

# VOTE 11

## DEPARTMENT OF FINANCE

|                          |                       |
|--------------------------|-----------------------|
| To be appropriated       | R1 544 861 000        |
| Responsible MEC          | MEC for Finance       |
| Administering department | Department of Finance |
| Accounting officer       | Head of Department    |

### 1. OVERVIEW

#### Vision

To be an activist, developmental and interventionist department, providing strategic and operational support to the Province towards the achievement of inclusive growth.

#### Mission

To be a strategic, pro-active and value adding partner that promotes and enhances effective service delivery by:

- Ensuring allocative and operational efficiencies
- Instilling fiscal discipline and sound corporate governance
- Mobilizing alternative funding sources and resourcing solutions
- Ensuring innovation and leading edge technologies and processes
- Professionalizing the public service by investing in human capital

#### Overview of the main services

To provide strategic leadership and oversight in resource mobilisation, management and operational support which maximises service delivery through the effective and efficient use of limited resources in the Gauteng Province.

#### Strategic objectives

The strategic objectives of the Gauteng Department of Finance (GDF), set out in the 2009 – 2014 Strategic Plan, are derived from an analysis of the environment, key challenges and strategic issues that the Department needs to address, and are aligned to national and provincial outcomes. They are:

- To be a centre of excellence in strategic and innovative information solutions in the public sector
- To ensure sound corporate governance in the province and to provide robust resource management services
- To provide proactive strategic and operational institutional support to stakeholders, enabling them to deliver quality services
- To secure alternative finance sources, including the creation of new revenue streams
- To ensure cost efficiencies and consolidate resources for economies of scale
- To ensure effective and efficient management of the GDF and its programs
- To be a preferred employer, attracting and retaining highly skilled and performing individuals

#### Acts, rules and regulations

- Division of Revenue Act, (No. 1 of 2010) (DORA),
- Prevention and Combating of Corrupt Activities Act, (No. 12 of 2004)
- Local Government: Municipal Finance Management Act, (No. 56 of 2003)
- Broad-Based Black Economic Empowerment Act, (No. 53 of 2003)
- Preferential Procurement Policy Framework Act, (No. 3 of 2000)

- Promotion of Access to Information Act, (No. 2 of 2000)
- Local Government Municipal Systems Act, (No. 32 of 2000)
- Public Finance Management Act, (No. 1 of 1999)
- Employment Equity Act, (No. 55 of 1998)
- Intergovernmental Fiscal Relations Act, No. 97 of 1997
- Basic Conditions of Employment Act, (No. 75 of 1997)
- Public Service Laws Amendment Act, (No. 93 of 1997)
- The National Archives Act, (No. 43 of 1996)
- Borrowing Powers of Provincial Government Act No. 48 of 1996
- The Constitution of the Republic of South Africa, (No. 108 of 1996)
- Labour Relations Act, (No. 66 of 1995)
- Occupational Health and Safety Act, (No. 25 of 1995)
- Development Facilitation Act, (No. 67 of 1995)
- Treasury Regulations 2005, and Delegations
- Tender Board Act, (No. 2 of 1994)
- Public Service Act, (No. 103 of 1994) and associated Regulations and Delegations

## **2. REVIEW OF THE CURRENT FINANCIAL YEAR (2010/11)**

The current government has taken measures to improve service delivery and accountability and is committed to simplifying procedures and processes. One of these measures is the initiation and consolidation of the Outcomes-Based Performance Management Approach. The approach has involved developing the Medium Term Strategic Framework (MTSF) into outcomes with measurable outputs and optimal activities so as to ensure measurable performance and accountability within government. This approach stems from the realization by government that, despite improved access to services and increased expenditure on service delivery, the majority of people's lives have not improved and that the quality of service delivery remains an area of concern. National Government has set 12 Outcomes and GPG has identified 8 Outcomes in which the allocation of resources should be directed towards.

The GDF is responsible for implementing two outcomes: "A responsive, accountable, efficient and effective local government", which is being implemented in conjunction with the Department of Local Government and Housing; and "An efficient, effective and development oriented Public Service". Progress on the outputs of these is described below.

### **Outcome 7: A responsive, accountable, efficient and effective local government**

#### **Prudent municipal financial management**

The key focus for the financial year under review has continued to be the strengthening of intergovernmental relations amongst all spheres of government, with particular emphasis on municipal financial management. The department has conducted one-on-one engagements with key stakeholders in municipal finance to ensure coordination and support. This has taken place through the Municipal Finance Indaba, a quarterly meeting of the MECs for Finance, Local Government & Housing and the Members of Mayoral Committees for Finance at local government level.

Alignment of the planning and budget processes between the Department of Local Government & Housing (DLGH) and the GDF during the preparation of the 2010/11 Integrated Development Plan (IDP) and Medium Term Revenue and Expenditure Framework (MTREF) Budget was a key priority which laid the foundation for further improvements from the previous processes used. In partnership with the Gauteng Planning Commission, the Municipal Budget Management and Municipal IDP units conducted assessments on the tabled 2010/11 IDP and MTREF Budgets, and provided feedback to municipalities during a joint IDP and Budget engagements in May 2010.

The Debt Management Committee established in the 2009/10 financial year has received great support from municipalities and provincial departments as a key platform for resolving issues of outstanding government debt owed to municipalities for rates, taxes and services charges. To date, a total amount of R685 million has been transferred to municipalities from departments within the province.

## **Outcome 8a: An efficient, effective and development oriented public service**

### **Prudent financial management across GPG**

In line with the above-mentioned Outcomes-Based Performance Management Approach, the Department adopted, and facilitated the implementation of the Outcomes-based Budgeting Approach. Adoption of the new approach resulted in change to the provincial budget process, resource allocation methodology and the nature, composition and focus of key forums in the budget process. In preparing to table the 2011 MTEF budget of the province that reflects resource allocation to outcomes, the following key and strategic achievements were made:

- A Finance Lekgotla was hosted in July 2010. In preparation for this Lekgotla, research was conducted on the Outcomes-Based Budgeting approach and presented to the Lekgotla. The approach also involved various stakeholders such as Gauteng Planning Commission (GPC) to ensure alignment with outcome plans that were adopted by the executive.
- The department compiled Treasury Guidelines for compiling the 2011 MTEF budget documents and conducted comprehensive training and discussions during the Budget Forum with GPG departments in August 2010.
- The provincial Medium-Term Expenditure Committee (MTEC) meetings were held in late September 2010, with the emphasis on the Outcomes-Based approach. MTEC meetings took the form of cluster linked to eight outcomes so that related sectors could integrate their plans showing how outcomes will be resourced and achieved.

To ensure efficient and effective government spending, the Public Finance unit prepared a paper on fiscal discipline and proposed fiscal rules which were adopted by the Executive Council (EXCO). In addition, the unit executed its fiduciary responsibilities with due diligence, and constantly generates consolidated monthly and quarterly expenditure reports, which contain a critical analysis of provincial state of finances with specific recommendations. The consolidated reports cover detailed analysis of infrastructure, conditional grants and general expenditure by departments. The unit also analysed and responded to all requests for roll-over of funds from the 2010/11 financial year, which form part of the Adjustment Budget to be tabled in October/November 2010 including a chapter on expenditure in the 2010 Medium-Term Budget Policy Statement.

Monitoring and facilitation of the Implementation of the Infrastructure Delivery Improvement Programme (IDIP) model continued to be a major focus for the unit. Phase 3 of IDIP commenced in the beginning of 2010 with the confirmation of funding for the next three years. It was implemented through a number of phases: close out of phase 2, assessment and design, inception and implementation. The capacity of infrastructure departments to spend the resources available to them has been a perennial concern of Gauteng Provincial Government. Public Finance ensured that the Executive Infrastructure Management Committee (EIMC) and Provincial Infrastructure Management Committee (PIMC) are properly functioning. These management structures were established to speed up the delivery of infrastructure in the province and to look at funding and procurement issues. IDIP phase 3 has been rolled-out to reverse the trend of under-spending departments and rightly focus on systems of planning, procurement and project management.

In ensuring optimal usage of financial systems within the GPG, the Department has entered into a joint partnership with the Public Administration Leadership and Management Academy (PALAMA) and National Treasury in training financial system users on the Standard Chart of Account (SCOA). Misallocation of transactions has been a major challenge for all departments, and the unit will continue to provide training on financial systems reconciliations and reports to help departments overcome this problem. Modules to assist departments with challenges related to Assets, Inventory Management, Budget and Data Warehousing have also been presented; and the unit facilitated the merge process of the newly established departments by ensuring that their financial systems are aligned to the Department's new mandate. Treasury, through its Financial Systems Directorate, will continue to fast-track the implementation and rollout of the Integrated Financial System (IFMS) and all other financial management solutions.

In accordance with Treasury Regulations, the department continues to provide project appraisal and regulatory oversight support to Public Private Partnerships (PPPs) in the province. Currently, Chris Hani Baragwanath and Dr George Mukhari hospitals are the two health PPP projects. It is envisaged that they will be co-funded by the province, national government, and the Development Bank of Southern Africa (DBSA). Private sector finance is being considered as an option, though the extent of this would only be ascertained once a feasibility report has been finalized. It is envisaged that the institutions will provide health services including tertiary services, and offer medical training in collaboration with identified universities.

In endeavour to monitor the departments' compliance to Treasury Regulations and Division of Revenue Act, 2010 (DORA) GDF, configured the system to produce a report to track the open purchase orders with goods received vouchers captured and no invoices. This report is used to track accruals. A memo instructing departments to desist the use of manual orders except in emergency situations was issued and all schedule 5 conditional grants and infrastructure funds have been ring-fenced to ensure that the funds are being utilised for the purpose intended.

The department has identified the need to promote uniformity in Supply Chain Management (SCM) processes at provincial and local government levels, in line with national policy directives and procurement best practices. A Supply Chain Management policy model was therefore drafted, to be customised to suit the needs of provincial departments and entities. The unit provided training and workshops to municipal officials as part of its capacity building initiatives. Reporting of SCM information was facilitated, to assess progress made in implementing preferential procurement policy in the province in line with National Treasury. Provincial Treasury Circulars were also issued, to address SCM transversal issues in the province. These address issues such as deviation from normal procurement processes.

The GDF supported the Department of Infrastructure Development (DID) to ensure compliance to the Government Immovable Assets (No. 19 of 2007)(GIAMA) act. The Premier delegated DID as the custodian of Immovable assets within GPG, and the GDF is assisting the departments with the transferring of all their immovable assets to DID as per section 42 of the PFMA.

### **Improved liquidity and sound reserve levels**

The Fiscal Policy Unit has been engaging all main revenue generating departments to ensure that collection and management of revenue is optimised. Key has been the implementation of revenue initiatives, including electronic data interchange by the Department of Health and Social Development. This system ensures that revenue collection from medical schemes is optimised through on-line submission of invoices, as opposed to manual submissions. There has also been a focus on assisting the Department of Roads and Transport to explore measures to minimize the cost of direct charges to municipalities for motor vehicle licence fees collected. In addition, on behalf of the Department of Economic Development, the Unit is leading a review of the current gambling tax regime. Revenue collection is tracked on a monthly basis, with summary reports prepared monthly and detailed reports quarterly.

The department is in the process of establishing the Gauteng Funding Agency (GFA) with the purpose of institutionalising an alternative funding model for the Gauteng Provincial Government, including the development of strategies to attract private sector funding to government infrastructure projects. In January 2010, EXCO approved the list of projects that will be financed through alternative means, and gave the GFA the mandate to engage in negotiations to secure alternative funding for the following projects: upgrading, refurbishing and building of hospitals within the province; centralisation of patient data/information management systems integration; building 132 new schools; building mixed housing units to create sustainable human settlement; refurbishing, building and constructing the Government Precinct building; constructing new roads; preventative maintenance and rehabilitation of roads; construction of a new waste water treatment plant for the Sedibeng region; and optimising the use of state-owned vacant land for socio-economic development.

### **Sound corporate governance**

In line with the output of ensuring sound corporate governance in the province, working closely with departmental risk management and internal control units, Gauteng Audit Services (GAS) within the GDF has continued to focus its attention on monitoring the implementation of audit recommendations. Regular reports on this were provided to Accounting Officers and Audit Committees, to ensure that progress is effectively monitored and improved to facilitate continuous improvement in the internal control environment. The risk-based and compliance audit sub-programme within the unit has been structured so that it supports GPG departments towards achieving clean audits by 2014. A focus has also been retained on addressing high risk issues in the various departments. This is being done through conducting financial statement audits, as part of internal audit plans, as well as reviewing implementation of recommendations from the Auditor General.

The department continued to provide training through departmental visits and through the Risk Management Forum. Risk Management questionnaires were developed to track the implementation status of risk management in the province's departments. Although there was some improvements areas of weakness were identified and discussed with Chief Risk Officers (CROs) and the Department indicated the assistance which will be provided in order to assist with further improvement. Risk Management Maturity surveys were completed by all delegated municipalities. This revealed that most municipalities are still at an early stage when it comes to the implementation

of risk management systems and processes with most not having a dedicated official for the discipline, which poses a challenge and results in implementation being sluggish.

