

VOTE 14

DEPARTMENT OF GAUTENG TREASURY

To be appropriated by Vote	R 70 447 000
Responsible MEC	MEC for Gauteng Treasury
Administering department	Department of Gauteng Treasury
Accounting officer	Head of Department

1. STRATEGIC OVERVIEW AND KEY POLICY AREAS

The role of Gauteng Treasury is to act as a catalyst to implement and advance government's socio-economic transformation agenda through commitment to the transparent and efficient management of public funds.

Vision

Gauteng Treasury aspires to be pioneers in financial management and fiscal discipline within the public sector in South Africa.

Mission

To provide custodianship and distribution of Public Funds as well as Financial Management Services, through:

- Strengthening financial management to achieve operational efficiency and promoting accountability in government;
- Attracting and retaining an appropriate technical skills base at Gauteng Treasury;
- Providing technical assistance including analysing, monitoring, evaluating and advising customers to enable good financial planning and management;
- Developing and implementing efficient internal systems and processes;
- Investing in and empowering Gauteng Treasury employees.

Values

As a new Vote, Gauteng Treasury (GT) has developed a set of values which will guide the behaviour and interaction of employees.

- Valuing our Employees: We value our employees and believe in providing opportunities for employees through career pathing, developing skills and empowerment of employees. We further value recognising and rewarding employees and treating them fairly and equally.
- Honesty and Integrity: We will represent information transparently and truthfully and will honour our commitments.
- Customer Focussed: We will place customers first by addressing their requirements.
- Teamwork: Communication and mutual adjustment to achieve common goals are important and will be visible through reliability, willingness to participate and providing support to team members.
- Respect and Dignity: We will treat others with sensitivity and consideration to their uniqueness. We will treat others with mutual respect despite personality differences.
- Work Ethic: We will endeavour to produce quality outputs in the midst of professionalism and productivity. We will take responsibility and ownership to the obligations vested in their position.

Broad policies, priorities and strategic goals

Strategic Goals

- Maintaining fiscal discipline through policies and control expenditure and revenue;
- Allocating resources in line with government priorities.

The key functions for the Gauteng Treasury (GT) for the short to medium term are:

- Implementing accounting practices that will promote the effective capturing of revenue, expenditure, assets and liabilities;
- Ensuring the effective management of risks to which the Gauteng Provincial Government (GPG) is exposed to by virtue

of its assets, programs and operations;

- Optimising liquidity requirements and maximising returns within acceptable levels of risk for GPG and securing sound cash management;
- Ensuring the efficient and effective management of assets for GPG;
- Providing guidance and leading the implementation of financial management reforms for both provincial and local governments;
- Providing provincial social and economic research and analysis that informs fiscal policy development and the annual budget process, contributing to the provincial growth and development strategy;
- Allocating resources in line with provincial government priorities and 5 year plans to contribute to economic, efficient and effective service delivery (credible budgets);
- Maintaining fiscal discipline through policies and monitoring and evaluating financial performance;
- Providing strategic leadership and technical and strategic support in financial management and budgeting;
- Promoting knowledge of the Treasury Regulations (16) pertaining to PPPs through a level of excellence in technical support to provincial government institutions;
- Managing and overseeing the implementation of PPPs in Gauteng to support GPG's economic growth, job creation and poverty alleviation strategies.

Legislative Mandate

The following Acts govern the administration of government departments and for specific legislation pertaining to the administration of Treasury, detail is provided:

- Public Service Act, 1994
- Development Facilitation Act, 1995 outlines the support and monitoring responsibilities in terms of Municipal Integrated Development Planning (MIDP) processes.
- Labour Relations Act, 1995
- Borrowing Powers of Provincial Government Act, 1996 provides norms and conditions to which Gauteng Treasury must adhere in negotiating loans for the provincial government.
- The Constitution of the Republic of South Africa, 1996 (Chapter 13)
- Basic Conditions of Employment Act, 1997
- Intergovernmental Fiscal Relations Act, 1997 defines the role of the Minister of Finance and Economic Development and that of the Treasury as representatives of the provincial government, in promoting cooperation between other spheres of government on fiscal, budgetary and financial matters. It also provides insight into the prescribed processes for the determination of the equitable share and the allocation of revenue raised nationally and matters in connection therewith.
- Employment Equity Act, 1998
- Public Finance Management Act (PFMA), 1999 regulates financial management to ensure that revenue, expenditure, assets and liabilities are managed efficiently and effectively and provides for the responsibilities of persons entrusted with financial management and matters connected therewith.
- Preferential Procurement Policy Framework Act, 2000 provides a framework for the implementation of the preferential procurement policy.
- Promotion of Access to Information Act, 2000
- Municipality Systems Act, 2000 outlines the support and monitoring responsibilities in terms of Municipal Integrated Development Planning (MIDP) processes.
- Municipal Finance Management Act (MFMA), 2004 aims to modernise budget and financial management practices and put in place a sound financial governance framework by clarifying and separating the roles and responsibilities of the mayor, executive and non-executive councillors and officials. It serves to maximise the capacity of municipalities to deliver services and promote a stronger, well managed and more accountable local government sphere, one that is better placed to meet the emerging needs and expectations of the different communities.
- Division of Revenue Act, which provides for the equitable division of revenue raised nationally, inclusive of conditional grants, amongst the three spheres of government and matters incidental thereto.

Key policy areas and developments

The Gauteng Treasury will become an independent department on the 1 April 2006. In order to deliver on its strategic goals, the structures and functioning of the Treasury have been reviewed to enable it to provide better service delivery to Gauteng provincial departments and municipalities. The establishment of this department lead to the development of a 3 year strategic plan, and provided an ideal opportunity to enhance efficiency in service delivery in a structured manner.

The Gauteng Treasury is the key agent in financial resource allocation, ensuring efficacy of spending and general fiscal discipline. These tasks take place within the context of a range of socio-economic circumstances, which pose tremendous challenges to GPG, to improve the general welfare of the province. Treasury therefore needs to be geared to support the

provincial growth and development goals, in order to improve the welfare of the province.

GT aims to achieve such efficient service delivery through:

- Increasing financial management capacity to achieve operational efficiency and promote accountability in government;
- Strategic leadership and technical and strategic support in financial management and budgeting;
- Developing and implementing efficient internal systems and processes;
- Guidance and leadership of the implementation of financial management reforms for both provincial and local government;
- Continuing training, support and intervention on the new budget formats to all delegated municipalities;
- Monthly monitoring of municipal budget outcomes through the newly introduced IYM Model for municipalities;
- Quarterly compliance monitoring by means of the MFMA Returns.

Economic and Fiscal management

The Economic and Fiscal Management unit (formerly Budget Office) will evolve from a structured compliance and reporting function into one that is more applied and analytical. This will be facilitated through the interaction of three independent units (Budget Management, Fiscal Policy and Economic Analysis, and Public Finance) to promote optimal and effective resource allocation and utilization through proactive socio-economic impact analysis and monitoring and evaluation of service delivery.

The following will be the key developments for Economic and Fiscal Management over the 2006/07 Medium Term Expenditure Framework (MTEF):

- Designing, procuring and implementing detailed budgetary information systems/databases;
- Developing financing models to strengthen the province's borrowing capacity;
- Establishing the Public Finance unit which will focus on budgetary implementation and monitoring and evaluation of service delivery;
- Facilitating an internship program to encourage new university graduates to get exposure to Treasury and to strengthen exiting capacity;
- Introducing detailed consolidated reports on a periodic basis for conditional grants, infrastructure expenditure and delivery;
- Introducing Provincial Economic Reviews and Outlooks;
- Investigating dynamic training programs to build capacity and promote growth of employees (e.g. medium to short term exchange programs with domestic/international organizations).

2. REVIEW OF THE 2005/06 FINANCIAL YEAR

Economic and Fiscal Management

Budget Office

The budget process for the 2005/06 financial year posed several challenges to public service financial managers. These challenges included better alignment of financial planning with provincial priorities and more specifically, departmental 5 year strategic plans, with an aim of improving service delivery in key social sectors as well as placing significant emphasis on targeting economic interventions to achieve the growth and development objectives of the province.

The budgeting process during 2005 was fairly extensive. It began with a Budget Lekgotla in June 2005 which reviewed the preliminary outcomes for the 2004/05 financial year, adopted the budget process to be undertaken (the managing of competing priorities within budget realities) and introduced the 2005 Medium Term Budget Policy Statement (MTBPS). Budget Management introduced a comprehensive 2005 Treasury Budget Circular on CD which was aimed at guiding all budget processes for the year, providing timelines, templates and explanations; this was followed by a week of information workshops on the circular.

The Adjustments Budget process was lengthy this year as resolutions flowing from the MTEF discussions of the Premier Budget Committee had bearing on the 2005/06 adjusted departmental appropriations. MTEF budget bilaterals progressed as planned with further interactions on sector financing between Treasury, departments and national counterparts scheduled for the end of November.

For the 2005/06 financial year and the MTEF focus has been on the following:

- Strengthening the link between the provincial strategic priorities set by the Executive Council, departmental strategies and policies and appropriated budgets;

- Ensuring that the overall provincial budget seeks to meet key goals within the 5 year period;
- A greater role for Provincial Treasury budget analysts in advising and supporting departments with the preparation of budgets in order to facilitate a more focused budget engagement;
- Maintaining a balance between social sector financing and the stimulation of economic activity in the province;
- Strengthening budget reforms introduced last year;
- Accommodating new policies and increases in existing outputs including their fiscal implications over the MTEF period.

Tabling of the main budget is scheduled for 21 February 2006.

The National Treasury piloted the infrastructure model and report during 2004/05; this intervention was aimed at more effective monitoring and evaluation of infrastructure projects and was fully implemented in 2005/06.

In addition, infrastructure Delivery Improvement Programme (IDIP) was piloted in 2004/05 in the Department of Education with an aim of improving the infrastructure delivery in the department. The programme continued in 2005/06 and the emphasis has mainly been on the following:

- Monitoring the infrastructure delivery in the Department of Education;
- Monitoring the implementation of the Accelerated Schools Delivery Infrastructure;
- The Assessment and Design of IDIP for the Departments of Education and Public Transport, Roads and Works for the rollout of phase 2;
- Participating in the assessment and evaluation of the Provincial Technical Assistance Team (PTAT) that will assist the aforementioned departments in implementing the rollout of phase 2.

