risk And Compliance Audit Services(Cluster 3; 4 & 5) | 23 375 |
| | | 4. Performance and Computer Audit Services | 19 815 |
| | | 5. Audit Centre of Excellence | 6 383 |
| Total | 428 274 | | 584 362 |

The department is receiving the functions of the Gauteng Audit Services programme and the forensic services unit from the GDF. The department is creating a new municipal financial governance programme, which aims to ensure effective and efficient management in municipalities and municipal entities and to coordinate the provisioning of capacity building. The department also aims to align with the generic structures for treasuries.

ANNEXURE TO ESTIMATES OF PROVINCIAL REVENUE AND EXPENDITURE

TABLE 14.23: SPECIFICATIONS OF RECEIPTS: GAUTENG PROVINCIAL TREASURY

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation 2014/15 | Revised estimate | Medium-term estimates | | |
|--|----------------|----------------|----------------|--------------------|-----------------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | | | | 2015/16 | 2016/17 | 2017/18 |
| Tax receipts | | | | | | | | | |
| Casino taxes | | | | | | | | | |
| Sales of goods and services other than capital assets | | 175 | 235 | 211 | 211 | 311 | 222 | 234 | 245 |
| Sale of goods and services produced by department (excluding capital assets) | | 175 | 235 | 211 | 211 | 311 | 222 | 234 | 245 |
| Sales by market establishments | | 175 | 235 | 211 | 211 | 311 | 222 | 234 | 245 |
| Administrative fees | | | | | | | | | |
| Health patient fees | | 175 | | | | | | | |
| Interest, dividends and rent on land | 164 758 | 187 570 | 247 283 | 80 000 | 80 000 | 355 835 | 88 000 | 100 000 | 105 000 |
| Interest | 164 758 | 187 570 | 247 283 | 80 000 | 80 000 | 355 835 | 88 000 | 100 000 | 105 000 |
| Sales of capital assets | | | | | | | | | |
| Land and sub-soil assets | | | | | | | | | |
| Other capital assets | | | | | | | | | |
| Transactions in financial assets and liabilities | | 66 | 375 | | | 399 | 395 | 415 | 436 |
| Total departmental receipts | 164 758 | 187 811 | 247 893 | 80 211 | 80 211 | 356 545 | 88 617 | 100 649 | 105 681 |

TABLE: 14.24 PAYMENTS AND ESTIMATES BY ECONOMIC CLASIFICATION: ADMINISTRATION

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation 2014/15 | Revised estimate | Medium-term estimates | | |
|---|---------------|---------------|---------------|--------------------|-----------------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 44 633 | 58 195 | 77 006 | 94 941 | 95 601 | 94 701 | 110 350 | 115 484 | 121 258 |
| Compensation of employees | 26 539 | 32 629 | 44 926 | 66 568 | 65 419 | 65 210 | 73 160 | 77 120 | 80 976 |
| Salaries and wages | 23 111 | 26 103 | 35 941 | 56 050 | 54 901 | 52 168 | 59 888 | 62 580 | 65 709 |
| Social contributions | 3 428 | 6 526 | 8 985 | 10 518 | 10 518 | 13 042 | 13 272 | 14 540 | 15 267 |
| Goods and services | 18 029 | 25 566 | 32 080 | 28 373 | 30 182 | 29 491 | 37 190 | 38 364 | 40 282 |
| Administrative fees | 111 | 105 | 116 | 271 | 82 | 80 | 284 | 299 | 314 |
| Advertising | 210 | 2 | 1 284 | 1 155 | 1 155 | 1 155 | 1 257 | 1 374 | 1 443 |
| Assets less than the capitalisation threshold | 422 | 1 013 | 195 | 303 | 161 | 177 | 270 | 232 | 244 |
| Audit cost: External | 2 516 | 2 260 | 1 082 | 2 209 | 2 209 | 2 209 | 2 311 | 2 433 | 2 555 |
| Bursaries: Employees | 624 | 759 | 1 217 | 1 318 | 1 186 | 1 128 | 1 550 | 1 535 | 1 612 |
| Catering: Departmental activities | 114 | 630 | 1 580 | 461 | 432 | 136 | 437 | 460 | 483 |
| Communication (G&S) | 3 556 | 1 489 | 1 835 | 3 351 | 3 030 | 3 020 | 5 169 | 5 339 | 5 606 |
| Computer services | — | 5 | 283 | 2 103 | 2 086 | 2 086 | 3 697 | 3 896 | 4 091 |
| Consultants and professional services: Business and advisory services | 999 | 613 | 1 302 | 964 | 1 516 | 1 516 | 1 026 | 1 204 | 1 264 |
| Consultants and professional services: Legal costs | 955 | 7 | — | 792 | 392 | 392 | 926 | 27 | 28 |
| Contractors | 177 | 248 | 5 597 | 2 952 | 1 810 | 1 810 | 3 108 | 3 340 | 3 507 |
| Agency and support / outsourced services | 18 | 32 | | | | | | | |
| Entertainment | 145 | 27 | | 32 | 32 | | 35 | 37 | 39 |
| Fleet services (including government motor transport) | 13 | 30 | 1 452 | 25 | 914 | 899 | 1 452 | 1 536 | 1 612 |
| Inventory: Food and food supplies | 53 | 94 | | | | | | | |
| Inventory: Fuel, oil and gas | 7 | 59 | | | | | | | |
| Inventory: Materials and supplies | 29 | 15 | | | | | | | |