In dealing with corruption within the province, Forensic Services has concluded 75 forensic investigations in respect of requests received. It has also held 51 fraud and corruption awareness workshops, updated 9 fraud prevention plans, reached all +-18000 GPG users with an on-line and ensured that anti-corruption posters are visible in all provincial government buildings. Fraud detection reviews experienced delays as a result of inability to procure fraud detection software. However, the fraud detection review was conducted manually and three reports were subsequently issued.

### **Improved service delivery quality and access to government services**

The department's talent attraction service has launched TheMaponya Mall Professional Job Centre. This automated recruitment centre will increase access to GPG advertised vacancies.

The consolidation of Information and Communication Technology (ICT) infrastructure will help to improve service delivery and reduce operational costs. The primary focus has been to ensure continued provision of the necessary ICT services to the Province. Currently, the Provincial Wide area Network (WAN) supports 393 sites; which includes bandwidth upgrades.

A number of Enterprise Resource Planning (ERP) modules are being reconfigured for the province's merged departments: Finance, Housing and Local Government, and Health and Social Development. The deployment of the asset management module is continuing in the Department of Sports and Recreation which will improve service delivery in this department.

The Design and Validation centre has been completed and interoperability testing of the various network components for the Gauteng Broadband programme is in progress. The validation and interoperability testing of all network components will ensure effective project delivery and quality assurance and will ensure that the broadband project delivery cost is done within budget. The presentation of several different show cases, visual defence, shared access centres, remote working and command centers.

A total of 1578 schools computer labs have been completed and are fully functional. 107 Local Service Nodes have been successfully constructed and deployed. 9 Gauteng on Line (GoL) busses are actively providing services to those schools that require them. 1578 alarms have been successfully installed in schools to guarantee security.

Through centralized procurement services, GDF assists other departments to comply with legislation guiding government procurement. This includes Section 217 of the Constitution, Public Finance Management Act, the Preferential Procurement Policy and the Broad Black Based Economic Empowerment Act, (53 of 2003). The Department continues to assist other departments in the attainment of the Preferential Procurement Spend target, and has compiled a database of 43 companies owned by People with disabilities. To increase their business, ongoing support is provided to enterprises owned by target groups as well as co-operatives.

## **3. OUTLOOK FOR THE COMING FINANCIAL YEAR (2011-12)**

### **Outcome 7: A responsive, accountable, efficient and effective local government**

#### **Prudent municipal financial management**

The GDF will continue to provide oversight and support to municipalities on both sustainable resource management and financial governance matters. The key focus areas for the period of the 2011/12 Medium Term Revenue and Expenditure Framework (MTREF) budget outlook includes preparation for the local government elections and the incoming political leadership; providing comprehensive support on municipal financial management to facilitate a smooth handover to the new political leadership and top management; ensuring a proper interface between the Municipal Finance Indaba and the Premier's Coordinating Forum; strengthening the system of intergovernmental fiscal relations with specific reference to the interface between planning, budgeting and the transfer of funds and resolving debt owed between organs of state; providing technical support in the implementation of General Recognised Accounting Practice (GRAP) standards and strengthening of the capacity of internal audit and audit committees towards achievement of the 2014 Operation Clean Audit; strengthening support for municipalities through partnership with the DBSA; and exploring other relevant initiatives.

## **Outcome 8a: An efficient, effective and development-oriented public service**

### **Prudent financial Management across GPG**

There will be a continuous review and improvement of outcome based budgeting to strengthen its effectiveness in driving provincial planning, monitoring and evaluation of public spending and service delivery. One of the key strategic objectives is to develop cutting-edge funding and budgeting solutions. Timelines for departmental and provincial reporting on financial and non-financial data will be strengthened in order to give effect to the relevant public service legislation: the PFMA and the Division of Revenue Act (DoRA). Key to ensuring this are: aligning departments' internal processes with provincial processes; and ensuring that financial and non-financial information contained in the reports is reliable, accurate and credible so that they can validly inform national and provincial policy-making decisions. In addition to these reporting requirements and in line with the provincial Programme of Action, the GDF, in collaboration with the Planning Commission, will develop systems and tools for reporting on financial and non-financial performance. This will strengthen the linkages between spending and service delivery and assist with the achievement of provincial outcomes.

In the 2011/12 financial year, GDF units will work in collaboration with Gauteng Planning Commission to continue to focus on financial reporting, with specific focus on the 8 Outcomes adopted by GPG. The basis of reports produced shall continue to be based on factual information obtained from first-hand insight into departmental operations gained by spending time within departments. Monitoring of Conditional Grant expenditure and outcomes will be intensified in line with the grant frameworks as set out in the Division of Revenue Act (DoRA). Interaction with respective grant managers will be based on ascertaining adherence to the grant frameworks, attainment of intended outcomes, value for money and ultimately the impact on the citizens of the province.

Infrastructure budgets for 2011/12 financial year have increased and will require GDF to ensure that departments spend allocated resources prudently and address problems in the infrastructure delivery process. The contribution of infrastructure delivery to economic growth and job creation is well understood. A closer working relationship with all infrastructure departments will be formed to assist them in bringing people with the right sets of skills to work on infrastructure project in order to improve the job creating potential of infrastructure delivery. Coordination between the various departments through existing governance structures will be improved to ensure successful delivery of infrastructure programmes.

The Gauteng provincial government currently operates a large number of financial systems in the transversal systems arena such as the BAS (Basic Accounting System) and Persal, and SAP. These systems are not integrated and vary widely according to age, functionality, architecture and technology. The systems landscape is such that there are varying degrees of business support that these systems are able to provide, and this causes disruptions especially in aggregating information across different departments. The department will aim to support the departments on all transversal systems and on all functionality shortfalls.

PPPs received a strong endorsement at the start of the 2010/11 financial year, when President Jacob Zuma, in his State of the Nation address, highlighted a revitalized partnership between government and the development finance institutions (DFIs), and in particular with the Development Bank of Southern Africa (DBSA), in providing much needed financing for health PPPs, one of Governments primary priority areas in this year. Other projects aligned to national and provincial priorities aimed at promoting economic growth and employment opportunities, such as the schools PPP project, Blue IQ's Automotive Supply Park and the Innovation Hub projects, will be given more attention by the unit. The unit will continue to appraise and play an oversight role to ensure projects are adequately funded and yield value for money for all stakeholders.

The Supply Chain Management (SCM) team will continue to provide support to municipalities and departments to facilitate the process of implementation in the province. The key focus areas will include monitoring implementation of policies, rules and regulations; reducing the number of deviations from normal procurement processes; implementing the reporting system in all departments to assess preferential procurement policy outcomes; and training to facilitate reforms. The process of resolving SCM-related complaints will be reviewed to enable fair procurement practices in the province.



### **Improved liquidity and sound reserve levels**

In an endeavour to instil stringent financial management and improve liquidity and reserve levels, GDF will closely monitor the measures implemented in the 2010/2011 financial year. These include ring-fencing the conditional grants and infrastructure funds; and ensuring that the age analysis of accruals is less than 30 days in a given month. The current bank overdraft will have to be repaid in order for GPG to maintain positive liquidity and build reserves to ensure sufficient funding of provincial priorities.

The department will also work towards ensuring greater and more direct involvement with all key revenue-generating departments over the course of the next financial year. The focus will be on going beyond the analysis of revenue collection to identifying weaknesses in the collection and management of revenue. Departments will also be reminded about and guided on the review of their tariffs in line with the Public Finance Management Act (Act 29 of 1999) and Treasury Regulations.

The Gauteng Funding Agency of the department will continue to serve as a catalyst for mobilising private and other investments, harnessing the goodwill of international development finance institutions, fulfilling the mandate of economic and social responsibility, providing advisory services, and managing funds for the financing of tangible public infrastructure.

### **Sound corporate governance**

In the 2011/12 financial year, the Audit Services division will continue to provide internal audit services by performing risk, computer and performance audits in line with approved internal audit plans. These will focus on areas identified as high risk by the various departments and will also take into account areas that have been highlighted by the Auditor General. Priority will be given to ongoing monitoring of implementation of audit recommendations across GPG departments and providing regular report-backs on this implementation to Heads of Departments and Audit Committees to ensure that progress is effectively monitored and improved.

Risk Management is an evolving discipline. In view of this, the Gauteng Provincial Risk Management will be aligned to the recently released Public Sector Risk Management Framework (PSRMF) and the International Standards on Risk Management (ISO 31000). The Financial Management Capability Maturity Model will be disseminated to departments to complete of which the results will indicate areas to be improved upon. Monitoring is an important component of the risk management process and Risk Management Committees play a critical role in this. These committees will be trained in their roles and responsibilities. Phase 2 of the Standard Procedure Manuals project, which deals with the development of procedures manuals, will be concluded. In terms of municipalities, efforts will be directed at correcting weaknesses identified through the Risk Maturity Survey conducted through National Treasury. This will be done jointly with municipalities.

### **Improved service delivery quality and access to government services**

The public will have assurance that their data is secure and that they can transact safely with government. The Security Operations Centre(SOC) will significantly assist in providing a stable ICT environment for the Province, eliminating threats and improving ICT services.

It is envisaged that the remaining 595 computer labs for the Gauteng Online Schools Programme (GoL) will be completed, thus bridging the digital divide for the remaining 32% of Gauteng learners. An additional 5 Local Service Nodes will be constructed and deployed, ensuring that all schools in Gauteng enjoy connectivity. A further 3 GoL busses will be rolled out to cater for the needs of the physically challenged pupil. An additional 595 alarms will be installed at the remaining schools. 12398 educators will be given orientation training and 28011 educators will be given advanced training. The provision of email addresses to all outstanding learners and educators will be accomplished.

It is envisaged that the new GPGportal will be up and running and the existing applications functional by the end of 2010/2011. The e-gov subcommittee, in conjunction with all GPG departments, will nominate services to be developed at an application layer that will be deployed on the portal. Eight new applications will be developed. These will give citizens easy access to government services.

The GDF will continue to assist departments in reaching Preferential Procurement Spend targets, particularly in the areas of generating spend reports and monitoring and evaluating progress. In addition, in the area of business and other developmental opportunities, the Department will continue to support enterprises owned by target groups and co-operatives. Cooperatives in non-professional services such as catering, gardening, cleaning, and some parts of security will be identified and developed, thus assisting with creating work and building a growing, inclusive economy and sustainable livelihoods at a micro level and within local communities.

## 4. REVENUE AND FINANCING

Departmental receipts consist of equitable share transfers from national government. Other sources of revenue are interest income, gym fees and fees on parking facilities. There are no significant fluctuations year-on-year with regard to total revenue as the equitable share comprises the Department's main source of revenue.

### 4.1 Summary of Receipts

TABLE 1: SUMMARY OF RECEIPTS: DEPARTMENT OF FINANCE

|                       | Outcome          |                  |                  | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates |                  |                  |
|-----------------------|------------------|------------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| R thousand            | 2007/08          | 2008/09          | 2009/10          | 2010/11            |                        |                  | 2011/12               | 2012/13          | 2013/14          |
| Equitable share       | 1 192 078        | 1 437 926        | 1 526 291        | 1 491 699          | 1 510 274              | 1 510 274        | 1 555 163             | 1 642 012        | 1 738 330        |
| Conditional Grants    | 4000             | 4200             | 4410             | 4734               | 4734                   | 4734             |                       |                  |                  |
| <b>Total receipts</b> | <b>1 196 078</b> | <b>1 442 126</b> | <b>1 520 701</b> | <b>1 496 433</b>   | <b>1 515 008</b>       | <b>1 515 008</b> | <b>1 555 163</b>      | <b>1 642 012</b> | <b>1 738 330</b> |

The departmental equitable share increases in absolute terms from an adjusted appropriation of R1, 510 billion in 2010/11 to R1, 738 billion in 2013/14. This represents an annual average increase of 4.8 per cent over the MTEF. Another source of departmental revenue is conditional grants which increased from R4 million in 2007/08 to R4, 734 million in 2010/11. However, provision is not made for conditional grants over the MTEF.

### 4.2 Departmental receipts collection

TABLE 2: DEPARTMENTAL RECEIPTS: DEPARTMENT OF FINANCE

|   | Outcome        |                |               | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates |               |               |
|---|----------------|----------------|---------------|--------------------|------------------------|------------------|-----------------------|---------------|---------------|
| R thousand  | 2007/08        | 2008/09        | 2009/10       | 2010/11            |                        |                  | 2011/12               | 2012/13       | 2013/14       |
| <b>Tax receipts</b>                                   |                |                |               |                    |                        |                  |                       |               |               |
| Casino taxes  |                |                |               |                    |                        |                  |                       |               |               |
| Horse racing taxes                                    |                |                |               |                    |                        |                  |                       |               |               |
| Liquor licenses                                       |                |                |               |                    |                        |                  |                       |               |               |
| Motor vehicle licenses                                |                |                |               |                    |                        |                  |                       |               |               |
| Sales of goods and services other than capital assets | 410            | 752            | 786           | 629                | 785                    | 951              | 806                   | 817           | 828           |
| Transfers received                                    |                |                |               |                    |                        |                  |                       |               |               |
| Fines, penalties and forfeits                         |                |                |               |                    |                        |                  |                       |               |               |
| Interest, dividends and rent on land                  | 326 024        | 128 760        | 54 162        | 50 000             | 14 450                 | 31 039           | 30 000                | 50 000        | 50 000        |
| Sales of capital assets                               |                |                |               |                    | 62                     | 62               |                       |               |               |
| Transactions in financial assets and liabilities      | 5 283          | 5 459          | 1 955         |                    | 527                    | 637              | 535                   | 540           | 545           |
| <b>Total departmental receipts</b>                    | <b>331 717</b> | <b>134 971</b> | <b>56 903</b> | <b>50 629</b>      | <b>15 824</b>          | <b>32 689</b>    | <b>31 341</b>         | <b>51 357</b> | <b>51 373</b> |

Departmental revenue sources are mainly limited to interest, dividends and rent on land. This category is largely comprised of interest earned through investments of surplus funds and/or provincial reserves in the financial markets. The contribution of such departmental sources has diminished over the last few years due to the depletion of provincial reserves. Departmental receipts show a declining trend over the MTEF, from R331, 717 million in 2007/08 to a revised estimate of R32,689 million in 2010/11.