The Activity Based Costing (ABC) project was also piloted in 2004/05 in the Department of Sports, Recreation, Arts and Culture with an aim of:

- Identifying within the organisation the activities that contribute to the production of outputs in the form of programmes, projects and services (cost objects);
- Providing reliable, realistic and accurate cost information for internal benchmarking and for all the cost objects of the department.

The project duration commenced in November 2004 and ended in November 2005.

The successful completion of the project encompassed the following achievements:

- Installation of SAS ABM software;
- Interview of managers to identify and validate activities;
- Definition of the cost baseline:
 - Restructuring of the general ledger and reallocation of general ledger costs to cost centres
 - Costing and validation of activities
 - Finalisation of the cost object list
- Construction of the 2004/05 actual ABC model;
- Survey of input for the 2005/06 budget;
- Construction of the 2005/06 budget ABC model.

The conclusion of the pilot assessment (which will include the evaluation of the readiness of provincial departments for implementation) is one of the factors that will inform the rollout of the project to other departments.

Furthermore, a new quarterly report for conditional grants was introduced into the grant framework with the 2005 Division of Revenue Act.

Fiscal Policy

The Fiscal Policy unit, previously known as the Budget Policy unit began earnestly this financial year. Immediate responsibilities have been to investigate the feasibility of introducing provincial taxation, as well as introducing the Medium Term Budget Policy Statement (MTBPS). The main focus for 2005/06 has been:

- Building the capacity of the unit;
- Investigating ways in which the province can enhance/optimize own revenue;
- Assessing the credibility of own revenue budgeting;
- Introducing the Medium Term Budget Policy Statement;
- Investigating the feasibility of introducing a provincial tax.

Provincial Financial Management and Governance (PFMG)

Financial Accounting

The consolidated annual financial statements will not be tabled in time as per PFMA deadlines due to the delays caused by departmental audits that were signed off late. The unit envisages that these statements will be tabled towards the end of the 2005/06 financial year. It is only then that the audit opinion on these statements will be known.

Asset Management

PFMG also rolled out asset management reform in GPG. This is one of the many reforms that National Treasury has developed towards the proposed move from cash to accrual accounting. The milestones achieved included the finalization of broad implementation plans for asset management, the development of departmental action plans as well as the establishment of an asset management forum that meets on a regular basis. The milestones set for 31 March 2006 include the following:

- Asset registers to comply with the minimum requirements in terms of Asset management guidelines and Learner's guide;
- Approved basic asset policies in departments;
- Approved life cycle plans (acquisition, maintenance and disposal).

Cash Management and Banking Services

The intergovernmental Cash Coordination Project by the National Treasury started on 1 April 2005. The implementation only focused on phase 1 of the project. Even though the funds are centralized at the Reserve Bank in the Corporation for Public Deposits (CPD) account, the Gauteng Treasury is still allowed to draw down all their funds if need be or request funds as per the requirements to fund expenditure. The cash management system that Gauteng Treasury had to implement in order to address inefficiencies in the forecasting techniques of departments was not implemented due to capacity constraints within Gauteng Treasury.

Risk Management

In terms of risk management, PFMG engaged a service provider to perform a gap analysis on risk management in departments with a view to coordinating and monitoring all risk management activities in provincial departments.

Provincial Financial Management Reforms (PFMR)

Public Finance Management Act (PFMA)

Through the quarterly PFMA implementation reports submitted by departments, Treasury concluded that there is a steady improvement in terms of general financial management in GPG. However, Chief Financial Officer (CFO) support is one area to which more attention will be given in the MTEF.

Municipal Finance Management Act (MFMA)

The MFMA unit was fully capacitated and functional on 15 March 2005. National Treasury delegated 9 of the 15 municipalities in Gauteng to the unit from 1 July 2005 and the unit is responsible for the following responsibilities, as contained in the Municipal Finance Management Act, 2004:

- To monitor compliance with the Act by municipalities and municipal entities in the province;
- To monitor the preparation by municipalities in the province of their budgets;
- To monitor monthly outcomes of those budgets;
- To monitor the submission of reports by municipalities in the province as required in terms of this Act.

The unit prior to the commencement of the current municipal financial year validated all Primary Bank Account details and subsequently provided all transferring provincial departments with these bank account details. The MFMA Unit successfully analysed and evaluated all 9 municipal budgets for 2005/06. These assessments were followed up with visits to all 9 municipalities to discuss the assessment reports and findings. In November all 9 delegated municipalities received training at the Gauteng Treasury offices on the new budget formats and the In-Year Monitoring (IYM) tool. The new budget formats will be implemented for the 2006/07 financial year and the IYM Model will be implemented from 1 July 2005 per municipal categorisation.

In addition, training was also given on the Municipal Finance Management Act Compliance Returns and these include reports on:

- MFMA Implementation Plan;
- Budget Evaluation Checklist;
- Municipalities with Corporate Entities;

- Municipalities with Long Term Contracts;
- Municipalities with Public Private Partnerships.

The unit successfully assisted National Treasury in providing training to all 15 municipalities in Gauteng on the new Supply Chain Management Regulations and Procedures. To date, a number of these municipalities have already adopted a Supply Chain Management Policy.

Treasury has also signed a Memorandum of Understanding with the Provincial Department of Local Government, to outline the responsibilities of each department in the implementation of the MFMA in Gauteng.

3. OUTLOOK FOR THE 2006/07 FINANCIAL YEAR

Economic and Fiscal Management

The Treasury programme will as of 1 April 2006 become a new vote in the province; with functions following the recommendations of the Technical Committee on Finance as gazetted by National Treasury in November 2004. Hence, Economic and Fiscal Management will become Programme 2 with three business units – Fiscal Policy and Economic Analysis, Budget Management and the Public Finance unit. Each unit has developed its own strategic plans and objectives for the 2006/07 financial year as well as formulating their budgetary requirements in terms of these objectives. These units together with other Treasury teams will focus on improving the capacity of CFO offices.

Budget Management

The Budget Management unit will solely focus on the management and improvement of the provincial budget allocation process with the objective of ensuring allocative efficiency and a transparent budget process resulting in a credible revenue and expenditure budget. In 2006/07, the unit will aim to review all budget processes conducted:

- Internally focussed at exploring more efficient methods of process management, improving backbone budget information and support systems, exploring possible funding models and the cost/ benefit of the expansion of the Activity Based Costing project;
- Externally focussed at ensuring that policy imperatives are properly costed and that initiatives contribute to the provincial objectives.

Public Finance

The Public Finance unit will be a newly established function, separated out from Budget Management and expanded to focus on sector policy priorities and sector financing, monitoring, evaluation and reporting on financial management and more importantly, service delivery, performance management and value for money issues.

The focus in 2006/07 will be on:

- Developing capacity and technical expertise in terms of this unit;
- Ensuring efficient budget implementation;
- Strengthening of the reporting system in the province: This includes improving the accuracy and credibility of financial management reporting (in-year monitoring, reporting in terms of the Division of Revenue Act (DORA) and infrastructure reporting) as well as the consolidation of a comprehensive performance reporting system that meets the needs of all relevant stakeholders (Legislature, National Treasury, Standing Committees);
- A system for monitoring and evaluating service delivery performance: exploring possible models and methods of evaluating value for money;
- Monitoring, advising and supporting the Departments of Education, Public Transport, Roads and Works as well as the Provincial Technical Assistance Team in implementing IDIP;
- Participating in the assessment and design of the IDIP for the Department of Health.

Fiscal Policy and Economic Analysis

In 2006/07, Economic Analysis will be a new function added to the Fiscal Policy unit. The unit will focus on ensuring that the province receives its equitable portion of nationally collected taxes, continuing the investigation on the feasibility of introducing new provincial taxes and assessing their impact on the economy, optimising user or cost recovery charges and managing and assessing issues of debt. The unit will also determine and evaluate economic parameters and socio-economic imperatives within a provincial and macro-economic context.

For the 2006/07 MTEF, focus will be on the following:

- Building capacity within the Economic Analysis unit will be the first priority to ensure that responsibilities in this unit are fulfilled;
- Continuing with the research on provincial taxation, this will be a carry over project from 2005/06;
- Developing a provincial borrowing framework within the prescribed legislative framework;
- Developing a revenue forecasting model to assist departments in preparing a credible revenue budget;
- Producing reports on the provincial economic review and outlook.

Provincial Financial Management and Governance (PFMG)

Financial Accounting

PFMG will still work towards obtaining an unqualified audit opinion on the consolidated annual financial statements for GPG for 2006/07. It should be noted that the achievement of this objective is dependent upon the individual departments getting clean audits; therefore given the outcome of the 2004/05 audits, Treasury has to focus on assisting departments with financial management capacity in order to realise the stated objective. PFMG will also have to increase its capacity in order to provide effective assistance to departments. 2006/07 will also mark the introduction of monthly management reports (statement of financial performance, statement of financial position and the cash flow statement) which will be consolidated and submitted to the Legislature and National Treasury on a quarterly basis. These management reports will enable the Auditor General (AG) to use these statements for auditing the department in the tenth or eleventh month and roll forward for the rest of the year. In effect, the AG will complete about 80 percent of the audit work early enough to minimise the length of time departments take working on historic information while they should be focusing on delivering for the current financial year.

Asset Management

For the 2006/07 financial year asset management will focus on ensuring that all departments have an Asset strategy approved by their Head of Department, comprising of the acquisition plans, operation and maintenance plans, disposal plans, funding plans and risk management plans. Asset Management will also ensure that departments develop implementation plans based on specific objectives, which clearly identify the milestones to be achieved, as discussed and agreed upon in the workshops. Reporting requirements on asset management will be introduced in 2006/07.

Risk Management

In an effort to ensure that government property and interests are safeguarded while conducting government operations, Treasury will coordinate and monitor risk management activities in GPG. This will contribute to building a risk smart workforce and an environment that allows for innovation and responsible risk taking while ensuring legitimate precautions are taken to protect the public interest and maintain public trust.