Vote 14 - Provincial Treasury • EPRE - 2015/16

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|--|---------------|---------------|---------------|---------------|---------------|---------------|----------------|----------------|----------------|
| Consumable supplies | 8 | 146 | 797 | 571 | 638 | 340 | 603 | 636 | 668 |
| Consumable: Stationery, printing and office supplies | 842 | 844 | 1 051 | 1 374 | 1 375 | 1 413 | 1 310 | 1 380 | 1 449 |
| Operating leases | 2 419 | 582 | 1 443 | 970 | 1 970 | 2 041 | 1 014 | 1 068 | 1 121 |
| Property payments | 3 011 | 9 978 | 4 291 | 2 580 | 4 814 | 4 814 | 6 864 | 7 455 | 7 828 |
| Transport provided: Departmental activity | | | | | | | | | |
| Travel and subsistence | 1 140 | 3 576 | 3 391 | 3 315 | 1 780 | 1 743 | 2 010 | 2 116 | 2 222 |
| Training and development | 298 | 1 119 | 3 199 | 532 | 1 863 | 1 819 | 560 | 501 | 526 |
| Operating payments | 157 | 256 | 539 | 687 | 709 | 660 | 728 | 775 | 814 |
| Venues and facilities | 205 | 1 677 | 1 426 | 2 408 | 2 028 | 2 053 | 2 579 | 2 720 | 2 856 |
| Interest and rent on land | 65 | | | | | | | | |
| Interest | 65 | | | | | | | | |
| Transfers and subsidies | 22 | 75 | | | 1 281 | 1 293 | 225 | 238 | 250 |
| Households | 22 | 75 | | | 1 281 | 1 293 | 225 | 238 | 250 |
| Social benefits | 22 | 75 | | | 1 149 | 1 293 | | | |
| Other transfers to households | | | | | 132 | | 225 | 238 | 250 |
| Payments for capital assets | 2 426 | 1 573 | 2 795 | 911 | 1 870 | 1 877 | 953 | 1 004 | 1 054 |
| Machinery and equipment | 2 426 | 1 559 | 2 774 | 911 | 1 595 | 1 602 | 953 | 1 004 | 1 054 |
| Other machinery and equipment | 2 426 | 1 559 | 2 774 | 911 | 1 595 | 1 602 | 953 | 1 004 | 1 054 |
| Software and other intangible assets | | 14 | 21 | | 275 | 275 | | | |
| Payments for financial assets | 336 | | | | | | | | |
| Total economic classification | 47 417 | 59 768 | 79 876 | 95 852 | 98 752 | 97 871 | 111 528 | 116 725 | 122 562 |