The significant drop in interest income is forecasted to be the continuing trend over the MTEF due to there being no investment activities in the financial markets due to lack of investable surplus funds. Also there has been a tendency in preceding financial years for accelerated expenditure in GPG departments in the last quarter of the financial year. This subsequently reduces balances at the Corporation for Public Deposits (CPD). Interest generated to date has been earned from positive bank balances and credit balances at the CPD. Also, there are no provincial reserves which can be invested due to unauthorised expenditure which has not been condoned.

The drop in revenue collection has had a huge impact on the ability of the province to optimise own revenue collection as only a handful of departments are regarded as significant revenue generators. Future forecasts paint a picture of domestic inflation remaining in the lower inflation target range until 2012, thus requiring a more conservative approach in GDF's interest revenue projections in coming financial years. GDF does not anticipate any core investment activities in the financial markets and thus future projections are highly conservative. Implementation of the Cash Coordination Project planned by the South African Reserve Bank for the near future will place investment powers with the CPD. There are number of measures planned to ensure sound cash management discipline within the province, compelling departments to reprioritise their commitments, revise their spending patterns and habits and continuously plan and monitor those commitments. Such measures include introduction of and adherence to monthly cash allocations for departments and strict monitoring of Schedule 5 conditional grant requests and expenditure thereof. Over the 2011/12 financial year, revenue is projected at R31, 341 million.

Transactions in financial assets and liabilities are mainly limited to recovery of debt and refunds relating to the previous year's expenditure. Collection of this revenue fluctuates and therefore no noticeable trend can be deduced from this category.

Revenue collected under sales of goods and services other than capital assets includes membership fees paid in respect to the use of a staff gym provided at a nominal fee. The focus is not cost recovery but to encourage staff members to lead a healthy lifestyle through regular exercise.

## 5. PAYMENT SUMMARY

### 5.1 Key assumptions

The budget for the 2011/12 MTEF period is based on the department's approved Strategic and Annual Performance Plans, in line with the identified outcomes. Provision was also made for the inflationary linked wage adjustment of 5.6 per cent, 5 per cent and 5 per cent for 2011/12, 2012/13 and 2013/14, respectively, and an annual 1.5 per cent for pay progression and performance bonuses. With regard to non-personnel items, inflationary adjustment as well as cost cutting measures as per the fiscal discipline rules adopted by Executive council EXCO were taken into account.

### 5.2 Programme summary

TABLE 3: SUMMARY OF PAYMENTS AND ESTIMATES: DEPARTMENT OF FINANCE

| R thousand                         | Outcome |         |         | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates |         |         |
|------------------------------------|---------|---------|---------|--------------------|------------------------|------------------|-----------------------|---------|---------|
|                                    | 2007/08 | 2008/09 | 2009/10 | 2010/11            |                        |                  | 2011/12               | 2012/13 | 2013/14 |
| 1. Administration                  | 222 741 | 254 153 | 384 201 | 271 935            | 297 055                | 461 816          | 320 216               | 403 338 | 443 700 |
| 2. Sustainable Resource Management | 64 055  | 90 410  | 70 719  | 91 024             | 85 232                 | 82 681           | 98 802                | 101 302 | 103 889 |
| 3. Financial Governance            | 18 696  | 21 967  | 19 186  | 34 397             | 43 081                 | 29 525           | 45 770                | 45 725  | 47 969  |

|                                     | Outcome          |                  |                  | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates |                  |                  |
|-------------------------------------|------------------|------------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| R thousand                          | 2007/08          | 2008/09          | 2009/10          | 2010/11            |                        |                  | 2011/12               | 2012/13          | 2013/14          |
| 4. Provincial Accounting Services   | 38 500           | 63 296           | 67 679           | 63 768             | 49 767                 | 50 761           | 55 760                | 58 528           | 61 501           |
| 5. Gauteng Audit Services           | 47 953           | 37 992           | 45 778           | 47 189             | 45 649                 | 49 645           | 50 682                | 53 462           | 56 359           |
| 6. Hire-to-Retire Services          | 104 597          | 97 505           | 94 278           | 87 903             | 103 699                | 110 607          | 91 094                | 95 447           | 100 195          |
| 7. Procure-to-Pay Services          | 85 917           | 91 865           | 87 185           | 92 305             | 85 844                 | 86 246           | 91 689                | 96 016           | 100 734          |
| 8. Technology Support Services      | 591 618          | 668 023          | 736 685          | 807 912            | 804 681                | 803 685          | 801 150               | 788 194          | 823 983          |
| 9. Programme Management Unit        | 44 142           |                  |                  |                    |                        |                  |                       |                  |                  |
| <b>Total payments and estimates</b> | <b>1 218 219</b> | <b>1 325 211</b> | <b>1 505 711</b> | <b>1 496 433</b>   | <b>1 515 008</b>       | <b>1 674 966</b> | <b>1 555 163</b>      | <b>1 642 012</b> | <b>1 738 330</b> |

### 5.3 Summary of economic classification

TABLE 4: SUMMARY OF PROVINCIAL PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: DEPARTMENT OF FINANCE

|   | Outcome          |                  |                  | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates |                  |                  |
|---|------------------|------------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| R thousand  | 2007/08          | 2008/09          | 2009/10          | 2010/11            |                        |                  | 2011/12               | 2012/13          | 2013/14          |
| <b>Current payments</b>                             | <b>1 066 351</b> | <b>1 232 606</b> | <b>1 404 442</b> | <b>1 400 537</b>   | <b>1 433 420</b>       | <b>1 593 213</b> | <b>1 468 512</b>      | <b>1 553 197</b> | <b>1 647 594</b> |
| Compensation of employees                           | 355 730          | 389 675          | 468 448          | 527 614            | 546 728                | 546 728          | 619 019               | 649 826          | 682 993          |
| Goods and services                                  | 710 621          | 842 931          | 935 994          | 872 923            | 886 692                | 1 046 485        | 849 493               | 903 371          | 964 601          |
| Interest and rent on land                           |                  |                  |                  |                    |                        |                  |                       |                  |                  |
| <b>Transfers and subsidies to:</b>                  | <b>41 500</b>    | <b>61 892</b>    | <b>40 230</b>    | <b>52 000</b>      | <b>52 036</b>          | <b>52 321</b>    | <b>50 000</b>         | <b>50 000</b>    | <b>50 000</b>    |
| Provinces and municipalities                        | 1 500            | 1 551            |                  | 2 000              | 1 500                  | 1 500            |                       |                  |                  |
| Departmental agencies and accounts                  | 40 000           | 60 000           | 40 000           | 50 000             | 50 000                 | 50 037           | 50 000                | 50 000           | 50 000           |
| Universities  |                  |                  |                  |                    |                        |                  |                       |                  |                  |
| Foreign governments and international organisations |                  |                  |                  |                    |                        |                  |                       |                  |                  |
| Public corporations and private enterprises         |                  |                  |                  |                    |                        |                  |                       |                  |                  |
| Non-profit institutions                             |                  |                  |                  |                    |                        |                  |                       |                  |                  |
| Households  |                  | 341              | 230              |                    | 536                    | 784              |                       |                  |                  |
| <b>Payments for capital assets</b>                  | <b>110 368</b>   | <b>30 713</b>    | <b>61 028</b>    | <b>43 896</b>      | <b>29 552</b>          | <b>29 432</b>    | <b>36 651</b>         | <b>38 815</b>    | <b>40 736</b>    |
| Buildings and other fixed structures                |                  | 37               |                  |                    |                        |                  |                       |                  |                  |
| Machinery and equipment                             | 24 952           | 30 459           | 60 880           | 43 896             | 29 477                 | 29 357           |                       |                  |                  |
| Heritage Assets                                     |                  |                  |                  |                    |                        |                  |                       |                  |                  |
| Specialised military assets                         |                  |                  |                  |                    |                        |                  |                       |                  |                  |
| Biological assets                                   |                  |                  |                  |                    |                        |                  |                       |                  |                  |
| Land and sub-soil assets                            |                  |                  |                  |                    |                        |                  |                       |                  |                  |
| Software and other intangible assets                | 85 416           | 217              | 148              |                    | 75                     | 75               | 36 651                | 38 815           | 40 736           |
| <b>Payments for financial assets</b>                |                  |                  | <b>11</b>        |                    |                        |                  |                       |                  |                  |
| <b>Total economic classification</b>                | <b>1 218 219</b> | <b>1 325 211</b> | <b>1 505 711</b> | <b>1 496 433</b>   | <b>1 515 008</b>       | <b>1 674 966</b> | <b>1 555 163</b>      | <b>1 642 012</b> | <b>1 738 330</b> |

The Department's budget has seen a steady increase over the period 2007/08 and 2009/10. The increase in 2008/09 is attributable to implementation of the Asset Valuation project in March 2008 though payments were effected in the 2008/09 financial year. In the same year the Department was tasked to procure and install generators at selected clinics, hospitals and schools on behalf of the Health and Education departments. In addition to the transfer of the Gauteng on Line project from the Department of Education, additional funding

was provided to the Department to enhance information security systems amid a virus attack in 2007. Lastly, in 2007/08 the management and budget of R26 million of the then Gauteng Fund was transferred to the Gauteng Treasury and in 2008/09 the budget was increased to R50 million. In 2009/10 the overall budget increase emanates from the Administration and Technology Support Services mainly due to the running of the GPG-wide contact centre and implementation of the Gauteng on Line school project.

In 2010/11 the budget allocation declined to R1.496 million but it was later adjusted to R1.515 million. The province had to implement major cost cutting measures as well as some reprioritization to curb excessive overspending which resulted in an audited deficit of R503 million. Hence the decline in the Department's allocation and the slight increase during the adjustment is to cater for higher than anticipated wage settlement and other improved conditions of service as well as housing allowances.

Compensation of employees saw a gradual increase for the period 2007/08 and 2010/11 mainly due to higher than anticipated salary adjustments. In addition, restructuring within the province which led to Gauteng Treasury being amalgamated with Gauteng Shared Services in 2009/10 contributed to the high increase of R78 million between 2009/10 and 2010/11. Over the MTEF, an increase from R619 million to R683 million is influenced by adjustment projections resulting from inflation, filling of critical positions and recruitment of 70 call centre agents. In respect of the latter, the Department took the decision to cease outsourcing contact call centre operations and run it internally, consequently call centre agents were employed in February 2011 and the full structure has been budgeted for the MTEF.

The increase in goods and services between 2007/08 and 2008/09 was influenced by amongst other things the intensified roll out of multi- purpose community centres in townships to promote electronic access to government services and the utilization of consultants to run the contact centre as well as addressing capacity constraints in the audit environment. However, in 2009/10 the Department reviewed commitments, contracts and use of consultants with a view to dealing with inefficiencies which were exerting pressure on the budget. As a result of this concerted effort, goods and services expenditure only grew by R93 million in 2009/10. The full impact of the reprioritization was expected to be noticed in 2010/11, hence a decrease of R49 million in the 2010/11 adjusted appropriation. The Department however estimates that overspending will be recorded at the end of the financial year due to legal fees incurred when cancelling the Contact Centre contract with the service provider.

Over the MTEF, goods and services increase from R849 million in 2011/12 to R964 million in 2013/14, an average annual growth rate of 6 per cent. Provincial earmarked allocations, Gauteng-On-Line (GoL) in particular, accounts for 60 per cent of total goods and services. The balance in goods and services caters for departmental overheads, other critical operational costs and, to a lesser degree, contractual commitments.

Expenditure under transfer and subsidies has been fluctuating between 2007/08 and 2010/11. In 2008/09 the Department continued to capacitate municipalities with a special internship grant of R1.5 million and funding for the Gauteng Fund was increased by R20 million to R60 million, hence the increase in expenditure. The grant was discontinued in 2009/10, reducing expenditure, and was reintroduced in 2010/11 resulting in an increase to R53 million. Over the MTEF a yearly allocation of R50 million has been provided for the Gauteng Funding Agency.