In order to effectively perform this function, PFMG will utilise the gap analysis results concluded in 2005/06 to bridge the gaps already identified through the following initiatives:

- Developing reporting tools for monitoring and managing risks and a consolidating tool for Treasury risk management;
- Ensuring that risk management structures are fully set up in departments in terms of the relevant legislation and other codes of best practice;
- Developing risk charters that govern risk management committees;
- Implementing a change management process to run parallel with the implementation of risk management in departments.

Cash Management and Banking Services

Treasury will once again focus on strengthening the cash flow forecasting in departments. In order to achieve this objective, PFMG will implement a cash management system in departments that will assist with the projection of spending patterns. Treasury will also rollout a cash management policy that governs the cash management in departments in an effort to build capacity in this area.

Public Finance Management Reforms (PFMR)

Municipal Finance Management Act (MFMA)

The unit will continue to ensure MFMA implementation and compliance in the 9 delegated municipalities as well as the tabling and submission of all 9 municipal budgets in the newly legislated formats accompanied by its Service Delivery Budget Implementation Plan and Integrated Development Plan to Council and Gauteng Treasury, with due consideration to the dynamics which may be brought about by the Local Government elections.

The unit intends enhancing current intergovernmental processes relating to financial transfers and planning between provincial government, district and local municipalities as this practice has not been optimal in the past. Treasury will ensure that all municipalities receive the Provincial Gazette timeously, affording the local sphere better predictability and certainty regarding intergovernmental funding.

Municipal organisational structures and staff appointments with specific reference to the Office of the Chief Financial Officer (CFO) remain a concern. It is our intention to ensure that each municipality adopts a CFO structure inclusive of a Budget and Treasury Office in line with the requirements of Chapter 9 of the MFMA.

Notwithstanding certain problems in some municipalities, it is also envisaged that the majority of the 9 delegated municipalities will successfully prepare and timeously submit monthly IYM reports, Withdrawal Statements, Annual Reports as well as Annual Financial Statements to the Auditor-General, the Council and Treasury.

In addition, the MFMA unit will continue to sanction financial management interventions in municipalities, together with the Provincial Department of Local Government, as and whenever it is deemed fit.

Public Finance Management Act (PFMA)

- The PFMA unit will continue to play a leading role in developing financial management skills and capacity in the province with a view of increasing the number of departments who obtain an unqualified audit opinion. In addition, the unit will continue to ensure that all Cluster Audit Committees operate optimally.
- The unit will ensure that departments and public entities in particular, comply with the PFMA and Treasury Regulations.
- The unit will for the first time assume Supply Chain Management (SCM) responsibilities with the focus of policy monitoring being both the GPG departments as well as the 9 municipalities that have been delegated so far.

Private Public Partnerships (PPPs)

Provincial Treasury will undertake a regulatory and advisory role for private public partnerships. This unit will be tasked with promoting knowledge of Treasury Regulations 16 pertaining to PPPs through a level excellence in technical support to provincial and local government institutions.

Strategic Objectives for the Public Private Partnership Unit:

- Legal: Provide legal advice to all provincial and municipal PPPs, during planning and implementation phases;
- Financial: Undertake detailed financial analyses of planned project, provide hands on technical assistance and direction to all PPP projects and conduct compliance auditing and report on such;
- Technical Liaison: Analyse project feasibility studies and provide economic analyses.

4. REVENUE AND FINANCING

4.1 Summary of Revenue

GT is funded completely by equitable share funding. The history period shows financing from the equitable share that drops substantially year-on-year from 2002/03 to 2003/04 by 52 percent; primarily due to:

- The shift of the procurement function to the Gauteng Shared Services Centre (GSSC);
- The completion of the capacity building programme undertaken by Treasury wherein consultants were engaged as part of the implementation of the PFMA with establishing and developing Chief Financial Office (CFO) capacity.

Funding remained stable in 2004/05 but increased in 2005/06 to accommodate building appropriate capacity for the implementation of the Municipal Finance Management Act.

Table 1: SUMMARY OF REVENUE

	2002/03	2003/04	2004/05	2005/06			2006/07	2007/08	2008/09
R thousand	Audited Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
Equitable share	44,714	21,669	26,870	25,202	27,749	27,749	70,447	86,692	107,227
Total Revenue: Treasury									
Funding Vote 14	44,714	21,669	26,870	25,202	27,749	27,749	70,447	86,692	107,227

4.2 Departmental Receipts collection

The years preceding 2005/06 shows healthy interest collection due to the fact that the province had healthy balances in provincial (accumulated) reserves; however interest collection after 2005/06 will be influenced by:

- The depletion of part of the provincial reserves due to spending requirements by departments;
- The implementation of further phases of the intergovernmental Cash Coordination project will place investment powers with the Corporation of Public Deposits which may vary the amount of interest earned over the MTEF.

Table 2: DETAILED DEPARTMENTAL RECEIPTS

	2002/03	2003/04	2004/05	2005/06			2006/07	2007/08	2008/09
R thousand	Audited Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
Tax receipts									
Casino taxes									
Motor vehicle licenses									
Horsereading									
Other taxes									
Non-tax receipts	280,623	191,630	176,063	143,000	143,000	155,917	133,210	133,403	120,000
Sale of goods and services other than capital assets									
Sale of goods and services produced by department									
Sales by market establishments									
Administrative fees									
Other sales									
Sales of scrap, waste arms and other used current goods (excluding capital assets)									
Fines, penalties and forfeits									
Interest, dividends and rent on land	280,623	191,630	176,063	143,000	143,000	155,917	133,210	133,403	120,000
Interest	280,623	191,630	176,063	143,000	143,000	155,917	133,210	133,403	120,000
Dividends									
Rent on land									
Transfers received from:									
Other governmental units									
Universities and technikons									
Foreign government									
International organisations									
Public corporations and private enterprises									
Households and non-profit institutions									
Sales of capital assets									
Land and subsoil assets									
Other capital assets									
Financial transactions in assets and liabilities									
Total Departmental Receipts: Vote 14	280,623	191,630	176,063	143,000	143,000	155,917	133,210	133,403	120,000

5. PAYMENT SUMMARY

5.1. Expenditure Trends for the Vote

The expenditure trend prior to 2005/06 is largely influenced by the introduction and completion of programmes.

The drop of 59,3 percent in 2003/04 is due to the completion of the support programme for the implementation of the PFMA, while the increase of 65 percent in 2005/06 (between 2004/05 and the adjusted appropriation for 2005/06) introduces the responsibility of Gauteng Treasury in terms of the requirements of the MFMA.

The substantial increase of 153 percent in 2006/07 MTEF is designed to accommodate the separation of Gauteng Treasury as a vote from Economic Development. The funding increase will fund the newly created Strategic Management Support programme that includes the Office of the Head of Department and Corporate Support Services as well as the Public Private Partnership programme which will function as an advisory and regulatory body in terms of the Treasury Regulations. The 2006/07 financial year and the remainder of the MTEF further accommodates internal capacity building for Treasury and the recruitment of skilled professionals as well as for financial management officials in departments.

Table 3: PROGRAMME SUMMARY GAUTENG TREASURY

Programme	2002/03	2003/04	2004/05	2005/06			2006/07	2007/08	2008/09
R thousand	Audited Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
1 Strategic Management Services	4,803	3,828	834	1,436	1,436	3,538	8,329	8,914	13,231
2 Economic and Fiscal Management	4,270	3,823	4,985	7,700	8,150	5,610	18,573	23,949	29,681
3 Provincial Financial Management Reforms	27,496	199	621	9,804	7,254	3,540	17,380	22,229	26,577
4 Provincial Financial Management and Governance	3,167	8,307	10,373	6,262	10,909	6,701	15,690	20,617	26,214
5 Public Private Partnerships							10,475	10,983	11,524
Total Payments & Estimates: Vote 14	39,736	16,157	16,813	25,202	27,749	19,389	70,447	86,692	107,227

Table 4: SUMMARY OF ECONOMIC CLASSIFICATION GAUTENG TREASURY

Economic classification	2002/03	2003/04	2004/05	2005/06			2006/07	2007/08	2008/09
R thousand	Audited Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
Current payments	38,911	16,157	15,500	23,822	24,919	18,189	69,983	86,396	106,957
Compensation of employees	8,163	8,189	6,901	13,624	10,475	8,336	32,646	35,826	38,534
Goods and services	30,748	7,968	8,599	10,258	14,444	9,853	37,337	50,570	68,423
Interest and rent on land									
Financial transactions in assets and liabilities									
Unauthorised expenditure									
Transfers and subsidies to:	24		24	62	62	50	78	83	92
Provinces and municipalities	24		24	62	62	50	78	83	92
Departmental agencies and accounts									
Universities and technikons									
Public corporations and private enterprises									
Foreign governments and international organisations									
Non-profit institutions									
Households									
Payments for capital assets	801		1,289	1,270	2,780	1,150	386	213	178

Economic classification	2002/03	2003/04	2004/05	2005/06			2006/07	2007/08	2008/09
R thousand	Audited Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
Buildings and other fixed structures									
Machinery and equipment	801		1,289	1,270	2,780	1,150	386	213	178
Cultivated assets									
Software and other intangible assets									
Land and subsoil assets									
Total Economic									
Classification: Vote 14	39,736	16,157	16,813	25,202	27,749	19,389	70,447	86,692	107,227

6. PROGRAMME DESCRIPTION AND INPUT

PROGRAMME 1: STRATEGIC MANAGEMENT SERVICES

Programme description

To provide leadership, strategic management in accordance with legislation, regulations, policies and ensure appropriate support service to all other programmes.

Programme objectives

- To promote and maintain a condition of security awareness within the department;
- To manage the financial wellness of the GT through budget control and cash flow management;
- Attract, deploy and retain competent and focused employees;
- Create and promote an equitable and sound organizational culture and climate;
- Improve competence at all levels in the organization through ongoing growth and development;
- Ensure effective internal and external communications, through the development and implementation of an operational internal and external communication programme;
- Ensure an effective and efficient IT service.