TABLE: 14.25 PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: SUSTAINABLE RESOURCES MANAGEMENT

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation 2014/15 | Revised estimate | Medium-term estimates | | |
|---|---------------|---------------|---------------|--------------------|--------------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 49 449 | 50 727 | 59 088 | 112 426 | 69 446 | 101 136 | 133 781 | 116 449 | 122 656 |
| Compensation of employees | 45 959 | 47 986 | 53 562 | 82 244 | 62 424 | 71 751 | 80 381 | 83 108 | 87 649 |
| Salaries and wages | 40 408 | 38 389 | 42 580 | 71 907 | 54 855 | 57 401 | 68 658 | 71 377 | 75 331 |
| Social contributions | 5 551 | 9 597 | 10 982 | 10 337 | 7 579 | 14 350 | 11 723 | 11 731 | 12 318 |
| Goods and services | 3 490 | 2 741 | 5 526 | 30 182 | 7 012 | 29 385 | 53 400 | 33 341 | 35 008 |
| Advertising | 326 | 596 | 1 124 | 442 | 492 | 492 | 462 | 486 | 511 |
| Audit cost: External | | | | | | 497 | 692 | 748 | 785 |
| Catering: Departmental activities | | | 44 | 247 | 247 | 198 | 260 | 274 | 287 |
| Computer services | | | | 16 018 | 18 | 16 018 | 20 318 | 19 546 | 20 523 |
| Consultants and professional services: Business and advisory services | 1 626 | 100 | 1 427 | 1 601 | 1 665 | 1 060 | 20 810 | 853 | 895 |
| Consultants and professional services: Legal costs | | 49 | 917 | 7 798 | 798 | 7 798 | 6 502 | 6 847 | 7 189 |
| Contractors | | | | | 68 | 68 | 100 | | |
| Consumable: Stationery, printing and office supplies | 1 471 | 570 | 542 | 587 | 617 | 617 | 647 | 682 | 716 |
| Travel and subsistence | 21 | 301 | 106 | 1 393 | 1 001 | 1 022 | 1 370 | 1 548 | 1 625 |
| Training and development | | 770 | 268 | 406 | 406 | 416 | 428 | 451 | 473 |
| Operating payments | 46 | 173 | 1 098 | 940 | 940 | 940 | 987 | 1 039 | 1 091 |
| Venues and facilities | | 182 | | 750 | 750 | 249 | 824 | 868 | 911 |
| Interest and rent on land | | | | | | | | | |
| Transfers and subsidies | 50 000 | 50 030 | 50 040 | 50 000 | 75 310 | 75 268 | 70 000 | 52 650 | 55 283 |
| Departmental agencies and accounts | 50 000 | 50 000 | 50 000 | 50 000 | 75 000 | 75 000 | 70 000 | 52 650 | 55 283 |
| Provide list of entities receiving transfers | 50 000 | 50 000 | 50 000 | 50 000 | 75 000 | 75 000 | 70 000 | 52 650 | 55 283 |

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation 2014/15 | Revised estimate | Medium-term estimates | | |
|--------------------------------------|---------------|----------------|----------------|--------------------|-----------------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | | | | 2015/16 | 2016/17 | 2017/18 |
| Households | | 30 | 40 | | 310 | 268 | | | |
| Social benefits | | 30 | 40 | | 310 | 268 | | | |
| Payments for capital assets | | | | | | | | | |
| Software and other intangible assets | | | | | | | | | |
| Payments for financial assets | 100 | | | | | | | | |
| Total economic classification | 99 549 | 100 757 | 109 128 | 162 426 | 144 756 | 176 404 | 183 781 | 169 099 | 177 939 |