The fluctuations noted under payments of capital assets over the four-year period are mainly due to the procurement of the software license for the electronic security system amid the virus attack in 2007 and furniture and other machinery to accommodate the increase in personnel by the then Gauteng Treasury Department in 2007/08. Expenditure on machinery and equipment increased again in 2009/10 because of the move by Treasury personnel from Matlotlo to the 78 Fox street building due to space constraints. From 2010/11 and over the MTEF, payments for capital assets mainly comprise provision for software licences, hence the reduction in budget. Furthermore, the Department has decided to lease computers, as opposed to purchasing them outright. Thus provision has been made under lease payments in goods and services to implement the leasing of departmental computers.

## 6. PROGRAMME DESCRIPTION

### PROGRAMME 1: ADMINISTRATION

#### Programme description

To provide well-functioning, co-ordinated programmes and activities to ensure that the Department delivers on its role and mandate

**TABLE 5: SUMMARY OF PAYMENTS AND ESTIMATES: ADMINISTRATION**

|  | Outcome        |                |                | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates |                |                |
|--|----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| R thousand                                       | 2007/08        | 2008/09        | 2009/10        | 2010/11            |                        |                  | 2011/12               | 2012/13        | 2013/14        |
| 1. Office of the MEC                             | 302            | 222            | 3 404          | 7 192              | 5 667                  | 5 667            | 6 592                 | 6 990          | 7 402          |
| 2. Office of the HOD                             | 139 429        | 53 058         | 39 237         | 57 441             | 13 653                 | 53 305           | 4 552                 | 4 696          | 4 828          |
| 3. Division Head: Shared Services                |                | 8 674          | 3 867          | 7 041              | 7 041                  | 6 991            | 2 177                 | 2 292          | 2 409          |
| 4. Division Head: Treasury Services              |                |                |                | 2 518              | 2 518                  | 2 468            | 2 626                 | 2 768          | 2 911          |
| 5. Internal Finance                              | 17 310         | 36 965         | 105 137        | 56 549             | 35 948                 | 42 795           | 64 951                | 130 937        | 152 616        |
| 6. Corporate Services                            | 50 539         | 75 198         | 91 291         | 85 056             | 107 848                | 103 533          | 168 336               | 181 093        | 195 062        |
| 7. Strategy Management & Enterprise Intergration |                | 53 005         | 113 088        | 29 294             | 96 605                 | 219 282          | 45 074                | 47 392         | 49 940         |
| 8. Forensic Services                             | 15 161         | 12 239         | 11 420         | 14 371             | 12 861                 | 12 861           | 11 424                | 12 003         | 12 621         |
| 9. Document & Records Management                 |                | 14 792         | 16 757         | 12 473             | 14 914                 | 14 914           | 14 484                | 15 167         | 15 911         |
| <b>Total payments and estimates</b>              | <b>222 741</b> | <b>254 153</b> | <b>384 201</b> | <b>271 935</b>     | <b>297 055</b>         | <b>461 816</b>   | <b>320 216</b>        | <b>403 338</b> | <b>443 700</b> |

**TABLE 6: SUMMARY OF ECONOMIC CLASSIFICATION: ADMINISTRATION**

|   | Outcome        |                |                | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates |                |                |
|---|----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| R thousand  | 2007/08        | 2008/09        | 2009/10        | 2010/11            |                        |                  | 2011/12               | 2012/13        | 2013/14        |
| <b>Current payments</b>                             | <b>215 999</b> | <b>242 990</b> | <b>324 511</b> | <b>259 844</b>     | <b>296 649</b>         | <b>460 553</b>   | <b>320 216</b>        | <b>403 338</b> | <b>443 700</b> |
| Compensation of employees                           | 70 285         | 85 014         | 116 524        | 148 410            | 142 043                | 148 207          | 169 334               | 177 766        | 186 878        |
| Goods and services                                  | 145 714        | 157 976        | 207 987        | 111 434            | 154 606                | 312 346          | 150 882               | 225 572        | 256 822        |
| Interest and rent on land                           |                |                |                |                    |                        |                  |                       |                |                |
| <b>Transfers and subsidies to:</b>                  |                | <b>51</b>      | <b>33</b>      |                    | <b>330</b>             | <b>339</b>       |                       |                |                |
| Provinces and municipalities                        |                |                |                |                    |                        |                  |                       |                |                |
| Departmental agencies and accounts                  |                |                |                |                    |                        | 37               |                       |                |                |
| Universities  |                |                |                |                    |                        |                  |                       |                |                |
| Foreign governments and international organisations |                |                |                |                    |                        |                  |                       |                |                |
| Public corporations and private enterprises         |                |                |                |                    |                        |                  |                       |                |                |
| Non-profit institutions                             |                |                |                |                    |                        |                  |                       |                |                |
| Households  |                | 51             | 33             |                    | 330                    | 302              |                       |                |                |
| <b>Payments for capital assets</b>                  | <b>6 742</b>   | <b>11 112</b>  | <b>59 646</b>  | <b>12 091</b>      | <b>76</b>              | <b>924</b>       |                       |                |                |
| Buildings and other fixed structures                |                |                |                |                    |                        |                  |                       |                |                |
| Machinery and equipment                             | 6 133          | 11 004         | 59 498         | 12 091             | 1                      | 849              |                       |                |                |
| Heritage Assets                                     |                |                |                |                    |                        |                  |                       |                |                |
| Specialised military assets                         |                |                |                |                    |                        |                  |                       |                |                |

|                                      | Outcome        |                |                | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates |                |                |
|--------------------------------------|----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| R thousand                           | 2007/08        | 2008/09        | 2009/10        | 2010/11            |                        |                  | 2011/12               | 2012/13        | 2013/14        |
| Biological assets                    |                |                |                |                    |                        |                  |                       |                |                |
| Land and sub-soil assets             |                |                |                |                    |                        |                  |                       |                |                |
| Software and other intangible assets | 609            | 108            | 148            |                    | 75                     | 75               |                       |                |                |
| Payments for financial assets        |                |                | 11             |                    |                        |                  |                       |                |                |
| <b>Total economic classification</b> | <b>222 741</b> | <b>254 153</b> | <b>384 201</b> | <b>271 935</b>     | <b>297 055</b>         | <b>461 816</b>   | <b>320 216</b>        | <b>403 338</b> | <b>443 700</b> |

The budget for Administration has been steadily increasing over the past four years. In 2008/09 the increase was due to the establishment of two sub-programmes namely; Document and Records Management which provides mailing services for the whole GPG and employs over fifty officials; and Strategy Management and Enterprise Integration. The office the MEC was housed within the Department of Economic Development until 2009/10 when the MEC for Finance was appointed and this resulted in an increase in budget for that office. The running of the Contact Centre has also contributed to the increase in expenditure in 2009/10 and 2010/11. Personnel growth within the programme has been exacerbated by the reconfiguration processes whereby administration personnel from both GSSC and Treasury had to be combined under this programme effective from 2009/10.

The 2010/11 compensation revised estimate is R148 million, a 27 per cent increase from the previous financial year. The budget increases from R169 million in 2011/12 to R187 million in 2013/14, an average growth of 10 per cent over the MTEF. Contributing to this above-average increase in compensation is the provision that has been made under the Human Capital Management sub-programme for annual notch progressions and other personnel-related costs, such as performance bonuses. In addition, 70 Contact Centre agents were brought on board, effective 1st February 2011, thus contributing to the above-average increase. On the whole, both the absolute and relative changes in compensation in the Administration programme are in line with growth projections.

In 2010/11 the main appropriation was R111 million. The revised estimate is however R312 million, due to funds being shifted to this item to alleviate over spending. Goods and services increase from R150 million in 2011/12 to R257 million in 2013/14, an average annual growth rate of 70 per cent over the MTEF. This growth is accounted for by the decision to centralize all common business items in the office of the CFO and in Corporate Services, being items such as stationery and printing, travel, departmental catering, utilities, operating overheads, etc. Furthermore, provision for the payment of accruals and commitments, to the extent permitted by available resources, has been made in the office of the CFO.

## PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT

### Programme description

The aim of this programme is to manage the provincial budget process in an effective manner to optimize revenue and improve utilization and resource allocation thus achieving maximization of socio-economic benefits to Gauteng citizens.

### Programme objectives

- To allocate resources to outputs in an optimal and transparent manner aligned with the national and provincial outcomes and addressing equity and spatial development
- To implement budget reforms, enhancing provincial budgeting processes
- To maximise current revenue sources and optimise potential new revenue streams.
- To develop and implement a comprehensive provincial revenue strategy
- To provide advisory services to relevant stakeholders on fiscal policy matters and on the medium term fiscal framework
- To provide provincial socio-economic research and analysis to inform resource allocation and utilization

### Fiscal Policy and Economic Analysis

- To maximise current revenue sources and optimise potential new revenue streams
- To develop and implement a comprehensive provincial revenue strategy
- To provide advisory services to relevant stakeholders on fiscal policy matters and the medium term fiscal framework
- To provide provincial socio-economic research and analysis in order to inform resource allocation and

utilisation

- Budget Management
- To allocate resources in an optimal and transparent manner aligned to national and provincial priorities and address equity and spatial development
- To implement budget reforms which enhance budgeting processes in the province.

### Public Private Partnerships

- To facilitate, enhance and compliment provincial revenue through private investment in infrastructure and service delivery
- To evolve as a dynamic and sustainable centre of excellence for PPPs, providing technical assistance to public institutions through analysis of project feasibility, procurement and management
- To improve the infrastructure and service delivery efficiency of the province.
- To drive PPP deal flow by identifying project opportunities that yield value to all stakeholders

### Public Finance

- To provide strategic support to departments and agencies to enable them to utilise public resources effectively
- To conduct sector level policy analysis in order to maximise efficiency gains and value for money
- To monitor and evaluate performance outcomes of spending agencies

**TABLE 7: SUMMARY OF PAYMENTS AND ESTIMATES: SUSTAINABLE RESOURCE MANAGEMENT**

|  | Outcome       |               |               | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates |                |                |
|--|---------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| R thousand                             | 2007/08       | 2008/09       | 2009/10       | 2010/11            |                        |                  | 2011/12               | 2012/13        | 2013/14        |
| 1. SRM Programme Support               | 42 122        | 61 614        | 41 712        | 52 153             | 51 732                 | 51 800           | 54 519                | 54 754         | 54 987         |
| 2. Budget Management                   | 5 546         | 8 541         | 8 738         | 10 278             | 8 742                  | 7 356            | 12 622                | 13 231         | 13 863         |
| 3. Fiscal Policy and Economic Analysis | 4 061         | 7 237         | 6 717         | 10 004             | 8 475                  | 7 302            | 8 418                 | 8 847          | 9 302          |
| 4. Public Finance                      | 8 798         | 9 321         | 9 640         | 13 315             | 11 361                 | 11 300           | 18 323                | 19 292         | 20 286         |
| 5. Public Private Partnership          | 3 528         | 3 697         | 3 912         | 5 274              | 4 922                  | 4 923            | 4 920                 | 5 178          | 5 451          |
| <b>Total payments and estimate</b>     | <b>64 055</b> | <b>90 410</b> | <b>70 719</b> | <b>91 024</b>      | <b>85 232</b>          | <b>82 681</b>    | <b>98 802</b>         | <b>101 302</b> | <b>103 889</b> |

**TABLE 8: SUMMARY OF ECONOMIC CLASSIFICATION: SUSTAINABLE RESOURCE MANAGEMENT**

|   | Outcome       |               |               | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates |               |               |
|---|---------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|---------------|---------------|
| R thousand  | 2007/08       | 2008/09       | 2009/10       | 2010/11            |                        |                  | 2011/12               | 2012/13       | 2013/14       |
| <b>Current payments</b>                             | <b>23 326</b> | <b>30 410</b> | <b>30 719</b> | <b>41 024</b>      | <b>35 232</b>          | <b>32 681</b>    | <b>48 802</b>         | <b>51 302</b> | <b>53 889</b> |
| Compensation of employees                           | 14 782        | 21 308        | 27 081        | 33 863             | 31 289                 | 28 860           | 42 213                | 44 405        | 46 704        |
| Goods and services                                  | 8 544         | 9 102         | 3 638         | 7 161              | 3 943                  | 3 821            | 6 589                 | 6 897         | 7 185         |
| Interest and rent on land                           |               |               |               |                    |                        |                  |                       |               |               |
| <b>Transfers and subsidies to:</b>                  | <b>40 000</b> | <b>60 000</b> | <b>40 000</b> | <b>50 000</b>      | <b>50 000</b>          | <b>50 000</b>    | <b>50 000</b>         | <b>50 000</b> | <b>50 000</b> |
| Provinces and municipalities                        |               |               |               |                    |                        |                  |                       |               |               |
| Departmental agencies and accounts                  | 40 000        | 60 000        | 40 000        | 50 000             | 50 000                 | 50 000           | 50 000                | 50 000        | 50 000        |
| Universities  |               |               |               |                    |                        |                  |                       |               |               |
| Foreign governments and international organisations |               |               |               |                    |                        |                  |                       |               |               |
| Public corporations and private enterprises         |               |               |               |                    |                        |                  |                       |               |               |
| Non-profit institutions                             |               |               |               |                    |                        |                  |                       |               |               |
| Households  |               |               |               |                    |                        |                  |                       |               |               |
| <b>Payments for capital assets</b>                  | <b>729</b>    |               |               |                    |                        |                  |                       |               |               |
| Buildings and other fixed structures                |               |               |               |                    |                        |                  |                       |               |               |
| Machinery and equipment                             | 729           |               |               |                    |                        |                  |                       |               |               |
| Heritage Assets                                     |               |               |               |                    |                        |                  |                       |               |               |



| R thousand                           | Outcome       |               |               | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates |                |                |
|--------------------------------------|---------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
|                                      | 2007/08       | 2008/09       | 2009/10       | 2010/11            |                        |                  | 2011/12               | 2012/13        | 2013/14        |
| Specialised military assets          |               |               |               |                    |                        |                  |                       |                |                |
| Biological assets                    |               |               |               |                    |                        |                  |                       |                |                |
| Land and sub-soil assets             |               |               |               |                    |                        |                  |                       |                |                |
| Software and other intangible assets |               |               |               |                    |                        |                  |                       |                |                |
| <b>Payments for financial assets</b> |               |               |               |                    |                        |                  |                       |                |                |
| <b>Total economic classification</b> | <b>64 055</b> | <b>90 410</b> | <b>70 719</b> | <b>91 024</b>      | <b>85 232</b>          | <b>82 681</b>    | <b>98 802</b>         | <b>101 302</b> | <b>103 889</b> |