Table 5: STRATEGIC MANAGEMENT SERVICES

	2002/03	2003/04	2004/05	2005/06			2006/07	2007/08	2008/09
R thousand	Audited Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
1 Management Services	267	2,389	834	831	831	3,001	4,217	4,440	6,677
2 Corporate Services	4,536	1,439		605	605	537	4,112	4,474	6,554
Total Payments & Estimates: Strategic Management Services	4,803	3,828	834	1,436	1,436	3,538	8,329	8,914	13,231

	2002/03	2003/04	2004/05	2005/06			2006/07	2007/08	2008/09
R thousand	Audited Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
Current payments	4,351	3,828	811	1,403	1,403	3,401	8,199	8,822	13,134
Compensation of employees	3,094	3,508	763	798	798	2,576	5,036	5,327	5,517
Salaries and wages	2,597	3,376	691	670	670	2,308	5,036	5,327	5,517
Social Contributions	497	132	72	128	128	268			
Goods and services	1,257	320	48	605	605	825	3,163	3,495	7,617
of which									
Consultant: Agency prof staff	220	27		20	20	20			
Attendance Fees (Incl Registry Fees)	20	20	11	200	200	200			
Stationery & Printing	35	8	11	43	43	43			
T&S Domestic :									
Accommodation	3	16		24	24	24			
T&S Foreign: Accommodation	14	60		75	75	75			
Training & Staff Dev: External	10	4		64	64	64			
Interest and rent on land									
Interest									

	2002/03	2003/04	2004/05	2005/06			2006/07	2007/08	2008/09
R thousand	Audited Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
Rent on land									
Financial transactions in assets and liabilities									
Unauthorised expenditure									
Transfers and subsidies to:	11		23	3	3	50	8	8	9
Provinces and municipalities	11		23	3	3	50	8	8	9
Provinces									
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities	11		23	3	3	50	8	8	9
Municipalities	11		23	3	3	50	8	8	9
Municipalities agencies and funds									
Departmental agencies and accounts									
Social security funds									
Provide list of entities receiving transfers									
Universities and technikons									
Public corporations and private enterprises									
Public corporations									
Subsidies on production other transfers									
Private enterprises									
Subsidies on production other transfers									
Foreign governments and international organisations									
Non-profit institutions									
Households									
Social benefit									
Other transfers to households									
Payments for capital assets	441			30	30	87	122	84	88
Buildings and other fixed structures									
Buildings									
Other fixed structures									
Machinery and equipment	44			30	30	87	122	84	88
Transport equipment									
Other machinery and equipment	441			30	30	87	122	84	88
Cultivated assets									
Software and other intangible assets									
Land and subsoil assets									
Total Economic									
Classification: Strategic									
Management Services	4,803	3,828	834	1,436	1,436	3,538	8,329	8,914	13,231

KEY OUTPUTS AND SERVICE DELIVERY MEASURES: STRATEGIC MANAGEMENT SERVICES

Measurable Objective	Performance Measure
Security	
To promote and maintain a condition of security awareness within the department	
Finance	
To manage the financial wellness of the GT through budget control and cash flow management.	Unqualified audit; % compliance with new procurement policies

Measurable Objective	Performance Measure
Communication Ensure Stakeholder interaction (media, citizens, departments, Legislature)	Development of a Treasury website Develop an internal and external communication programme
Human Resources Attract, deploy and retain competent and focused employees	Number of working days required to fill vacancies (Period from identification of vacancy to submission of offer) Develop and implement a performance management system
Create and promote an equitable and sound organizational culture and climate	% of HR policies and procedures finalised and implemented % of grievances / disputes resolved by HR (if any) Development of an Employment Equity plan and compliance with the Employment Equity Act
Improve competence at all levels in the organization through ongoing growth and development	Skills audit and supporting development plans developed and implemented for each employee
Information Technology Ensure an effective and efficient IT service	Maintenance of the LAN (network) and back-up information

PROGRAMME 2: ECONOMIC AND FISCAL MANAGEMENT

Programme description

- To provide provincial social and economic research and analysis that informs fiscal policy development and the annual budget process contributing to the provincial growth and development strategy;
- Allocate resources in line with provincial government priorities and 5 year plans to contribute to economic, efficient and effective service delivery (credible budgets);
- Maintain fiscal discipline through policies and the monitoring and evaluation of financial performance;
- Provide strategic leadership and technical and strategic support in financial management and budgeting.

Programme objectives

Fiscal Policy and Economic Analysis

- Conduct a feasibility study on Provincial Taxation;
- Advise on fiscal policy and determine the Medium Term Fiscal Framework;
- Optimise the Gauteng Provincial Government's own revenue;
- Produce regular provincial economic review and outlook reports.

Budget Management

- Compile a credible and transparent budget for the Gauteng Provincial Government, according to the planned budget cycle;
- Ensure the implementation of budget reforms;
- Review the budget process to inform efficiency;
- Ensure the availability of high integrity budget info for decision making within the Gauteng Provincial Government budget process.

Public Finance

- Plan, develop and analyse the Gauteng Provincial Government budget policies;
- Ensure the effective utilisation of provincial resources through monitoring & evaluation of Gauteng Provincial Government budget & service delivery.

Table 6: ECONOMIC AND FISCAL MANAGEMENT

	2002/03	2003/04	2004/05	2005/06			2006/07	2007/08	2008/09
R thousand	Audited Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
1 Programme Support	597	903	486	534	535	478	991	1,307	1,649
2 Budget Management	3,342	2,526	4,065	3,220	2,170	2,089	5,428	9,368	10,749
3 Fiscal Policy and Economic Analysis	331	394	434	725	725	664	7,249	6,309	9,847
4 Public Finance				3,221	4,720	2,379	4,905	6,965	7,436
Total Payments & Estimates: Economic & Fiscal Management	4,270	3,823	4,985	7,700	8,150	5,610	18,573	23,949	29,681

	2002/03	2003/04	2004/05	2005/06			2006/07	2007/08	2008/09
	Audited Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand									
Current payments	3,904	3,823	4,985	7,440	7,890	5,610	18,412	23,867	29,609
Compensation of employees	2,494	2,685	2,679	5,376	4,327	3,105	10,192	12,043	12,667
Salaries and wages	2,221	2,412	2,344	5,085	4,035	2,977	10,192	12,043	12,667
Social Contributions	273	273	335	291	292	128			
Goods and services	1,410	1,138	2,306	2,064	3,563	2,505	8,220	11,824	16,942
<i>of which</i>									
<i>Consultant: Agency prof staff</i>	540	20	334	845	2,345	1,500			
<i>Attendance Fees (Incl</i>									
<i>Registry Fees)</i>	23	9	344	20	20	20			
<i>Stationery & Printing</i>	26	667	1,193	52	52	52			
<i>T&S Domestic :</i>									
<i>Accommodation</i>	12	9	17	96	96	96			
<i>T&S Domestic with OP: Air</i>									
<i>Transport</i>	37	22	3	120	120	120			
<i>Training & Staff Dev: External</i>	322	148	200	89	89	89			
Interest and rent on land									
Interest									
Rent on land									
Financial transactions in assets and liabilities									
Unauthorised expenditure									
Transfers and subsidies to:	6			20	20		12	13	14
Provinces and municipalities	6			20	20		12	13	14
Provinces									
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities	6			20	20		12	13	14
Municipalities	6			20	20		12	13	14
Municipalities agencies and funds									
Departmental agencies and accounts									
Social security funds									
Provide list of entities receiving transfers									
Universities and technikons									
Public corporations and private enterprises									
Public corporations									
Subsidies on production other transfers									
Private enterprises									
Subsidies on production other transfers									
Foreign governments and international organisations									
Non-profit institutions									
Households									
Social benefit									
Other transfers to households									
Payments for capital assets	360			240	240		149	69	58
Buildings and other fixed structures									
Buildings									
Other fixed structures									
Machinery and equipment	360			240	240		49	69	58
Transport equipment									
Other machinery and equipment	360			240	240		149	69	58

	2002/03	2003/04	2004/05	2005/06			2006/07	2007/08	2008/09
R thousand	Audited Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
Cultivated assets									
Software and other intangible assets									
Land and subsoil assets									
Total Economic Classification: Economic & Fiscal Management	4,270	3,823	4,985	7,700	8,150	5,610	18,573	23,949	29,681

KEY OUTPUTS AND SERVICE DELIVERY MEASURES: ECONOMIC AND FISCAL MANAGEMENT**Fiscal Policy & Economic Analysis Unit**

Measurable Objective	Performance Measure	Actual 2004/05	Base Year 2005/06	2006/07	2007/08	2008/09
Conduct Feasibility study on provincial taxation	Feasibility study planned and implemented	n/a	Research agenda completed, service provider appointed not yet in progress	Technical paper with recommendations produced: June 2006		
	Stakeholder and public consultation	not yet in progress		All 5 anticipated stakeholders consulted At least 1 public consultation conducted per provincial region		
	Deliver evaluation report on provincial tax	n/a	n/a		Evaluation report delivered	
Advise on fiscal policy and determine the medium term fiscal framework	Quarterly reports produced (monitoring and evaluation)	n/a	n/a	4 reports produced for legislature and departments	4 reports produced for legislature and departments	4 reports produced for legislature and departments
	Annual budget review publication	n/a	n/a	annually	annually	annually
	Consultative meetings with all GPG departments	n/a	done	4 (quarterly) meetings	4 (quarterly) meetings	4 (quarterly) meetings
	HOD/Budget Lekgotla presentations	n/a	n/a	2 presentations per year	2 presentations per year	2 presentations per year
	Develop borrowing framework	n/a		draft framework developed	borrowing framework adopted	
	Contribute to discussion on equitable share of revenue	n/a	Written report on equitable share of revenue	Written report on equitable share of revenue	Written report on equitable share of revenue	Written report on equitable share of revenue
	Medium Term Budget Policy Statement (MTBPS) compiled	n/a	MTBPS compiled & finalised	Draft MTBPS produced prior to 2nd Lekgotla, final MTBPS before end November	Draft MTBPS produced prior to 2nd Lekgotla, final MTBPS before end November	Draft MTBPS produced prior to 2nd Lekgotla, Final MTBPS before end November
Optimise own revenue	Revenue forum meetings	n/a	Revenue forum established	Conduct and facilitate 4 (quarterly) meetings per year	Conduct and facilitate 4 (quarterly) meetings per year	Conduct and facilitate 4 (quarterly) meetings per year
	Revenue strategy compiled & implemented	n/a	Draft revenue strategy compiled	Revenue strategy fully implemented by year end		
	Revenue forecasting model utilised	n/a	Awaiting forecasting model that national treasury is busy developing	Customize National Treasury revenue forecasting model to GPG requirements	All departmental revenue budgets compiled utilising GPG customised model	
Produce regular provincial economic review and outlook reports	Macro-economic analysis unit	n/a	n/a	Unit established		
	Partnerships with expert research institutions		Currently establishing relationships with expert research institutions to facilitate research projects	Meet with each partner institution at least 4 times per year (quarterly)	Meet with each partner institution at least 4 times per year (quarterly)	Meet with each partner institution at least 4 times per year (quarterly)
	Research reports published	n/a	n/a	annual major review quarterly reports published	annual major review quarterly reports published	annual major review quarterly reports published
	Analyse the potential and constraint for growth & development in the province	n/a	n/a	bi-annual reports published	bi-annual reports published	bi-annual reports published
	Econometric modelling (trend and forecast analysis) report	n/a	n/a	bi-annual reports published	bi-annual reports published	bi-annual reports published