TABLE: 14.26: PAYMENTS AND ESTIMATES BY ECONOMIC CLASIFICATION: FINANCIAL GOVERNANCE

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation 2014/15 | Revised estimate | Medium-term estimates | | |
|---|---------------|---------------|----------------|--------------------|-----------------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 48 081 | 54 252 | 100 557 | 135 194 | 121 571 | 132 208 | 98 608 | 105 894 | 111 439 |
| Compensation of employees | 44 878 | 50 934 | 64 490 | 84 456 | 77 353 | 78 073 | 86 364 | 90 206 | 94 969 |
| Salaries and wages | 39 116 | 49 814 | 51 592 | 73 135 | 67 039 | 62 458 | 76 040 | 79 084 | 83 288 |
| Social contributions | 5 762 | 1 120 | 12 898 | 11 321 | 10 314 | 15 615 | 10 324 | 11 122 | 11 681 |
| Goods and services | 3 203 | 3 318 | 36 067 | 50 738 | 54 218 | 54 135 | 12 244 | 15 688 | 16 470 |
| Administrative fees | | | | | 3 | 2 | 10 | 11 | 12 |
| Advertising | 25 | | | | 94 | 94 | | | |
| Minor assets less than the capitalisation threshold | | | 2 | | 24 | 24 | | | |
| Audit cost: External | 515 | 1 098 | 1 082 | 1 210 | 1 210 | 1 210 | 615 | 664 | 697 |
| Bursaries: Employees | | 6 | | | | | | 211 | 222 |
| Catering: Departmental activities | | | | 228 | 185 | 234 | 240 | 253 | 265 |
| Communication (G&S) | | | | | | | 129 | 129 | 129 |
| Computer services | 126 | 719 | 2 828 | 188 | 169 | 535 | 458 | 271 | 285 |
| Consultants and professional services: Business and advisory services | 2 287 | 655 | 27 980 | 46 345 | 39 712 | 49 462 | 6 158 | 9 057 | 9 510 |
| Consultants and professional services: Legal costs | 174 | 114 | | | | | | | |
| Contractors | | | | | 9 | 32 | | | |
| Agency and support / outsourced services | | | 58 | | | | | | |
| Fleet services (including government motor transport) | | | | | | | 24 | 25 | 26 |
| Consumable supplies | | | | | 2 | 4 | | | |
| Consumable: Stationery, printing and office supplies | 39 | 15 | 10 | 73 | | | 41 | 43 | 45 |
| Operating leases | | | | | | | 41 | 44 | 48 |
| Travel and subsistence | 35 | 86 | 160 | 294 | 224 | 200 | 462 | 488 | 513 |
| Training and development | | 602 | 3 776 | 1 880 | 1 880 | 1 879 | 3 090 | 3 256 | 3 421 |
| Operating payments | 2 | 23 | 171 | 70 | 256 | 259 | 502 | 737 | 774 |
| Venues and facilities | | | | 450 | 450 | 200 | 474 | 499 | 524 |
| Transfers and subsidies | | 66 | 879 | | 75 | 94 | | | |
| Households | | 66 | 879 | | 75 | 94 | | | |
| Social benefits | | 66 | 879 | | 75 | 94 | | | |
| Other transfers to households | | | | | | | | | |
| Payments for capital assets | | | 923 | | 34 | 34 | | | |
| Machinery and equipment | | | 783 | | 25 | 25 | | | |

Vote 14 - Provincial Treasury • EPRE - 2015/16

| | | | | |
|--------------------------------------|---------------|---------------|----------------|---|
| Other machinery and equipment | 783 | 25 | 25 | |
| Software and other intangible assets | 140 | 9 | 9 | |
| Payments for financial assets | | | | |
| Total economic classification | 48 081 | 54 318 | 102 359 | 135 194 121 680 132 336 98 608 105 894 111 439 |