Fluctuations in expenditure between 2007/08 and 2010/11 by the subprogramme Sustainable Resource Management relates to increases and decreases in allocations to the Gauteng Fund agency. The allocation was increased to R60 million in 2008/09 to properly capacitate the agency. The reduction to R40 million in 2009/10 came as part of reprioritization by the Department to avoid inevitable overspending. For 2010/11 inflationary adjustments have been provided for, remaining constant at R50 million over the MTEF. Since the programme is labour intensive fluctuations are also influenced by staff turnover and filling of positions. For instance in 2008/09 an increase in compensation of employees was due to filling of critical positions including recruitment of infrastructure specialists within the Public Finance unit. Infrastructure specialists are key to ensuring successful implementation of the Infrastructure Delivery programme which seeks to ensure that departments align the budget and infrastructure delivery cycle. In 2009/10 as part of reconfiguration processes, a moratorium on filling of positions was put in place, hence the decline in expenditure. In 2010/11 only critical positions are being filled.

The programme's total estimated expenditure increases from R82 million in 2010/11 to R103 million in 2013/14. Compensation of employees is the main growth category, increasing from R31 million in 2010/11 to R47 million in 2013/14. The above-average increase in compensation during this period reflects the full impact of the filling of critical posts in the second half of the financial year, whereas starting in 2011/12 provision for compensation is made for the entire financial year. Furthermore, annual earmarked allocations for capacity building in respect of the Programme Support and Budget Management sub-programmes contributed to the absolute increase in the compensation of employees. Excluding the impact of the filling of critical posts and earmarked allocations, starting in financial year 2011/12 compensation growth is consistent with growth assumptions and projections in respect of the compensation of employees.

Overall, expenditure estimates for goods and services in this programme increase from R4 million in 2010/11 to R7 million in 2013/14; over the MTEF, the programme experiences a net increase in expenditure on goods and services. The main cost driver for the increase relates to the earmarked allocation under the Public Finance sub-programme, an allocation intended for supporting capacity building in identified GPG departments, averaging R5 million annually over the MTEF.

## SERVICE DELIVERY MEASURES

### PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT

| Subprogramme/Performance measures  | Estimated Annual Targets   |  |  |
|--|--|--|--|
|  | 2011/12  | 2012/13  | 2013/14  |
| <b>Budget Management</b>   |  |  |  |
| Tabling of an MTEF and adjustment budget that is informed by government priorities   | Tabling of an MTEF and adjustment budget that is informed by government priorities   | Tabling of an MTEF and adjustment budget that is informed by government priorities   | Tabling of an MTEF and adjustment budget that is informed by government priorities   |
| Timeous, qualitative and accurate legislated submissions (S32 of PFMA, QPR, APP, in- year monitoring, main and adjustment budget, Provincial Gazette in terms of DoRA, reporting on provincial gazette) from departments and to NT (monthly, quarterly and annual) | Timeous, qualitative and accurate legislated submissions (S32 of PFMA, QPR, APP, in- year monitoring, main and adjustment budget, Provincial Gazette in terms of DoRA, reporting on provincial gazette) from departments and to NT (monthly, quarterly and annual) | Timeous, qualitative and accurate legislated submissions (S32 of PFMA, QPR, APP, in- year monitoring, main and adjustment budget, Provincial Gazette in terms of DoRA, reporting on provincial gazette) from departments and to NT (monthly, quarterly and annual) | Timeous, qualitative and accurate legislated submissions (S32 of PFMA, QPR, APP, in- year monitoring, main and adjustment budget, Provincial Gazette in terms of DoRA, reporting on provincial gazette) from departments and to NT (monthly, quarterly and annual) |
| <b>Public Finance</b>  |  |  |  |

| Subprogramme/Performance measures  | Estimated Annual Targets   |  |  |
|--|--|--|--|
|  | 2011/12  | 2012/13  | 2013/14  |
| Ensure infrastructure plans are produced and coordinated appropriately                               | Ensure infrastructure plans are produced and coordinated appropriately                           | Ensure infrastructure plans are produced and coordinated appropriately                           | Ensure infrastructure plans are produced and coordinated appropriately                           |
| Infrastructure reporting model submitted to National Treasury  | Infrastructure reporting model submitted to National Treasury                                    | Infrastructure reporting model submitted to National Treasury                                    | Infrastructure reporting model submitted to National Treasury                                    |
| Report on the performance of conditional grants in compliance to the conditional grant framework     | Report on the performance of conditional grants in compliance to the conditional grant framework | Report on the performance of conditional grants in compliance to the conditional grant framework | Report on the performance of conditional grants in compliance to the conditional grant framework |
| <b>Fiscal Policy and Economic Analysis</b>   |  |  |  |
| Revenue forums annually  | Revenue forums annually  | Revenue forums annually  | Revenue forums annually  |
| Small-revenue generating department forums annually  | Small-revenue generating department forums annually  | Small-revenue generating department forums annually  | Small-revenue generating department forums annually  |
| Produce socio-economic analysis report   | Produce socio-economic analysis report   | Produce socio-economic analysis report   | Produce socio-economic analysis report   |
| Produce the performance of the provincial economy report   | Produce the performance of the provincial economy report   | Produce the performance of the provincial economy report   | Produce the performance of the provincial economy report   |
| Annual Provincial Economic Review published  | Annual Provincial Economic Review published  | Annual Provincial Economic Review published  | Annual Provincial Economic Review published  |
| Workshops and other adhoc requests   | Workshops and other adhoc requests   | Workshops and other adhoc requests   | Workshops and other adhoc requests   |
| Annual Medium Term Budget Policy Statement completed   | Annual Medium Term Budget Policy Statement completed   | Annual Medium Term Budget Policy Statement completed   | Annual Medium Term Budget Policy Statement completed   |
| 2 simulation reports completed   | 2 simulation reports completed   | 2 simulation reports completed   | 2 simulation reports completed   |
| Social Accounting Matrix will be used as one of the tools for impact studies together with CGE model |  |  |  |
| Annual Social Economic Review and Outlook completed  | Annual Social Economic Review and Outlook completed  | Annual Social Economic Review and Outlook completed  | Annual Social Economic Review and Outlook completed  |
| <b>Public Private Partnerships</b>   |  |  |  |
| Promote PPP projects in departments and municipalities to obtain value for money                     | Coordinate 10 projects (provincial & municipal); Minimum of 12 interventions                     | Coordinate 10 projects (provincial & municipal); Minimum of 12 interventions                     | Coordinate 10 projects (provincial & municipal); Minimum of 12 interventions                     |
| Monitor and enforce compliance to Treasury Regulations   | 8 provincial projects and 2 municipal projects monitored   | 8 provincial projects and 2 municipal projects monitored   | 8 provincial projects and 2 municipal projects monitored   |

### PROGRAMME 3: FINANCIAL GOVERNANCE

#### 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 GPG is exposed to by virtue of its assets, programmes and operations
- Optimise liquidity requirements and maximize returns within acceptable levels of risk for the GPG to secure sound cash management
- Ensure efficient and effective management of assets for the GPG
- Ensure that GPG financial systems are efficient to enable it to perform its operations effectively
- Ensure implementation of MFMA and adherence to the spirit, underlying principles and objectives of the Act

#### Programme objectives

- Local Government Financial Services
- Enforce implementation and compliance with the MFMA
- Promote sound and sustainable management of municipal budgets and timely in-year monitoring
- Strengthen financial governance within local government
- Facilitate coordination around Intergovernmental Relations structures and Intergovernmental Fiscal Relations within the local government sphere
- Provide strategic and hands-on support to Gauteng municipalities

## 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 them
- Submit risk reports to Legislature and National Treasury to compare variances and actual expenditure against budget forecasts
- Provide technical assistance and training to departments
- Control Risk Self Assessment
- Perform risk assessment workshops within GPG
- Provide advice on risk management processes
- Assist departments update their risk register
- Assist departments in maintaining a risk profile reflective of the changing provincial risk environment

## Financial Business Systems

- Determine the requirements for financial management systems and implement them
- Develop policy frameworks for evolving efficient financial management systems

**TABLE 9: SUMMARY OF PAYMENTS AND ESTIMATES: FINANCIAL GOVERNANCE**

| R thousand                             | Outcome       |               |               | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates |               |               |
|--|---------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|---------------|---------------|
|  | 2007/08       | 2008/09       | 2009/10       | 2010/11            |                        |                  | 2011/12               | 2012/13       | 2013/14       |
| 1. FG Programme Support                | 1 978         | 2 636         | 811           | 1 896              | 1 702                  | 1 703            | 1 772                 | 1 865         | 1 962         |
| 2. Risk Management                     | 5 075         | 5 299         | 7 950         | 12 161             | 12 161                 | 14 505           | 9 767                 | 10 263        | 10 791        |
| 3. Norms & Standards                   |               |               |               | 1 000              | 3 893                  |                  | 4 193                 | 4 375         | 4 669         |
| 4. Local Government Financial Services | 11 643        | 14 032        | 10 425        | 17 340             | 18 737                 | 13 317           | 24 290                | 23 190        | 24 208        |
| 5. Financial Business Systems          |               |               |               | 2 000              | 6 588                  |                  | 5 748                 | 6 032         | 6 339         |
| <b>Total payments and estimates</b>    | <b>18 696</b> | <b>21 967</b> | <b>19 186</b> | <b>34 397</b>      | <b>43 081</b>          | <b>29 525</b>    | <b>45 770</b>         | <b>45 725</b> | <b>47 969</b> |

**TABLE 10: SUMMARY OF ECONOMIC CLASSIFICATION: FINANCIAL GOVERNANCE**

| R thousand  | Outcome       |               |               | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates |               |               |
|---|---------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|---------------|---------------|
|   | 2007/08       | 2008/09       | 2009/10       | 2010/11            |                        |                  | 2011/12               | 2012/13       | 2013/14       |
| <b>Current payments</b>                             | <b>16 576</b> | <b>20 416</b> | <b>19 186</b> | <b>32 397</b>      | <b>41 566</b>          | <b>28 010</b>    | <b>45 770</b>         | <b>45 725</b> | <b>47 969</b> |
| Compensation of employees                           | 8 051         | 12 463        | 15 529        | 24 359             | 32 770                 | 20 203           | 39 261                | 41 254        | 43 387        |
| Goods and services                                  | 8 525         | 7 953         | 3 657         | 8 038              | 8 796                  | 7 807            | 6 509                 | 4 471         | 4 582         |
| Interest and rent on land                           |               |               |               |                    |                        |                  |                       |               |               |
| <b>Transfers and subsidies to:</b>                  | <b>1 500</b>  | <b>1 551</b>  |               | <b>2 000</b>       | <b>1 515</b>           | <b>1 515</b>     |                       |               |               |
| Provinces and municipalities                        | 1 500         | 1 551         |               | 2 000              | 1 500                  | 1 500            |                       |               |               |
| Departmental agencies and accounts                  |               |               |               |                    |                        |                  |                       |               |               |
| Universities  |               |               |               |                    |                        |                  |                       |               |               |
| Foreign governments and international organisations |               |               |               |                    |                        |                  |                       |               |               |
| Public corporations and private enterprises         |               |               |               |                    |                        |                  |                       |               |               |
| Non-profit institutions                             |               |               |               |                    |                        |                  |                       |               |               |
| Households  |               |               |               |                    | 15                     | 15               |                       |               |               |
| <b>Payments for capital assets</b>                  | <b>620</b>    |               |               |                    |                        |                  |                       |               |               |
| Buildings and other fixed structures                |               |               |               |                    |                        |                  |                       |               |               |
| Machinery and equipment                             | 620           |               |               |                    |                        |                  |                       |               |               |

| R thousand                           | Outcome       |               |               | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates |               |               |
|--------------------------------------|---------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|---------------|---------------|
|                                      | 2007/08       | 2008/09       | 2009/10       | 2010/11            |                        |                  | 2011/12               | 2012/13       | 2013/14       |
| Heritage Assets                      |               |               |               |                    |                        |                  |                       |               |               |
| Specialised military assets          |               |               |               |                    |                        |                  |                       |               |               |
| Biological assets                    |               |               |               |                    |                        |                  |                       |               |               |
| Land and sub-soil assets             |               |               |               |                    |                        |                  |                       |               |               |
| Software and other intangible assets |               |               |               |                    |                        |                  |                       |               |               |
| <b>Payments for financial assets</b> |               |               |               |                    |                        |                  |                       |               |               |
| <b>Total economic classification</b> | <b>18 696</b> | <b>21 967</b> | <b>19 186</b> | <b>34 397</b>      | <b>43 081</b>          | <b>29 525</b>    | <b>45 770</b>         | <b>45 725</b> | <b>47 969</b> |

Expenditure under this programme increased from R19 million in 2007/08 to R22 million in 2008/09. This was due to continuation of the municipal internship grant as well as the filling of posts to complete the programme's structure. There was however a decrease to R19 million in 2009/10 as a result of completion of special projects in 2008/09 like implementation of the Asset Valuation project in which GDF assisted GPG departments with valuing of assets assigned values of R1 and R0 in the asset register.