Budget Management

Measurable Objective	Performance Measure	Actual 2004/05	Base Year 2005/06	2006/07	2007/08	2008/09
Compile credible and transparent budget for GPG according to planned budget cycle	Consolidated MTEF indicative allocation letters	Indicative allocation letters issued to departments before the Lekgotla	within 2 weeks of 1st budget Lekgotla	Within 2 weeks of 1st budget Lekgotla	Within 2 weeks of 1st budget Lekgotla	Within 2 weeks of 1st budget Lekgotla
	Treasury budget guideline circular developed, distributed & workshops hosted	Treasury budget circular developed and distributed at the Lekgotla	Treasury budget circular distributed (includes new reform & BL resolutions) in June after 1st budget Lekgotla	Within 2 weeks of 1st budget Lekgotla	Within 2 weeks of 1st budget Lekgotla	Within 2 weeks of 1st budget Lekgotla
	Budget Lekgotla(s) hosted (to discuss budget related issues, finalise allocations & ratify decisions)	1st Lekgotla: hosted in July 2nd Lekgotla: hosted during 1st week of Nov	1st Lekgotla: hosted during 2nd week of June 2nd Lekgotla: hosted during 1st week of Nov	1st Lekgotla: hosted during 2nd week of June 2nd Lekgotla: hosted during 1st week of Nov	1st Lekgotla: hosted during 2nd week of June 2nd Lekgotla: hosted during 1st week of Nov	1st Lekgotla: hosted during 2nd week of June 2nd Lekgotla: hosted during 1st week of Nov
	Provincial Cabinet Memo on Budget Lekgotla distributed	Provincial Cabinet Memo distributed timeously	Provincial Cabinet Memo distributed 2 months later	within 2 weeks of 1st budget Lekgotla	within 2 weeks of 1st budget Lekgotla	within 2 weeks of 1st budget Lekgotla
	National Treasury visits hosted and participation in benchmark exercise	National Treasury visit took place in July and December National Treasury site visit organised in December benchmark bilateral attended in January	Informative NT visit took place in July organised a November NT site visit & departmental discussions on the current year's budget	2 x visits per year Benchmark bilateral attended in January	2 x visits per year Benchmark bilateral attended in January	2 x visits per year Benchmark bilateral attended in January
	Departmental budget bilaterals hosted	Budget bilaterals hosted in Sept/ Oct	Successful bilaterals held in Sept/ Oct	14 budget bilaterals hosted during Sept/ Oct	14 budget bilaterals hosted during Sept/ Oct	14 budget bilaterals hosted during Sept/ Oct
	Consolidated budget report to Premier's budget committee	Consolidated report forwarded to Premier Budget Committee timeously	Consolidated report forwarded to Premier Budget Committee within two weeks	Annually within 2 weeks of HOD budget bilaterals	Annually within 2 weeks of HOD budget bilaterals	Annually within 2 weeks of HOD budget bilaterals
	Accurate departmental budget statements produced and published	Thorough/detailed budget statements produced and tabled at the Legislature	Balanced provincial & departmental budget allocations & chapters in accordance with priorities produced	Bi-annually during March and November	Bi-annually during March and November	Bi-annually during March and November
	Processes leading to tabling of main budget managed by producing Cabinet Memos and the bill, and ensuring certification, translation and publication	Cabinet memo's and bills were prepared and submitted Explanatory memo and the bills were also certified, translated and tabled at the Legislature	Legislative requirements were met with Cabinet Memo's to EXCO, the bill & explanatory memos were certified & translated; publishing & communication requirements were coordinated, and the bill tabled timeously	Bi-annually during March and November	Bi-annually during March and November	Bi-annually during March and November
Ensure implementation of budget reforms	Adjusted budget allocation letters distributed to departments	Adjusted budget allocation letters were distributed by mid-October	Approvals were facilitated and allocation letters distributed during October & revised in November	all adjustment allocation letters distributed by mid-October	all adjustment allocation letters distributed by mid-October	all adjustment allocation letters distributed by mid-October
	Adjusted appropriation bill and departmental budget statements produced, tabled and published	Accurate budget statements were tabled in November and March	Accurate departmental budget statements and bill were tabled in November	Annually in November	Annually in November	Annually in November
Review budget process to inform efficiency	Budget process reviewed and more effective budget	Reviews completed to inform new MTEF processes	Reviews completed - inform new MTEF processes	Bi-annual reviews conducted	Bi-annual reviews conducted	Bi-annual reviews conducted

Measurable Objective	Performance Measure	Actual 2004/05	Base Year 2005/06	2006/07	2007/08	2008/09
	methods explored and reported					
	Costing and other innovation projects	ABC pilot commenced SRAC	ABC pilot being finalised in SRAC	ABC pilot evaluated and recommendations drafted investigate the rollout of ABC to other GPG departments		
Ensure availability of high integrity budget info for decision making within the GPG budget process	Provincial budget database (and adjustment budget database) set-up	Budget information officer appointed Budget and sectoral	Developed proposals (needs analysis, TOR, DAC) for budget management systems	budget consolidation tool piloted	budget consolidation tool refined	
	Budget and sectoral information database created and utilised	information was collected for BS1	Investigate an effective information filing (electronic and manual) system	pilot an information warehousing system	implement information warehousing system	
	Timeous responses to information requests	Responses were forwarded	Requests were handled	all requests responded to within 7 working days	all requests responded to within 7 working days	all requests responded to within 7 working days
	IYM data consolidated checked and reported	Accurate IYM reports were produced	Accurate IYM & CG reports were produced	monthly and quarterly	monthly and quarterly	monthly and quarterly

Public Finance

Measurable Objective	Performance Measure	Actual 2004/05	Base Year 2005/06	2006/07	2007/08	2008/09
Plan, develop and analyse GPG budget policies	Oversight, guidance and input into budgetary planning, development, implementation & analysis	n/a	n/a	budget forum meetings held, aligned with budget planning cycle	budget forum meetings held, aligned with budget planning cycle	budget forum meetings held, aligned with budget planning cycle
	Sectoral analysis input into NT visits, benchmark exercises and Budget Lekgotlas	Sectoral analysis completed in preparation for the benchmark bilateral	NT visits took place in August & November benchmark bilateral in January	2 x NT visits per year benchmark bilateral in January	2 x NT visits per year benchmark bilateral in January	2 x NT visits per year benchmark bilateral in January
		Facilitated the national treasury visits in June and December	1st Lekgotla held 8 & 9 June 2nd Lekgotla: 1 & 2 November	1st Lekgotla: in 2nd week of June 2nd Lekgotla: in 1st week of Nov	1st Lekgotla: in 2nd week of June 2nd Lekgotla: in 1st week of Nov	1st Lekgotla: in 2nd week of June 2nd Lekgotla: in 1st week of Nov
	Budget analysis packs compiled	Budget analysis feedback to departments & pack to Premier's Budget Committee was completed	Budget analysis feedback to departments & pack to Premier's Budget Committee recommendations & advice on sectoral policies (implementation) and spending/ budget issues); analyses presented at bilaterals	14 analyses presented at budget bilaterals during Sept/Oct	14 analyses presented at budget bilaterals during Sept/Oct	14 analyses presented at budget bilaterals during Sept/Oct
	Main budget allocations prepared & recommended	Main budget allocations prepared and recommended to EXCO	Recommend MTEF allocations ensure budget statement in accordance with MTEF allocation letters	Bi-annually during March and November	Bi-annually during March and November	Bi-annually during March and November
	Quality assurance & accuracy of departmental budget statements ensured	n/a	n/a	Cross reference and validate budget database with final estimates and memos regular audit of budget database	Cross reference and validate budget database with final estimates and memos regular audit of budget database	Cross reference and validate budget database with final estimates and memos regular audit of budget database
	Adjustments submissions analysed & approvals recommended	Completed in October	Completed between September and November	Annually by mid-October	Annually by mid-October	Annually by mid-October
Ensure effective utilisation of provincial resources through monitoring & evaluation of GPG budget & service delivery	Monthly and quarterly expenditure reports analysed and reported to departments on key policy and spending	Reported to CFO forums	Reports produced monthly and quarterly to national; quarterly feedback to departments and legislature	Monthly and quarterly	Monthly and quarterly	Monthly and quarterly

Measurable Objective	Performance Measure	Actual 2004/05	Base Year 2005/06	2006/07	2007/08	2008/09
	issues identified through the IYM					
	Meetings held concerning budget performance, value for money spend and service delivery issues	n/a	n/a	6 meetings per year	6 meetings per year	6 meetings per year
	Efficiency gains & "value for money" for targeted capital & process initiatives identified	n/a	n/a	Completed efficiency & economic valuation studies	Completed efficiency & economic valuation studies	Completed efficiency & economic valuation studies
	Presentation to legislature on provincial financial and economic performance	Presentations made to legislature	Presentations made to legislature	quarterly presentations	quarterly presentations	quarterly presentations
	Provincial infrastructure spending & conditional grants analysed and reported	n/a	Partial reports produced on a quarterly basis	quarterly reports	quarterly reports	quarterly reports
	Infrastructure delivery and improvement projects managed	Pilot project in Dept of Education managed	Pilot project in Dept of Education managed	facilitation and monitoring of planning & implementation programs in Depts of Education, Transport & Health	facilitation and monitoring of departmental planning & implementation programme	facilitation and monitoring of departmental planning & implementation programme

PROGRAMME 3: PROVINCIAL FINANCIAL MANAGEMENT REFORM (PFMR)

Programme description

Provides guidance and leads the implementation of financial management reforms for both provincial and local government.