TABLE: 14.27: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: PROVINCIAL SUPPLY CHAIN & MOVEABLE ASSETS

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation 2014/15 | Revised estimate | Medium-term estimates | | |
|---|---------------|---------------|---------------|--------------------|-----------------------------------|------------------|-----------------------|---------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 66 054 | 64 926 | 58 228 | 69 572 | 61 830 | 61 576 | 86 592 | 94 924 | 100 055 |
| Compensation of employees | 61 821 | 63 051 | 56 132 | 66 984 | 58 779 | 58 779 | 80 457 | 88 503 | 93 313 |
| Salaries and wages | 60 872 | 54 320 | 44 906 | 57 893 | 50 141 | 47 023 | 65 412 | 74 696 | 78 816 |
| Social contributions | 949 | 8 731 | 11 226 | 9 091 | 8 638 | 11 756 | 15 045 | 13 807 | 14 497 |
| Goods and services | 4 233 | 1 875 | 2 096 | 2 588 | 3 051 | 2 797 | 6 135 | 6 421 | 6 742 |
| Administrative fees | | | 165 | | | 57 | | | |
| Advertising | 76 | 175 | 195 | 200 | 200 | 225 | 259 | 269 | 283 |
| Catering: Departmental activities | | | | 30 | 30 | 8 | 32 | 34 | 35 |
| Communication (G&S) | | | | | | | 366 | 366 | 384 |
| Computer services | | | | | | | 1 703 | 1 804 | 1 894 |
| Consultants and professional services: Business and advisory services | 4 151 | 1 683 | 1 700 | 1 165 | 1 633 | 1 739 | 1 219 | 1 275 | 1 338 |
| Contractors | 5 | | 2 | | | 3 | | | |
| Fleet services (including government motor transport) | | | | | | | 97 | 103 | 108 |
| Inventory: Materials and supplies | | 5 | | | | | | | |
| Consumable supplies | | | 2 | | | | | | |
| Consumable: Stationery, printing and office supplies | | | | | | 2 | 183 | 191 | 201 |
| Operating leases | | | | | | | 639 | 683 | 717 |
| Travel and subsistence | | | 8 | 150 | 75 | 162 | 113 | 83 | 88 |
| Training and development | | | | 560 | 560 | 347 | 1 229 | 1 303 | 1 369 |
| Operating payments | 1 | 12 | 1 | 283 | 353 | 194 | 95 | 99 | 104 |
| Venues and facilities | | | 23 | 200 | 200 | 60 | 200 | 211 | 221 |
| Transfers and subsidies | 181 | 19 | 79 | 18 | 9 | | | | |
| Households | 181 | 19 | 79 | 18 | 9 | | | | |
| Social benefits | 181 | 19 | 79 | 18 | 9 | | | | |
| Other transfers to households | | | | | | | | | |
| Payments for capital assets | | | | | 8 | 18 | | | |
| Software and other intangible assets | | | | | 8 | 18 | | | |
| Payments for financial assets | | 57 | 4 | | | | | | |
| Total economic classification | 66 235 | 65 002 | 58 311 | 69 572 | 61 856 | 61 603 | 86 592 | 94 924 | 100 055 |

TABLE 14.28: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: MUNICIPAL FINANCIAL GOVERNANCE

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation 2014/15 | Revised estimate | Medium-term estimates | | |
|---------------------------|---------------|---------------|---------------|--------------------|-----------------------------------|------------------|-----------------------|---------------|---------------|
| | 2011/12 | 2012/13 | 2013/14 | | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 16 527 | 17 946 | 27 526 | 32 412 | 28 558 | 28 384 | 30 097 | 31 919 | 33 520 |
| Compensation of employees | 16 072 | 17 309 | 20 061 | 25 715 | 27 643 | 27 469 | 29 298 | 31 079 | 32 638 |
| Salaries and wages | 14 289 | 13 847 | 16 049 | 22 376 | 24 304 | 21 975 | 25 250 | 26 770 | 28 114 |

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation 2014/15 | Revised estimate | Medium-term estimates | | |
|--|---------------|---------------|---------------|--------------------|-----------------------------------|------------------|-----------------------|---------------|---------------|
| | 2011/12 | 2012/13 | 2013/14 | | | | 2015/16 | 2016/17 | 2017/18 |
| Social contributions | 1 783 | 3 462 | 4 012 | 3 339 | 3 339 | 5 494 | 4 048 | 4 309 | 4 524 |
| Goods and services | 455 | 637 | 7 465 | 6 697 | 915 | 915 | 799 | 839 | 881 |
| Advertising | | 73 | 116 | | | | | | |
| Computer services | | | 79 | 220 | 219 | 219 | 137 | 144 | 151 |
| Consultants and professional services: | | | | | | | | | |
| Business and advisory services | | | 6 621 | 6 179 | | | | 0 | 0 |
| Consumable: | | | | | | | | | |
| Stationery, printing and office supplies | 136 | 219 | 132 | 265 | 394 | 394 | 279 | 294 | 308 |
| Operating leases | | | | | | | | | |
| Travel and subsistence | 283 | 345 | 336 | 33 | 301 | 301 | 383 | 401 | 421 |
| Training and development | | | 167 | | | | | | |
| Operating payments | 36 | | 14 | | | | | | |
| Transfers and subsidies | 5 | 12 | | | 72 | 96 | | | |
| Non-profit institutions | | | | | | | | | |
| Households | 5 | 12 | | | 72 | 96 | | | |
| Social benefits | 5 | 12 | | | 72 | 96 | | | |
| Other transfers to households | | | | | | | | | |
| Payments for capital assets | | | | | | | | | |
| Software and other intangible assets | | | | | | | | | |
| Total economic classification | 16 532 | 17 958 | 27 526 | 32 412 | 28 630 | 28 480 | 30 097 | 31 919 | 33 520 |