The programme's estimated expenditure increases from R43 million in 2010/11 to R48 million in 2013/14, an average annual growth of 4 per cent.

Compensation of employees increases from R33 million in 2010/11 to R43 million in 2011/12, a 9 per cent annual increase over the MTEF. The above-average increase in compensation during this period reflects the full impact of the filling of critical posts in the second half of the financial year, whereas starting in 2011/12 provision for compensation is made for the entire financial year. Excluding the impact of the filling of critical posts, starting in financial year 2011/12, growth is consistent with growth assumptions and projections in respect of the compensation of employees.

Goods and services decrease from R9 million in 2010/11 to R5 million in 2013/14, an average annual decrease of 13 per cent over the MTEF. Over the MTEF years specifically, aggregate expenditure estimates decrease from R6 million to R4.6 million in the outer year: during the 2011/12 fiscal year provision is being made for once-off expenditure items, namely the establishment of a one-stop data warehouse for municipal information and the implementation of the municipal debt recovery strategy. Once the once-off expenditure outlays are accounted for, estimated expenditure returns to normal patterns over the remaining financial years of the MTEF.

## SERVICE DELIVERY MEASURES

### PROGRAMME 3: FINANCIAL GOVERNANCE

| Subprogramme/Performance measures          | Estimated Annual Targets   |  |  |
|--|--|--|--|
|  | 2011/12  | 2012/13  | 2013/14  |
| <b>Supply Chain Management</b>             |  |  |  |
|  | Implementation of SCM policy, regulations, treasury instructions and standards by all departments and municipalities | Implementation of SCM policy, regulations, treasury instructions and standards by all departments and municipalities | Implementation of SCM policy, regulations, treasury instructions and standards by all departments and municipalities |
| <b>Local Government Financial Services</b> |  |  |  |
|  | Bi-annual reports on implementation and compliance to MFMA   | Bi-annual reports on implementation and compliance to MFMA   | Bi-annual reports on implementation and compliance to MFMA   |
|  | Bi-annual key IGR forums on municipal finance  | Bi-annual key IGR forums on municipal finance  | Bi-annual key IGR forums on municipal finance  |

|  |  |   |  |
|--|--|---|--|
| <b>Risk Management</b>   |  |   |  |
| Ensure the implementation of Enterprise-wide risk management in the province | Ensure alignment of Provincial Risk Management Framework to the National Risk Management Framework | Monitor and evaluate updated Risk Management Framework and implement enhancements | Risk Management Framework effectively implemented                              |
|  | Enterprise wide Risk Management process review report compiled for departments                     | Enterprise wide Risk Management process review report compiled for departments    | Enterprise wide Risk Management process review report compiled for departments |
| <b>Control Risk Self Assessment</b>  |  |   |  |
|  | 52 CRSAs<br>11 global assessments  | 57 CRSAs<br>18 global assessments   | 138 CRSAs<br>31 global assessments   |

## PROGRAMME 4: PROVINCIAL ACCOUNTING SERVICES

### Programme description

- To provide strategic leadership, guidance and support to all GPG departments
- To ensure that there is transparent and effective financial management and reporting in the province

### Programme objectives

- To keep accurate records of financial assets and liabilities
- To provide cashbook and banking services to GPG departments
- To optimize cash flow management
- To prepare financial statements for the Provincial Revenue Fund
- Accounting Services
- To provide general accounting services up to trial balance and ensure an effective financial period closure
- To ensure effective and efficient management of assets in GPG
- To provide proactive strategic financial accounting support to GPG departments

### Statutory Deductions Management

- To provide proactive strategic and operational support in terms of statutory deductions

### Accounts Receivable

- To optimize recovery and disclosure of monies owed to GPG departments

TABLE 11: SUMMARY OF PAYMENTS AND ESTIMATES: PROVINCIAL ACCOUNTING SERVICES

| R thousand                          | Outcome       |               |               | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates |               |               |
|-------------------------------------|---------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|---------------|---------------|
|                                     | 2007/08       | 2008/09       | 2009/10       | 2010/11            |                        |                  | 2011/12               | 2012/13       | 2013/14       |
| 1. PAS Programme Support            | 3 082         | 3 875         | 5 600         | 4 630              | 1 443                  | 3 181            | 1 895                 | 1 995         | 2 099         |
| 2. Financial Assets & Liabilities   | 9 596         | 16 925        | 31 300        | 25 768             | 14 981                 | 17 766           | 16 361                | 17 260        | 18 211        |
| 3. Accounting Services              | 17 151        | 32 990        | 20 964        | 21 953             | 14 517                 | 19 681           | 17 586                | 18 424        | 19 327        |
| 4. Accounts Receivable              | 8 671         | 9 506         | 9 815         | 9 417              | 8 797                  | 10 133           | 11 345                | 11 872        | 12 448        |
| 5. Statutory Deductions Management  |               |               |               | 2 000              | 10 029                 |                  | 8 573                 | 8 977         | 9 416         |
| <b>Total payments and estimates</b> | <b>38 500</b> | <b>63 296</b> | <b>67 679</b> | <b>63 768</b>      | <b>49 767</b>          | <b>50 761</b>    | <b>55 760</b>         | <b>58 528</b> | <b>61 501</b> |

TABLE 12: SUMMARY OF ECONOMIC CLASSIFICATION: PROVINCIAL ACCOUNTING SERVICES

| R thousand                         | Outcome       |               |               | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates |               |               |
|------------------------------------|---------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|---------------|---------------|
|                                    | 2007/08       | 2008/09       | 2009/10       | 2010/11            |                        |                  | 2011/12               | 2012/13       | 2013/14       |
| <b>Current payments</b>            | <b>38 113</b> | <b>63 039</b> | <b>67 549</b> | <b>63 681</b>      | <b>49 766</b>          | <b>50 728</b>    | <b>55 760</b>         | <b>58 528</b> | <b>61 501</b> |
| Compensation of employees          | 27 506        | 37 153        | 45 976        | 46 303             | 47 231                 | 47 047           | 52 531                | 55 095        | 57 865        |
| Goods and services                 | 10 607        | 25 886        | 21 573        | 17 378             | 2 535                  | 3 681            | 3 229                 | 3 433         | 3 636         |
| Interest and rent on land          |               |               |               |                    |                        |                  |                       |               |               |
| <b>Transfers and subsidies to:</b> |               | <b>30</b>     | <b>1</b>      |                    | <b>1</b>               | <b>1</b>         |                       |               |               |
| Provinces and municipalities       |               |               |               |                    |                        |                  |                       |               |               |

| R thousand  | Outcome       |               |               | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates |               |               |
|---|---------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|---------------|---------------|
|   | 2007/08       | 2008/09       | 2009/10       | 2010/11            |                        |                  | 2011/12               | 2012/13       | 2013/14       |
| Departmental agencies and accounts                  |               |               |               |                    |                        |                  |                       |               |               |
| Universities and technikons                         |               |               |               |                    |                        |                  |                       |               |               |
| Foreign governments and international organisations |               |               |               |                    |                        |                  |                       |               |               |
| Public corporations and private enterprises         |               |               |               |                    |                        |                  |                       |               |               |
| Non-profit institutions                             |               |               |               |                    |                        |                  |                       |               |               |
| Households  |               | 30            | 1             |                    | 1                      | 1                |                       |               |               |
| <b>Payments for capital assets</b>                  | <b>387</b>    | <b>227</b>    | <b>129</b>    | <b>87</b>          |                        | <b>32</b>        |                       |               |               |
| Buildings and other fixed structures                |               |               |               |                    |                        |                  |                       |               |               |
| Machinery and equipment                             | 387           | 227           | 129           | 87                 |                        | 32               |                       |               |               |
| Heritage Assets                                     |               |               |               |                    |                        |                  |                       |               |               |
| Specialised military assets                         |               |               |               |                    |                        |                  |                       |               |               |
| Biological assets                                   |               |               |               |                    |                        |                  |                       |               |               |
| Land and sub-soil assets                            |               |               |               |                    |                        |                  |                       |               |               |
| Software and other intangible assets                |               |               |               |                    |                        |                  |                       |               |               |
| <b>Payments for financial assets</b>                |               |               |               |                    |                        |                  |                       |               |               |
| <b>Total economic classification</b>                | <b>38 500</b> | <b>63 296</b> | <b>67 679</b> | <b>63 768</b>      | <b>49 767</b>          | <b>50 761</b>    | <b>55 760</b>         | <b>58 528</b> | <b>61 501</b> |

Aggregate estimated expenditure in the programme increases from R50 million in 2010/11 to R62 million in 2013/14, an average increase of 7 per cent over the MTEF.

Compensation increases from R47 million in 2010/11 to R58 million in 2013/14, an average increase of 7 per cent over the MTEF. The above-average increase in compensation is a reflection of the impact of the planned filling of critical vacancies during financial year 2011/12. Discounting this impact, growth in compensation is in keeping with growth estimates for this category of expenditure.

Goods and services increase from R2.5 million in 2010/11 to R4 million in 2013/14, an average 17 per cent growth over MTEF. The biggest cost driver under goods and services is the provision for bank charges and the costs for audit of provincial financials and the revenue fund; also, provision is made for items such as the printing of provincial publications that fall under the purview of this programme, the printing of IRP5 certificates for government employees in the province and other programme-specific operating costs.

## SERVICE DELIVERY MEASURES

### PROGRAMME 4: PROVINCIAL ACCOUNTING SERVICES

| Subprogramme/Performance measures   | Estimated Annual Targets                                   |  |  |
|---|--|--|--|
|   | 2011/12  | 2012/13  | 2013/14  |
| <b>Cash Management</b>  |  |  |  |
| Variance % on funds transferred to departments from funds allocated by NT | 0% variance between funds transferred and funds allocated. | 0% variance between funds transferred and funds allocated. | 0% variance between funds transferred and funds allocated. |
| <b>Financial Accounting</b>   |  |  |  |
| Consolidated GPG financial statements published within PFMA timelines     | 31 October 2011  | 31 October 2012  | 31 October 2013  |
| <b>Revenue Fund Management</b>  |  |  |  |
| Submission of Provincial Revenue Fund AFS by due date                     | 31 August 2011   | 31 August 2012   | 31 August 2013   |



## **PROGRAMME 5: GAUTENG AUDIT SERVICES**

### **Programme description**

The purpose of Gauteng Audit Services is to provide a full range of internal audit services to all GPG departments.