Programme objectives

In terms of Provincial Government:

- Taking the lead role in developing financial management skills and capacity in the province;
- Ensuring that Internal Audit and Audit Committees are used effectively as risk management tools in departments;
- Ensuring that the financial management normative measures are adhered to;
- Ensuring compliance to the PFMA by departments and their public entities;
- Ensure Implementation and compliance to a Supply Chain Management Policy for departments and municipalities.

In terms of Local Government:

- Ensuring the implementation of the MFMA in all municipalities in Gauteng;
- Ensuring compliance with the MFMA by municipalities and municipal entities;
- Monitoring the preparation of municipal budgets;
- Monitoring the monthly outcomes of those budgets;
- Monitoring and assessing municipal Annual Financial Statements
- Ensuring timeous financial management interventions at municipalities as and when required.

Table 7: PROVINCIAL FINANCIAL MANAGEMENT REFORM (PFMR)

	2002/03	2003/04	2004/05	2005/06			2006/07	2007/08	2008/09
R thousand	Audited Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
1 Management Office	25,027	171	621	6,894	5,844	2,354	12,721	17,351	21,522
2 PFMA	2,469	28		859	359	277	1,339	1,404	1,456
3 MFMA				2,051	1,051	909	3,320	3,474	3,599
Total Payments & Estimates: PFMR	27,496	199	621	9,804	7,254	3,540	17,380	22,229	26,577

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	2002/03	2003/04	2004/05	2005/06			2006/07	2007/08	2008/09
	Audited Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand									
Current payments	27,495	199	621	9,293	6,743	3,540	17,327	22,190	26,545
Compensation of employees	388	171	621	3,530	2,480	805	5,409	5,677	5,906
Salaries and wages	340	154	545	3,288	2,238	718	5,409	5,677	5,906
Social Contributions	48	17	76	242	242	87			
Goods and services	27,107	28		5,763	4,263	2,735	11,918	16,513	20,639
<i>of which</i>									
<i>Consultant: Agency prof staff</i>	13,116			3,830	2,330	2,330			
<i>Attendance Fees (Incl</i>									
<i>Registry Fees)</i>	102			90	90	90			
<i>Stationery & Printing</i>	4			114	114	114			
<i>T&S Domestic :</i>									
<i>Accommodation</i>	1			100	100	100			
<i>T&S Domestic with OP: Air</i>									
<i>Transport</i>	22	14		80	80	80			
<i>Training & Staff Dev: External</i>	110	11		287	287	287			
Interest and rent on land									
Interest									
Rent on land									
Financial transactions in assets and liabilities									
Unauthorised expenditure									
Transfers and subsidies to:	1			11	11		18	19	20
Provinces and municipalities	1			11	11		18	19	20
Provinces									
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities	1			11	11		18	19	20
Municipalities	1			11	11		18	19	20
Municipalities agencies and funds									
Departmental agencies and accounts									
Social security funds									
Provide list of entities receiving transfers									
Universities and technikons									
Public corporations and private enterprises									
Public corporations									
Subsidies on production other transfers									
Private enterprises									
Subsidies on production other transfers									
Foreign governments and international organisations									
Non-profit institutions									
Households									
Social benefit									
Other transfers to households									
Payments for capital assets				500	500		35	20	12
Buildings and other fixed structures									
Buildings									
Other fixed structures									
Machinery and equipment				500	500		35	20	12
Transport equipment									

	2002/03	2003/04	2004/05	2005/06			2006/07	2007/08	2008/09
R thousand	Audited Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
Other machinery and equipment				500	500		35	20	12
Cultivated assets									
Software and other intangible assets									
Land and subsoil assets									
Total Economic									
Classification: PFMR	27,496	199	621	9,804	7,254	3,540	17,380	22,229	26,577

KEY OUTPUTS AND SERVICE DELIVERY MEASURES: MFMA

Measurable Objective	Performance Measure	Actual 2004/05	Base year 2005/06	2006/07	2007/08	2008/09
Ensure implementation of the MFMA in all municipalities in Gauteng	Budget and Treasury Office(s) in municipalities established	n/a	At 3 of 9 municipalities, by year end	At 5 of 9 municipalities, by year end	At All (9 of 9) municipalities, by year end	
	Municipal Managers, CFOs and Senior managers appointed	n/a	At 3 of 9 municipalities	At 5 of 9 municipalities, by year end	At All (9 of 9) municipalities, by year end	
	3 year Municipal Budget Cycle implemented	n/a	At 3 of 9 municipalities	At All (9 of 9) municipalities, by year end		
	Delegation Schedules evaluated & reviewed	n/a	Annually	Annually	Annually	Annually
	Investment Policies adopted	n/a	Annually	Annually	Annually	Annually
Ensure compliance with the MFMA by municipalities and municipal entities	MFMA Implementation planned and reviewed	n/a	Annually by October	Annually by October	Annually by October	Annually by October
	Budget Evaluation Checklist	n/a	Annually by June	Annually by June	Annually by June	Annually by June
	MFMA Return for PPPs completed	n/a	All delegated municipalities Complied 100%	Quarterly	Quarterly	Quarterly
	MFMA Return for Corporate Entities completed	n/a		Quarterly	Quarterly	Quarterly
	MFMA Return for long term contracts completed	n/a		Quarterly	Quarterly	Quarterly
	MFMA Return for 12 urgent priorities completed	n/a		Quarterly	Quarterly	Quarterly
Monitor the preparation of budgets by municipalities	MFMA Return for Municipal Borrowings	n/a		Quarterly	Quarterly	Quarterly
	9 Municipal Budgets tabled and submitted timeously to Council and GT	100%	Draft Budgets by March annually Final Budget by May/June annually	Draft Budgets by March annually Final Budget by May/June annually	Draft Budgets by March annually Final Budget by May/June annually	Draft Budgets by March annually Final Budget by May/June annually
	Municipal IDPs & Service Delivery Budget Implementation Plans (SDBIPs) reviewed	n/a	Annually by September	Annually by September	Annually by September	Annually by September
Monitor the monthly outcomes of municipal budgets	National & Provincial Transfer/Grant Schedules supplied to municipalities	n/a	Immediately after acceptance of Final & Adjustment Budgets (Bi-Annually)	Immediately after acceptance of Final & Adjustment Budgets (Bi-Annually)	Immediately after acceptance of Final & Adjustment Budgets (Bi-Annually)	Immediately after acceptance of Final & Adjustment Budgets (Bi-Annually)
	Municipal Monthly In-Year Reporting prepared and submitted to Council and GT	n/a	n/a	9 of 9 municipalities	9 of 9 municipalities	9 of 9 municipalities
	Grant Transfer Schedules monitored	n/a	Monthly	Monthly	Monthly	Monthly
Monitor and assess Annual Financial Statements of municipalities	Annual Financial Statements for municipalities without Entities prepared and submitted timeously to Council and GT	n/a	All municipalities submitted by August	All municipalities submitted by August	All municipalities submitted by August	All municipalities submitted by August
	Annual Financial Statements for municipalities with entities prepared and submitted timeously to Council and GT	n/a	All municipalities submitted by Sept	All municipalities submitted by Sept	All municipalities submitted by Sept	All municipalities submitted by Sept

Measurable Objective	Performance Measure	Actual 2004/05	Base year 2005/06	2006/07	2007/08	2008/09
Ensure timeous financial management interventions at municipalities as and when required	Municipal Budget and MFMA Returns evaluated and deviations identified	n/a	n/a	Monthly	Monthly	Monthly
	Interventions designed and implemented	n/a	n/a	As and when required	As and when required	As and when required
	Intervention Impact assessed	n/a	n/a	As and when required	As and when required	As and when required
Provide Municipal Budget and In Year Reports and Publications	Consolidated Statement on Monthly Budget outcomes submitted to Provincial Legislature	n/a	n/a	Within 30 days of each Quarter's end	Within 30 days of each Quarter's end	Within 30 days of each Quarter's end
	Consolidated Statement on Monthly Budget outcomes published in a Provincial Gazette	n/a	n/a	Within 45 days of each Quarter's end	Within 45 days of each Quarter's end	Within 45 days of each Quarter's end
	Monthly Budget Statements Reported to National Treasury (NT)	n/a	n/a	Monthly on the 22nd Working Day	Monthly on the 22nd Working Day	Monthly on the 22nd Working Day
	MFMA Returns reported to NT	n/a	n/a	Quarterly & Annually	Quarterly & Annually	Quarterly & Annually
	Municipal Withdrawal statements reported to NT	n/a	n/a	Quarterly	Quarterly	Quarterly
	GT Comments on Draft Budgets submitted to municipalities	n/a	n/a	Annually in April	Annually in April	Annually in April
	Municipal Annual Reports Assessed by GT and consolidated findings submitted to NT	n/a	n/a	Annually by end April	Annually by end April	Annually by end April
Ensure Municipal Borrowings comply to legislative requirements (MFMA)	Budgeted short term debt monitored	n/a	n/a	Annually during Draft Budget phase	Annually during Draft Budget phase	Annually during Draft Budget phase
	GT Comments on long term debt submitted to municipalities	n/a	n/a	100% compliance as and when required	100% compliance as and when required	100% compliance as and when required
	Municipal Securities, Guarantees & Disclosures monitored	n/a	n/a	Annually and 100% compliance as and when required (In-year)	Annually and 100% compliance as and when required (In-year)	Annually and 100% compliance as and when required (In-year)
Provide technical assistance & training to the municipalities	Number of Financial Management Assistance training sessions, workshops and/or presentations conducted with the municipalities	n/a	Budget Formats & In-Year Monitoring Tool Workshops presented at end November Provincial & Municipal Government Sector Alignment Workshop presented (pending)	At least 2 events/ workshops per year	At least 2 events/ workshops per year	At least 2 events/ workshops per year
Compile credible and transparent budget for GPG according to planned budget cycle	Transfers to local government gazetted	Transfers to local government were gazetted in April and November	Information on transfers to local government was gazetted in May and December	April and November	April and November	April and November