TABLE: 14.29: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: GAUTENG AUDIT SERVICES

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation 2014/15 | Revised estimate | Medium-term estimates | | |
|---|---------------|---------------|---------------|--------------------|-----------------------------------|------------------|-----------------------|---------------|---------------|
| | 2011/12 | 2012/13 | 2013/14 | | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 43 950 | 48 512 | 52 659 | 64 604 | 60 968 | 60 968 | 73 756 | 78 372 | 83 241 |
| Compensation of employees | 42 921 | 45 205 | 52 039 | 62 037 | 57 984 | 57 983 | 68 153 | 72 884 | 77 483 |
| Salaries and wages | 38 199 | 39 949 | 41 631 | 54 484 | 51 373 | 46 386 | 60 160 | 64 440 | 68 589 |
| Social contributions | 4 722 | 5 256 | 10 408 | 7 553 | 6 611 | 11 597 | 7 993 | 8 444 | 8 894 |
| Goods and services | 1 029 | 3 307 | 620 | 2 567 | 2 984 | 2 985 | 5 603 | 5 488 | 5 758 |
| Administrative fees | | | | | | 1 | | | |
| Communication (G&S) | | | | | | | 579 | 579 | 579 |
| Computer services | 620 | 2 477 | 255 | | | | 470 | 501 | 526 |
| Consultants and professional services: Business and advisory services | 393 | 732 | 263 | 2 462 | 2 801 | 2 801 | 2 924 | 2 676 | 2 810 |
| Fleet services (including government motor transport) | | | | | | | 70 | 73 | 77 |
| Consumable supplies | | | 2 | | | | | | |
| Consumable: Stationery, printing and office supplies | | | | | | | 121 | 127 | 133 |
| Operating leases | | | | | 78 | | 479 | 511 | 546 |
| Property payments | | | | | | | | | |

Vote 14 - Provincial Treasury • EPRE - 2015/16

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation 2014/15 | Revised estimate | Medium-term estimates | | |
|---|---------------|---------------|---------------|--------------------|-----------------------------------|------------------|-----------------------|---------------|---------------|
| | 2011/12 | 2012/13 | 2013/14 | | | | 2015/16 | 2016/17 | 2017/18 |
| Transport provided: Departmental activity | | | | | | | | | |
| Travel and subsistence | 6 | | | | | | 93 | 98 | 108 |
| Training and development | | | | | | | 682 | 729 | 775 |
| Operating payments | 10 | 98 | 100 | 105 | 105 | 183 | 185 | 194 | 204 |
| Transfers and subsidies | | 117 | 46 | | 1 | 36 | | | |
| Non-profit institutions | | | | | | | | | |
| Households | | 117 | 46 | | 1 | 36 | | | |
| Social benefits | | 117 | 46 | | 1 | 36 | | | |
| Other transfers to households | | | | | | | | | |
| Payments for capital assets | | | | | | | | | |
| Software and other intangible assets | | | | | | | | | |
| Payments for financial assets | | 43 | | | | | | | |
| Total economic classification | 43 950 | 48 672 | 52 705 | 64 604 | 60 969 | 61 004 | 73 756 | 78 372 | 83 241 |