The services are:

- Risk and Compliance Audit
- Computer Audit
- Performance Audit
- Audit Centre of Excellence

### **Programme objectives**

- To conduct internal audits throughout GPG departments in line with approved internal audits plans
- To convene IT risks assessment workshops in targeted areas of GPG departments
- To provide ad-hoc advisory services on new IT systems in GPG departments
- To perform internal quality assurance reviews to ensure compliance with IIA standards

### **Risk and Compliance Audit**

- Evaluates internal control systems and processes for adequacy, efficiency and effectiveness in order to provide reasonable assurance that the Department's objectives will be achieved
- Assesses compliance with the requirements of PFMA and Treasury Regulations and any other applicable laws and regulations, policies and procedures
- Provides recommendations for improving controls, processes and procedures to enhance risk management and corporate governance
- Carries out any other special or urgent ad-hoc requests

### **Computer Audit**

Provide numerous services relating to the governance of IT systems and assets, commonly referred to as governance, risk and compliance. Specific service lines provided are:

- Risk assessment of the IT environment in order to assist departments in identifying, monitoring and controlling IT risks
- Review of the IT environment and related processes, policies and procedures in order to formulate an opinion on the environmental controls on which the business applications rely
- Review and analyse business application systems in use in order to ensure that system controls are effective and that business objectives for which the applications are being used are realised
- Implement various data analysis tests on business applications in order to ensure data integrity, completeness and validity
- Give advice on computerised controls when new business applications are developed, and consider governance considerations when new projects are rolled out
- Monitor information security related services covering both physical and logical controls in order to ensure that systems and networks provide data confidentiality, integrity and availability

### **Performance Audit**

- Review the processes and control measures implemented to assess whether the use of resources is economical, effective and efficient
- Benchmark performance against best practices
- Analyse the functional performance of projects and programmes
- Evaluate whether value for money has been achieved
- Conduct performance information reviews

### **Audit Centre of Excellence**

- Implement internal quality assurance programme focusing on ensuring consistent compliance with the International Standards for the Professional Practice of Internal Auditing of the Institute of Internal Auditors
- Develop business unit specific policies and procedures and update internal audit methodologies in line with best practice
- Manage the Business Unit Training Programme
- Strengthen the effective and efficient use of the Team Mate audit software
- Manage the internal audit tracking system to monitor implementation of internal audit recommendations by departmental management
- Manage monthly and quarterly internal audit plan reporting to heads of department and audit committees

TABLE 13: SUMMARY OF PAYMENTS AND ESTIMATES: GAUTENG AUDIT SERVICES

| R thousand   | Outcome       |               |               | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates |               |               |
|--|---------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|---------------|---------------|
|  | 2007/08       | 2008/09       | 2009/10       | 2010/11            |                        |                  | 2011/12               | 2012/13       | 2013/14       |
| 1. GAS Programme Support                           | 4 039         | 4 041         | 6 484         | 4 909              | 3 193                  | 6 028            | 2 891                 | 3 159         | 3 429         |
| 2. Risk & Compliance Audit Services Clusters 1,2,3 | 18 089        | 12 325        | 13 477        | 21 972             | 10 278                 | 10 278           | 17 914                | 18 802        | 19 759        |
| 3. Risk & Compliance Audit Services Clusters 4,5   | 8 658         | 7 612         | 10 589        | 5 000              | 15 590                 | 15 590           | 11 973                | 12 573        | 13 219        |
| 4. Performance Audit                               | 10 772        | 9 661         | 10 371        | 8 578              | 9 601                  | 13 176           | 9 789                 | 10 373        | 10 943        |
| 5. Computer Audit                                  | 6 395         | 4 353         | 4 857         | 5 730              | 4 572                  | 4 573            | 3 626                 | 3 846         | 4 061         |
| 6. Audit Centre of Excellence                      |               |               |               | 1 000              | 2 415                  |                  | 4 489                 | 4 709         | 4 948         |
| <b>Total payments and estimates</b>                | <b>47 953</b> | <b>37 992</b> | <b>45 778</b> | <b>47 189</b>      | <b>45 649</b>          | <b>49 645</b>    | <b>50 682</b>         | <b>53 462</b> | <b>56 359</b> |

TABLE 14: SUMMARY OF ECONOMIC CLASSIFICATION: GAUTENG AUDIT SERVICES

| R thousand  | Outcome       |               |               | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates |               |               |
|---|---------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|---------------|---------------|
|   | 2007/08       | 2008/09       | 2009/10       | 2010/11            |                        |                  | 2011/12               | 2012/13       | 2013/14       |
| <b>Current payments</b>                             | <b>47 667</b> | <b>37 454</b> | <b>45 473</b> | <b>46 782</b>      | <b>45 647</b>          | <b>49 643</b>    | <b>50 682</b>         | <b>53 462</b> | <b>56 359</b> |
| Compensation of employees                           | 25 798        | 27 389        | 37 612        | 41 543             | 41 497                 | 43 986           | 49 082                | 51 662        | 54 359        |
| Goods and services                                  | 21 869        | 10 065        | 7 861         | 5 239              | 4 150                  | 5 657            | 1 600                 | 1 800         | 2 000         |
| Interest and rent on land                           |               |               |               |                    |                        |                  |                       |               |               |
| <b>Transfers and subsidies to:</b>                  |               |               | <b>1</b>      |                    | <b>2</b>               | <b>2</b>         |                       |               |               |
| Provinces and municipalities                        |               |               |               |                    |                        |                  |                       |               |               |
| Departmental agencies and accounts                  |               |               |               |                    |                        |                  |                       |               |               |
| Universities  |               |               |               |                    |                        |                  |                       |               |               |
| Foreign governments and international organisations |               |               |               |                    |                        |                  |                       |               |               |
| Public corporations and private enterprises         |               |               |               |                    |                        |                  |                       |               |               |
| Non-profit institutions                             |               |               |               |                    |                        |                  |                       |               |               |
| Households  |               |               | 1             |                    | 2                      | 2                |                       |               |               |
| <b>Payments for capital assets</b>                  | <b>286</b>    | <b>538</b>    | <b>304</b>    | <b>407</b>         |                        |                  |                       |               |               |
| Buildings and other fixed structures                |               |               |               |                    |                        |                  |                       |               |               |
| Machinery and equipment                             | 286           | 538           | 304           | 407                |                        |                  |                       |               |               |
| Heritage Assets                                     |               |               |               |                    |                        |                  |                       |               |               |
| Specialised military assets                         |               |               |               |                    |                        |                  |                       |               |               |
| Biological assets                                   |               |               |               |                    |                        |                  |                       |               |               |
| Land and sub-soil assets                            |               |               |               |                    |                        |                  |                       |               |               |
| Software and other intangible assets                |               |               |               |                    |                        |                  |                       |               |               |
| Payments for financial assets                       |               |               |               |                    |                        |                  |                       |               |               |
| <b>Total economic classification</b>                | <b>47 953</b> | <b>37 992</b> | <b>45 778</b> | <b>47 189</b>      | <b>45 649</b>          | <b>49 645</b>    | <b>50 682</b>         | <b>53 462</b> | <b>56 359</b> |

Aggregate estimated expenditure increases in absolute terms from R46 million in 2010/11 to R56 million in 2013/14, an average increase of 8 per cent over the MTEF.

Estimates of expenditure on compensation of employees increase from R41 million in 2010/11 to R54 million in 2013/14, an average 10 per cent increase over the MTEF. The above-average increase in compensation is due to the relatively high number of vacancies in the programme, owing to the scarcity of appropriate skills in the audit industry at large. Furthermore, the programme has undertaken an intensive recruitment drive to fill vacant

posts, using various recruitment interventions and strategies to bridge the vacancy gap. It is in this context that overall estimates of expenditure on the compensation of employees show an above average increase in cost. At the same time, growth over the MTEF tracks growth estimates, with the first year of the MTEF being an exception to the norm due to the impact of the filling of vacancies in the second half of 2010/11.

Provision is made under goods and services for certain once-off audits that have been mandated by the Audit Committee to be executed during 2011/12.

## SERVICE DELIVERY MEASURES

### PROGRAMME 5: GAUTENG AUDIT SERVICES

| Sub programme/Performance measures                      | Estimated Annual Targets                          |   |   |
|---|---|---|---|
|   | 2011/12   | 2012/13   | 2013/14   |
| <b>Risk &amp; Compliance Audit</b>                      |   |   |   |
| Number of planned risk audits                           | 85 audits   | 85 audits   | 85 audits   |
| <b>Performance Audit</b>                                |   |   |   |
| Number of planned performance audits                    | 20 audits   | 20 audits   | 20 audits   |
| <b>Computer Audit</b>                                   |   |   |   |
| Number of planned computer audits                       | 24 audits   | 24 audits   | 24 audits   |
| Number of Computer Assisted Auditing Techniques (CAATs) | 16 CAATs  | 16 CAATs  | 16 CAATs  |
| Number of value added advice on new IT systems          | 4 value added advice on new IT system development | 4 value added advice on new IT system development | 4 value added advice on new IT system development |
| <b>Centre of Excellence</b>                             |   |   |   |
| Number of planned quality assurance reviews             | 12 internal quality reviews completed             | 12 internal quality reviews completed             | 12 internal quality reviews completed             |

### PROGRAMME 6: HIRE-TO-RETIRE SERVICES

#### Programme description

To provide a world class customer-focused and consultative HR service through provision of specialised and efficient HR Solutions to GPG departments.

#### Programme objectives

##### Employee Relations

- To carry out discipline management
- To implement dispute management
- To implement training and advocacy
- Labor Relations Advice

##### Employee Health & Wellness Programme

- Creating access for the GPG workforce to health and wellness services and support
- Improving employee health and wellness in order to enhance productivity and service delivery
- Addressing organizational risk factors that impact on employee productivity
- Creating a supportive and caring workplace culture within GPG

##### Organisation Development

- Designing and alignment of organizational structures to provincial and departmental strategies and priorities
- Evaluation of all posts in order to determine their level
- Facilitation of organization development and change management interventions
- Maintenance of departmental organisation structures and post establishment changes
- Assist departments with the development of HR related policies and procedures

## HR Information Management & Policy Development

To position HRS as a strategic partner that responds to client needs through utilisation of business intelligence reporting.

### Talent Attraction Services

- Advertising of GPG vacancies
- Response handling
- Short-listing of applications (on request)
- Management of special recruitment projects
- Roll-out and management of the Maponya Mall Professional Job Centre

### Human Resource Administration

Proactively enable operations by providing a professional Human Resource Administration service and continuously adding value through efficient and cost effective administration of basic condition of service.

### Employee Exits

- Termination of service contracts on PERSAL
- Payment of leave gratuity/discounting and pro-rata bonuses
- Send complete pension withdrawal documents to Government Employees Pension Fund (GEPF)

### Payroll Services

- Payment of valid and accurate allowances
- Instate valid and accurate deductions
- Instate changes in bank details and overtime authorization
- Refund of unpaid salaries, service benefits and bonds

**TABLE 15: SUMMARY OF PAYMENTS AND ESTIMATES: HIRE-TO-RETIRE SERVICES**

|  | Outcome        |               |               | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates |               |                |
|--|----------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|---------------|----------------|
| R thousand                               | 2007/08        | 2008/09       | 2009/10       | 2010/11            |                        |                  | 2011/12               | 2012/13       | 2013/14        |
| 1. H-to-R Programme Support              | 2 389          | 3 728         | 3 539         | 3 468              | 1 683                  | 1 683            | 2 144                 | 2 257         | 2 372          |
| 2. Human Resource Transactional Services | 52 010         | 55 628        | 53 990        | 53 613             | 47 474                 | 54 540           | 52 767                | 55 224        | 57 911         |
| 3. Human Resource Advisory Services      | 50 198         | 38 149        | 36 749        | 30 822             | 54 542                 | 54 384           | 36 183                | 37 966        | 39 912         |
| <b>Total payments and estimates</b>      | <b>104 597</b> | <b>97 505</b> | <b>94 278</b> | <b>87 903</b>      | <b>103 699</b>         | <b>110 607</b>   | <b>91 094</b>         | <b>95 447</b> | <b>100 195</b> |

**TABLE 16: SUMMARY OF ECONOMIC CLASSIFICATION: HIRE TO RETIRE SERVICES**

|   | Outcome        |               |               | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates |               |                |
|---|----------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|---------------|----------------|
| R thousand  | 2007/08        | 2008/09       | 2009/10       | 2010/11            |                        |                  | 2011/12               | 2012/13       | 2013/14        |
| <b>Current payments</b>                             | <b>103 969</b> | <b>95 926</b> | <b>94 054</b> | <b>87 112</b>      | <b>103 632</b>         | <b>110 400</b>   | <b>91 094</b>         | <b>95 447</b> | <b>100 195</b> |
| Compensation of employees                           | 78 642         | 78 811        | 82 908        | 79 639             | 77 361                 | 84 022           | 89 654                | 93 955        | 98 642         |
| Goods and services                                  | 25 327         | 17 115        | 11 146        | 7 473              | 26 271                 | 26 378           | 1 440                 | 1 492         | 1 553          |
| Interest and rent on land                           |                |               |               |                    |                        |                  |                       |               |                |
| <b>Transfers and subsidies to:</b>                  |                | <b>180</b>    | <b>116</b>    |                    | <b>67</b>              | <b>207</b>       |                       |               |                |
| Provinces and municipalities                        |                |               |               |                    |                        |                  |                       |               |                |
| Departmental agencies and accounts                  |                |               |               |                    |                        |                  |                       |               |                |
| Universities  |                |               |               |                    |                        |                  |                       |               |                |
| Foreign governments and international organisations |                |               |               |                    |                        |                  |                       |               |                |

| R thousand                                  | Outcome        |               |               | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates |               |                |
|---|----------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|---------------|----------------|
|   | 2007/08        | 2008/09       | 2009/10       | 2010/11            |                        |                  | 2011/12               | 2012/13       | 2013/14        |
| Public corporations and private enterprises |                |               |               |                    |                        |                  |                       |               |                |
| Non-profit institutions                     |                |               |               |                    |                        |                  |                       |               |                |
| Households                                  |                | 180           | 116           |                    | 67                     | 207              |                       |               |                |
| <b>Payments for capital assets</b>          | <b>628</b>     | <b>1 399</b>  | <b>108</b>    | <b>791</b>         |                        |                  |                       |               |                |
| Buildings and other fixed structures        |                | 37            |               |                    |                        |                  |                       |               |                |
| Machinery and equipment                     | 628            | 1 330         | 108           | 791                |                        |                  |                       |               |                |
| Heritage Assets                             |                |               |               |                    |                        |                  |                       |               |                |
| Specialised military assets                 |                |               |               |                    |                        |                  |                       |               |                |
| Biological assets                           |                |               |               |                    |                        |                  |                       |               |                |
| Land and sub-soil assets                    |                |               |               |                    |                        |                  |                       |               |                |
| Software and other intangible assets        |                | 32            |               |                    |                        |                  |                       |               |                |
| <b>Payments for financial assets</b>        |                |               |               |                    |                        |                  |                       |               |                |
| <b>Total economic classification</b>        | <b>104 597</b> | <b>97 505</b> | <b>94 278</b> | <b>87 903</b>      | <b>103 699</b>         | <b>110 607</b>   | <b>91 094</b>         | <b>95 447</b> | <b>100 195</b> |

The programme's estimated expenditure decreases in aggregate terms from R104 million in 2010/11 to R100 million in 2013/14; this amounts to an average 1% annual decrease over the MTEF.