KEY OUTPUTS AND SERVICE DELIVERY MEASURES: PFMA

Measurable Objective	Performance Measure	Actual 2004/05	Base year 2005/06	2006/07	2007/08	2008/09
Take the lead role in developing financial management skills and capacity in the province	Number of departments with proper structure and capacity	9	9	13	13	13
Ensuring that Internal Audit and Audit Committees are used effectively as risk management tools in departments	Monitor the implementation of recommendations of internal audit	n/a	Report submitted, very good compliance reported	Annual evaluation done and report submitted to NT and Auditor General	Annual evaluation done and report submitted to NT and Auditor General	Annual evaluation done and report submitted to NT and Auditor General
Ensuring compliance to the PFMA by departments and their public entities	Number of departments obtaining an unqualified Audit Opinion	10	6	8	10	14
Measurable Objective	Performance Measure	Actual 2004/05	Base year 2005/06	2006/07	2007/08	2008/09
	Number of Public entities obtaining an unqualified Audit Opinion	n/a	n/a	5 of 8	8 of 8	11 of 11
Manage dispensation matters of GPG	Percentage Adherence to Service Level Agreement (SLA) turnaround times	100%	100%	100%	100%	100%
Provide advice on the interpretation of the PFMA and the Treasury Regulations	Response time to departmental requests or queries	n/a	Queries resolved timeously 80% of the time	All queries resolved or finalized within 15 Days	All queries resolved or finalized within 15 Days	All queries resolved or finalized within 15 Days
	Number of outstanding requests or queries at month end	n/a	Not Measures	Max 2 outstanding	Max 2 outstanding	Max 2 outstanding
Ensuring that the financial management normative measures are adhered to	PFMA Implementation Quarterly Progress Reports (IQPR) submitted by departments	On average 7 of 13 Reports (~60%) compliance	On average 10 of 13 (~77%) compliance	14 X Quarterly Reports submitted (100% compliance)	14 X Quarterly Reports submitted (100% compliance)	14 X Quarterly Reports submitted (100% compliance)
	Consolidated report on departmental IQPR's drafted and submitted to Legislature.	Quarterly Consolidated Reports submitted	Quarterly Consolidated Reports submitted	Quarterly Reports	Quarterly Reports	Quarterly Reports
Monitor governance issues of Public Entities	Entities Listed in Schedules 3C & 3D of the PFMA	n/a	5 of 8 entities listed	3 entities to be listed	All new entities to be listed	All new entities to be listed
	NT Governance Reporting Framework implemented & adhered to	n/a	n/a	Framework Customised & Adapted for GPG Entities	All Entities complies to Framework	All Entities complies to Framework
Ensure implementation and compliance to a Supply Chain Management Policy for departments and municipalities	Municipal Supply Chain Management (SCM) Policy adopted	n/a	High Capacity Municipalities by end October 2005 Medium Capacity Municipalities by January 2006 Low Capacity Municipalities by April 2006	Low Capacity Municipalities by April 2006 All municipalities must have SCM Policy adopted		
	SCM Compliance monitored at municipalities	n/a	Awaiting National Treasury SCM for municipalities' monitoring tool	Monitoring tool applied and results reported monthly to NT	Monitoring tool applied and results reported monthly to NT	Monitoring tool applied and results reported monthly to NT
	SCM Compliance monitored at departments	n/a	n/a	Departmental SCM monitoring tool applied and results reported monthly to NT	Departmental SCM monitoring tool applied and results reported monthly to NT	Departmental SCM monitoring tool applied and results reported monthly to NT
Provide technical assistance and training to the departments	Number of Financial Management Assistance training sessions, workshops and/or presentations conducted with the departments		Quarterly CFO Workshops undertaken	1 Event Quarterly	1 Event Quarterly	1 Event Quarterly

PROGRAMME 4: PROVINCIAL FINANCIAL MANAGEMENT & GOVERNANCE (PFMG)**Programme description**

- Implement accounting practices that will promote effective capturing of revenue, expenditure, assets and liabilities;
- Ensure the effective management of risks to which the Gauteng Provincial Government (GPG) is exposed to by virtue of its assets, programs and operations;
- Optimise liquidity requirements and maximize returns within acceptable levels of risk for the GPG and to secure sound cash management;
- To ensure the efficient and effective management of assets for the GPG.

Programme objectivesFinancial Accounting

- Compile and submit Consolidated Financial Statements for the GPG;
- Compile the Provincial Revenue Fund Financial Statements on an annual basis;
- Submit reports to legislature and National Treasury;
- Provide technical assistance & training to departments.

Risk Management

- Develop and manage a GPG risk strategy and advise departments;
- Recommend and enforce effective processes to determine exposure to risk and develop plans to mitigate and prevent risks;
- Submit Risk reports to Legislature and National Treasury to compare variances, actuals against the budget and forecasts;
- Provide technical assistance & training to departments.

Assets & Liabilities

- Optimise cash flow management within the GPG;
- Ensure liquidity and that the province is adequately funded;
- Invest funds efficiently and optimally on behalf of the province;
- Submit Cash Flow reports to Legislature and National Treasury to compare variances, actuals against the budget and forecasts.

Asset Management

- Ensure effective and efficient management of assets for the province;
- Submit Asset Management reports to National Treasury;
- Provide asset management technical assistance & training to departments.

Table 8: PROVINCIAL FINANCIAL MANAGEMENT AND GOVERNANCE (PFMG)

	2002/03	2003/04	2004/05	2005/06			2006/07	2007/08	2008/09
R thousand	Audited Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
1 Management Office	1,009	6,825	7,534	2,342	8,038	4,851	9,095	11,574	13,300
2 Assets and Liabilities	270	187	945	719	720	614	2,385	3,448	6,182
3 Financial Governance & Accounting Services	1,888	1,295	1,894	3,201	2,151	1,236	4,210	5,595	6,732
Total Payments & Estimates: PFMG	3,167	8,307	10,373	6,262	10,909	6,701	15,690	20,617	26,214

	2002/03	2003/04	2004/05	2005/06			2006/07	2007/08	2008/09
R thousand	Audited Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
Current payments	3,161	8,307	9,083	5,746	8,883	5,638	15,625	20,570	26,172
Compensation of employees	2,187	1,825	2,838	3,920	2,870	1,850	7,467	8,004	9,428
Salaries and wages	1,949	1,659	2,476	3,629	2,579	1,619	7,467	8,004	9,428
Social Contributions	238	166	362	291	291	231			
Goods and services	974	6,482	6,245	1,826	6,013	3,788	8,158	12,566	16,744
<i>of which</i>									

	2002/03	2003/04	2004/05	2005/06			2006/07	2007/08	2008/09
R thousand	Audited Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
Consultant: Agency prof staff	364	5,775	3,402	500	500	500			
Attendance Fees (Incl Registry Fees)	13	22	89	65	65	65			
Stationery & Printing	188	33	146	148	148	148			
T&S Domestic :									
Accommodation	5	30	19	70	70	70			
T&S Domestic with OP: Air									
Transport	5	391	16	100	100	100			
Training & Staff Dev: External	30	126	23	81	81	81			
Interest and rent on land									
Interest									
Rent on land									
Financial transactions in assets and liabilities									
Unauthorised expenditure									
Transfers and subsidies to:	6		1	16	16		25	27	32
Provinces and municipalities	6		1	16	16		25	27	32
Provinces									
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities	6		1	16	16		25	27	32
Municipalities	6		1	16	16		25	27	32
Municipalities agencies and funds									
Departmental agencies and accounts									
Social security funds									
Provide list of entities receiving transfers									
Universities and technikons									
Public corporations and private enterprises									
Public corporations									
Subsidies on production									
other transfers									
Private enterprises									
Subsidies on production									
other transfers									
Foreign governments and international organisations									
Non-profit institutions									
Households									
Social benefit									
Other transfers to households									
Payments for capital assets			1,289	500	2,010	1,063	40	20	10
Buildings and other fixed structures									
Buildings									
Other fixed structures									
Machinery and equipment			1,289	500	2,010	1,063	40	20	10
Transport equipment									
Other machinery and equipment			1,289	500	2,010	1,063	40	20	10
Cultivated assets									
Software and other intangible assets									
Land and subsoil assets									
Total Economic									
Classification: PFMG	3,167	8,307	10,373	6,262	10,909	6,701	15,690	20,617	26,214

KEY OUTPUTS AND SERVICE DELIVERY MEASURES: PFMG**Financial Accounting**

Measurable Objective	Performance Measure	Actual 2004/05	Base year 2005/06	2006/07	2007/08	2008/09
Compile and submit Consolidated Financial Statements for the GPG	Submit consolidated Financial Statements to Legislature within 6 months from year end	Not Tabled	Oct 2006	Oct 2007	Oct 2008	Oct 2009
	Submit consolidated Financial Statements to Auditors within 3 months from year end	Not yet Submitted	June 2006	June 2007	June 2008	June 2009
Compile the Provincial Revenue Fund Financial Statements on an annual basis	Unqualified audit opinion on the statements	Awaiting Audit	To be prepared	100% Unqualified	100% Unqualified	100% Unqualified
Submit reports to Legislature and National Treasury	Quarterly Financial Reports Produced and Submitted	n/a	n/a	4 Reports submitted	4 Reports submitted	4 Reports submitted
Provide technical assistance & training to the GPG departments	Number of training sessions, workshops and/or presentations conducted with departments	Not yet implemented	Not yet implemented	At least 1 per quarter	At least 1 per quarter	At least 1 per quarter

Risk Management

Measurable Objective	Performance Measure	Actual 2004/05	Base year 2005/06	2006/07	2007/08	2008/09
Develop and manage a GPG risk strategy and advise departments	GPG Risk Management Policy defined and implemented	n/a	n/a	Policy implemented by year end		
	Review all existing Risk Management Policies and Strategies in use in GPG departments and draft a Plan for the implementation and rollout of a Provincial Risk Management Policy	n/a	Review completed, Draft Plan completed			
Recommend and enforce effective processes to determine exposure to risk and develop plans to mitigate and prevent risks	Facilitate the compilation of an Annual Risk Assessment Report for each GPG department, including recommendations & plans	n/a	n/a	13 Annual Reports within 2 months of Financial Year End	13 Annual Reports within 2 months of Financial Year End	13 Annual Reports within 2 months of Financial Year End
Submit Risk reports to Legislature and National Treasury to compare variance Actual against budget and forecasts	Quarterly Risk Management Reports produced	n/a	n/a	Quarterly Reports submitted	Quarterly Reports submitted	Quarterly Reports submitted
Provide technical assistance & training to the GPG departments	Number of training sessions, workshops and/or presentations conducted with departments	n/a	n/a	At least 1 per quarter	At least 1 per quarter	At least 1 per quarter

Assets & Liabilities

Measurable Objective	Performance Measure	Actual 2004/05	Base year 2005/06	2006/07	2007/08	2008/09
Optimise Cash Flow Management within the GPG	Variance between funds requested & actual expenditure not to exceed 5%	11 depts complied, 2 depts did not comply	2nd Quarter: 5 depts complied, 7 depts did not comply	Max. 5% 13 departments complying	Max. 5% 13 departments complying	Max. 5% 13 departments complying
	Variance between cash flow projections & actual expenditure not to exceed 5%	3 depts complied, 10 depts did not comply	2nd Quarter: 2 depts complied, 11 depts did not comply	Max. 5% 13 departments complying	Max. 5% 13 departments complying	Max. 5% 13 departments complying
Ensure liquidity and that the province is adequately funded	Daily cash balances are maintained as planned not to exceed R200 million	Average daily cash balance was R400 million	Year to Date (end October) Average daily cash balance was R350 million	Maximum R200 million	Maximum R200 million	Maximum R200 million
Invest funds efficiently and optimally on behalf of the province	Maintain a properly diversified portfolio of investments (not more than 30% of the portfolio to be held by any one bank)	50%	Year to Date (At end October) No Financial Institution holds more than 30% of the total Investment Portfolio	Max. 30% per Financial Institution	Max. 30% per Financial Institution	Max. 30% per Financial Institution
	Interest Revenue to meet at least budgeted amounts	Exceeded budget by 12,6%	At end October (7 of 12 Months) 80% of the total Budgeted Interest Revenue for the year has been achieved	Meet Budget	Meet Budget	Meet Budget
Submit Cash Flow reports to Legislature and National Treasury to compare variance actual against budget and forecasts	Quarterly Cash Flow Reports Produced	Partially implemented	Partially implemented	4 Reports submitted	4 Reports submitted	4 Reports submitted

Asset Management

Measurable Objective	Performance Measure	Actual 2004/05	Base year 2005/06	2006/07	2007/08	2008/09
Ensure effective and efficient management of assets for the province	Asset Management Strategy implemented	n/a	Basic Asset Management Policies in place Asset Register complies with minimum requirements	Approved Asset Acquisition; Operations & Maintenance and Disposal Plan in place	All Assets Accurately Valued Asset Management Practices comply with Asset Management Framework	
	Asset Management Teams established & operational	n/a	Asset Management Teams established at all GPG departments Asset Management Forums Established and Meeting Monthly Asset Management Plans Implemented for all departments	Asset Management Forums Meeting Monthly	Asset Management Forums Meeting Monthly	Asset Management Forums Meeting Monthly
Submit Asset Management reports to National Treasury	Quarterly Asset Management Reports produced	n/a	Not yet implemented	Monthly Reports submitted	Monthly Reports submitted	Monthly Reports submitted
Provide Asset Management technical assistance & training to the GPG departments	Number of training sessions, workshops and/or presentations conducted with departments	n/a	n/a	At least 1 per quarter	At least 1 per quarter	At least 1 per quarter

PROGRAMME 5: PUBLIC PRIVATE PARTNERSHIPS (PPPs)**Programme description**

- Promote knowledge of the Treasury Regulations (16) pertaining to PPPs through a level of excellence in technical support to provincial government institutions.

Programme objectives

- Provide legal advice to all provincial and municipal PPPs, during planning and implementation phases;
- Undertake detailed financial analyses of planned projects;
- Provide hands-on technical assistance and direction to all PPP projects (provincial and municipal);
- Analyse project feasibility studies and provide economic analyses;
- Conduct compliance auditing and report on such;

Table 9: PUBLIC PRIVATE PARTNERSHIPS

	2002/03	2003/04	2004/05	2005/06			2006/07	2007/08	2008/09
R thousand	Audited Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
1 Specialists							10,475	10,983	11,524
Total Payments & Estimates: PPP	0	0	0	0	0	0	10,475	10,983	11,524

	2002/03	2003/04	2004/05	2005/06			2006/07	2007/08	2008/09
R thousand	Audited Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
Current payments							10,420	10,947	11,497
Compensation of employees							4,542	4,775	5,016
Salaries and wages							4,542	4,775	5,016
Social Contributions									
Goods and services							5,878	6,172	6,481
Interest and rent on land									
Interest									
Rent on land									
Financial transactions in assets and liabilities									
Unauthorised expenditure									
Transfers and subsidies to:							15	16	17
Provinces and municipalities							15	16	17
Provinces									
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities							15	16	17
Municipalities							15	16	17
Municipalities agencies and funds									
Departmental agencies and accounts									
Social security funds									
Provide list of entities receiving transfers									
Universities and technikons									
Public corporations and private enterprises									
Public corporations									
Subsidies on production									
other transfers									

	2002/03	2003/04	2004/05	2005/06			2006/07	2007/08	2008/09
R thousand	Audited Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
Private enterprises									
Subsidies on production									
other transfers									
Foreign governments and international organisations									
Non-profit institutions									
Households									
Social benefit									
Other transfers to households									
Payments for capital assets							40	20	10
Buildings and other fixed structures									
Buildings									
Other fixed structures									
Machinery and equipment							40	20	10
Transport equipment									
Other machinery and equipment							40	20	10
Cultivated assets									
Software and other intangible assets									
Land and subsoil assets									
Total Economic									
Classification: PPP	0	0	0	0	0	0	10,475	10,983	11,524

KEY OUTPUTS AND SERVICE DELIVERY MEASURES: PPP UNIT

Measurable Objective	Performance Measure	
Legal		
Provide Legal advice to all Provincial and Municipal PPPs, during planning and implementation phases	To be developed based on planned and existing project's legal anticipated needs	Gautrain Rapid Rail Link Kopanong Precinct PTA Academic & JHB General Hospital's Equipment
Financial		
Undertake detailed financial analyses of planned projects	To be developed based projects currently planned	
Provide hands-on technical assistance and direction to all PPP projects	To be developed based on projects currently being implemented	
Technical Liaison		
Analyse project feasibility studies and provide economic analyses	To be developed based projects currently planned	
Provide hands-on technical assistance and direction to all PPP projects	To be developed based on projects currently being implemented	
Municipal PPPs		
Provide hands-on technical assistance and direction to all Municipal PPP projects	To be developed based on Municipal PPP projects currently being implemented	

7. OTHER PROGRAMME INFORMATION

7.1. Personnel Information

Post numbers	2005/06				2006/07			
	Post establishment	Posts Filled	Posts Vacant	Vacancy rate	Post establishment	Posts Filled	Posts Vacant	Vacancy rate
Programme 1: Strategic Management Services	3	2	2	33,3%	12	10	2	16,7%
Programme 2: Economic & Fiscal Management	20	14	6	30%	37	25	12	32,4%
Programme 3: Provincial Financial Management Reforms	12	10	2	16,7%	26	22	4	15,4%
Programme 4: Provincial Financial Management & Governance	12	12		0%	36	23	13	36,1%
Programme 5: Public Private Partnerships					13		13	100%
Total Post Numbers: Vote 14	47	38	9	19,2%	124	80	44	35,5%

Personnel numbers and costs: Department of Gauteng Treasury

Personnel numbers	As at 31 March 2005	As at 31 March 2006	As at 31 March 2007	As at 31 March 2008	As at 31 March 2009
Programme 1: Strategic Management Services	2	2	10	13	13
Programme 2: Economic & Fiscal Management	6	14	25	38	38
Programme 3: Provincial Financial Management Reforms	10	22	26	26	26
Programme 4: Provincial Financial Management & Governance	10	12	23	36	36
Programme 5: Public Private Partnerships			13	13	13
Total Personnel Numbers: Vote 14	18	38	80	126	126
Total personnel cost (R thousand)	6,901	11,740	32,646	37,294	40,097
Unit cost (R thousand)	383,389	308,947	408,075	295,984	318,230

7.2. Training

R thousand	2002/03	2003/04	2004/05	2005/06			2006/07	2007/08	2008/09
	Audited Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
Programme 1: Strategic Management Services	10	4		64	64	64	134	141	148
Programme 2: Economic & Fiscal Management	322	148	200	89	89	89	262	308	326
Programme 3: Provincial Financial Management Reforms	110	11		287	287	287	170	179	187
Programme 4: Provincial Financial Management & Governance	30	126	23	81	81	81	102	129	136
Programme 5: Public Private Partnerships							44	82	86
Total Expenditure on Training: Vote 14	472	289	223	521	521	521	712	839	883

8. RECONCILIATION OF STRUCTURAL CHANGES

Programmes for 2005/06	Prog	Subprogramme	Programmes for 2006/07	Prog	Subprogramme
Provincial Treasury (Prog 3 within Vote 3: (now) Department of Economic Affairs)			Vote 14: Gauteng Treasury as a separate Department		
Office of the DDG	3	3.1	Strategic Management Services	1	1.1 – 1.2
Economic and Fiscal Management	3	3.2	Economic & Fiscal Management	2	2.1 – 2.4
Provincial Financial Management & Governance	3	3.3	Provincial Financial Management & Governance	4	4.1 – 4.3
Provincial Financial Management Reforms	3	3.4	Provincial Financial Management Reforms	3	3.1 – 3.3
			Public Private Partnerships (PPP)	5	5.1