Compensation of employees increases from R77 million in 2010/11 to R99 million in 2013/14, an average increase of 9 per cent over the MTEF. The increase in compensation for the period under review reflects the impact of the decision to fill critical posts starting in the 2011/12 financial year; however, discounting the impact of the filling of critical posts, average increase over the MTEF amounts to 3%, which is fairly consistent with the projected growth estimates for this category of expenditure.

Goods and services account for the overall decrease in estimated expenditure for the programme. This category of expenditure reduces from a high of R26 million in 2010/11 to a low of R2 million in 2013/14, an average 31 per cent decrease year-on-year over the MTEF. Contractual commitments for the province-wide Employee Wellness Programme (EWP) amounting to R17 million contributed to the large outlays under goods and services. In addition, an amount of R7 million was suspended to the GDF from the Gauteng Department of Education (GDE) in respect of the GDE employees' use of the EWP services. However, moving forward, provision is only made for the Department's own contribution to the wellness programme, with other GPG departments having to incur and settle own expenditure with regard to this programme. An additional R1 million was a once-off expenditure outlay on the Mobile Application System project in the Talent Attraction Services unit. More important, the decrease in estimated expenditure in the programme is in line with the reprioritization undertaken by the Department, with a view to prioritizing provincial outcomes, the Department's own critical operating overheads and the payment of accumulated debt.

## SERVICE DELIVERY MEASURES

### PROGRAMME 6: HIRE-TO-RETIRE SERVICES

| Subprogramme/Performance measures                                     | Estimated Annual Targets  |   |   |
|---|---|---|---|
|   | 2011/12   | 2012/13   | 2013/14   |
| <b>Employee Relations</b>   |   |   |   |
| Quality discipline and dispute management                             | 30 days   | 30 days   | 30 days   |
| <b>Employee Health &amp; Wellness Programme</b>                       |   |   |   |
| EHWP utilisation feedback session conducted.                          | 4   | 4   | 4   |
| Facilitate intervention workshops to address the 3 key GPG challenges | Facilitate intervention workshops to address the 4 key GPG challenges | Facilitate intervention workshops to address the 5 key GPG challenges | Facilitate intervention workshops to address the 6 key GPG challenges |
| <b>Talent Attraction Services</b>                                     |   |   |   |
| Adverts published on time in accordance with clients' mandates        | 100%  | 100%  | 100%  |

## **PROGRAMME 7: PROCURE-TO-PAY SERVICES**

### **Programme description**

This Business Unit provides end-to-end procurement-related strategic and operational support to the Province, including the effective, efficient and timely payment of GPG suppliers. This is done in an activist, developmental and interventionist customer-focused and socio-economically responsible manner, using technology as the key enabler in automating, standardizing and streamlining procurement processes.

### **Programme objectives**

#### **ICT & Professional Services**

- The sub-directorate develops and implements improved sourcing strategies that assist the GPG departments to purchase goods and services effectively and efficiently, balancing financial efficiency with socio-economic B-BBEE development outcomes
- It also ensures that GPG departments have easy access to goods and services via contracts that will facilitate service delivery

#### **Procurement Support**

- Optimize and support the utilization of procurement processes and systems for GPG users
- Ensure that Procure-to-Pay Officials within GPG understand the procurement processes and use the system optimally
- Timely maintenance and updating of an accurate catalogue of goods and services to ensure effective buying of goods and services and the ability to conduct proper spend analyses
- Effectiveness in the tendering process to ensure that contracts are awarded in a fair, equitable and transparent manner
- Effective and efficient processes to be followed in the RFQ buying function, thus ensuring transparency in the procurement of goods and services in the Province

#### **Contract Management**

Provide a comprehensive Contract Management service ensuring effective and efficient utilization of all contracts awarded

#### **Accounts Payable**

- Process GPG supplier payments accurately and timeously in accordance with the PFMA
- Identify and implement Procure-to-Pay process and systems enhancement initiatives that will ensure timely payment

#### **Vendor Management & Development**

- Ensure that BEE/SMME enterprises are afforded procurement business opportunities
- Ensure the GPG Centralized Vendor Database is managed and maintained effectively

#### **Market Research**

- Provide market and industry research per commodity and thus support the Strategic Sourcing Commodity Groups
- Generate Entity Spend Reports with monthly trends on goods & services for cash flow projections and demand planning purposes.
- Generate a framework to track market related prices for high volume contract items on term agreements

#### **Risk & Escalation**

- Provide a support function to the Strategic Sourcing Commodity Groups by performing price adjustments, price projections and company financial analyses during the contracting and buying process



**TABLE 17: SUMMARY OF PAYMENTS AND ESTIMATES: PROCURE-TO-PAY SERVICES**

| <b>R thousand</b>                                     | <b>Outcome</b> |                |                | <b>Main appropriation</b> | <b>Adjusted appropriation</b> | <b>Revised estimate</b> | <b>Medium-term estimates</b> |                |                |
|---|----------------|----------------|----------------|---------------------------|-------------------------------|-------------------------|------------------------------|----------------|----------------|
|   | <b>2007/08</b> | <b>2008/09</b> | <b>2009/10</b> | <b>2010/11</b>            |                               |                         | <b>2011/12</b>               | <b>2012/13</b> | <b>2013/14</b> |
| 1. P-to-P Programme Support                           | 6 750          | 10 561         | 6 581          | 10 770                    | 3 490                         | 3 737                   | 1 760                        | 1 853          | 1 949          |
| 2. Procurement Sourcing & Support Services: Cluster 1 | 47 909         | 46 283         | 46 565         | 45 649                    | 49 685                        | 39 123                  | 54 057                       | 56 557         | 59 282         |
| 3. Procurement Sourcing & Support Services: Cluster 2 | 31 258         | 35 021         | 34 039         | 35 886                    | 32 669                        | 43 386                  | 35 872                       | 37 606         | 39 503         |
| <b>Total payments and estimates</b>                   | <b>85 917</b>  | <b>91 865</b>  | <b>87 185</b>  | <b>92 305</b>             | <b>85 844</b>                 | <b>86 246</b>           | <b>91 689</b>                | <b>96 016</b>  | <b>100 734</b> |

**TABLE 18: SUMMARY OF ECONOMIC CLASSIFICATION: PROCURE-TO-PAY SERVICES**

| <b>R thousand</b>                                   | <b>Outcome</b> |                |                | <b>Main appropriation</b> | <b>Adjusted appropriation</b> | <b>Revised estimate</b> | <b>Medium-term estimates</b> |                |                |
|---|----------------|----------------|----------------|---------------------------|-------------------------------|-------------------------|------------------------------|----------------|----------------|
|   | <b>2007/08</b> | <b>2008/09</b> | <b>2009/10</b> | <b>2010/11</b>            |                               |                         | <b>2011/12</b>               | <b>2012/13</b> | <b>2013/14</b> |
| <b>Current payments</b>                             | <b>84 953</b>  | <b>91 246</b>  | <b>87 081</b>  | <b>91 361</b>             | <b>85 723</b>                 | <b>86 121</b>           | <b>91 689</b>                | <b>96 016</b>  | <b>100 734</b> |
| Compensation of employees                           | 66 137         | 70 385         | 79 005         | 74 353                    | 85 117                        | 85 115                  | 90 239                       | 94 566         | 99 284         |
| Goods and services                                  | 18 816         | 20 861         | 8 076          | 17 008                    | 606                           | 1 006                   | 1 450                        | 1 450          | 1 450          |
| Interest and rent on land                           |                |                |                |                           |                               |                         |                              |                |                |
| Transfers and subsidies to:                         |                | 74             | 72             |                           | 121                           | 125                     |                              |                |                |
| Provinces and municipalities                        |                |                |                |                           |                               |                         |                              |                |                |
| Departmental agencies and accounts                  |                |                |                |                           |                               |                         |                              |                |                |
| Universities and technikons                         |                |                |                |                           |                               |                         |                              |                |                |
| Foreign governments and international organisations |                |                |                |                           |                               |                         |                              |                |                |
| Public corporations and private enterprises         |                |                |                |                           |                               |                         |                              |                |                |
| Non-profit institutions                             |                |                |                |                           |                               |                         |                              |                |                |
| Households  |                | 74             | 72             |                           | 121                           | 125                     |                              |                |                |
| <b>Payments for capital assets</b>                  | <b>964</b>     | <b>545</b>     | <b>32</b>      | <b>944</b>                |                               |                         |                              |                |                |
| Buildings and other fixed structures                |                |                |                |                           |                               |                         |                              |                |                |
| Machinery and equipment                             | 964            | 545            | 32             | 944                       |                               |                         |                              |                |                |
| Heritage Assets                                     |                |                |                |                           |                               |                         |                              |                |                |
| Specialised military assets                         |                |                |                |                           |                               |                         |                              |                |                |
| Biological assets                                   |                |                |                |                           |                               |                         |                              |                |                |
| Land and sub-soil assets                            |                |                |                |                           |                               |                         |                              |                |                |
| Software and other intangible assets                |                |                |                |                           |                               |                         |                              |                |                |
| Payments for financial assets                       |                |                |                |                           |                               |                         |                              |                |                |
| <b>Total economic classification</b>                | <b>85 917</b>  | <b>91 865</b>  | <b>87 185</b>  | <b>92 305</b>             | <b>85 844</b>                 | <b>86 246</b>           | <b>91 689</b>                | <b>96 016</b>  | <b>100 734</b> |

The programme's expenditure fluctuates between 2008/09 and 2010/11. In 2008/09 the department implemented SAP/3 system, established BEE SMME portal as well as implementing an electronic roster system that facilitates the rotation of suppliers in the vendor database, hence the increase in expenditure. 2009/10 was more stable with adjustments only catering for inflation on personnel and goods and services and expenditure dropped by R12.7 million. The 2010/11 main appropriation has been reduced by R9.4 million as part of reprioritization whereby funds were shifted to other spending pressures.

The aggregate estimated expenditure increases from R86 million in 2010/11 to R101 million in 2013/14, an average increase of 5 percent over the MTEF. Expenditure estimates for compensation of employees increase from R85 million in 2010/11 to R99 million in 2013/14, an average increase of 5 percent year-on-year over the MTEF. The Programme is almost fully capacitated and the increase will only cater for inflationary adjustment.

Expenditure on goods and services increase from R600,000 in 2010/11 to R1.4 million in 2013/14, an average increase of 44 percent year-on-year over the MTEF. Provision has been made for provincial tender advertising accounts within the expenditure estimates for goods and services.

## SERVICE DELIVERY MEASURES

### PROGRAMME 7: PROCURE-TO-PAY SERVICES

| Sub-programme/Performance measures                          | Estimated Annual Targets |                |                |
|---|--------------------------|----------------|----------------|
|   | 2011/12                  | 2012/13        | 2013/14        |
| <b>ICT &amp; Professional Services</b>                      |                          |                |                |
| Compliance with SLA in respect of the RFP process           | 80 days                  | 80 days        | 80 days        |
| Compliance with SLA in respect of the RFQ process           |                          |                |                |
| ICT   | 7 days                   | 6 days         | 6 days         |
| Professional Services                                       | 7 days                   | 6 days         | 6 days         |
| <b>Fast-Moving Consumable Goods</b>                         |                          |                |                |
| Compliance with SLA in respect of the RFP process           | 85 days                  | 85 days        | 85 days        |
| Compliance with SLA in respect of the RFQ process           |                          |                |                |
| Perishables   | 7 days                   | 6 days         | 6 days         |
| Chemicals   | 7 days                   | 6 days         | 6 days         |
| Stationery  | 7 days                   | 6 days         | 6 days         |
| Clothing  | 13 days                  | 12 days        | 12 days        |
| Books   | 13 days                  | 12 days        | 12 days        |
| <b>Medical, Consumables &amp; Equipment</b>                 |                          |                |                |
| Compliance with SLA in respect of the RFP process           | 90 days                  | 90 days        | 90 days        |
| Compliance with SLA in respect of the RFQ process           |                          |                |                |
| Medical Consumables   | 7 days                   | 6 days         | 6 days         |
| Medical Equipment   | 11 days                  | 10 days        | 10 days        |
| Medical Professional Services                               | 7 days                   | 6 days         | 6 days         |
| <b>Assets, Energy &amp; Facilities</b>                      |                          |                |                |
| Compliance with SLA in respect of the RFP process           | 85 days                  | 85 days        | 85 days        |
| Compliance with SLA in respect of the RFQ process           | 13 days                  | 12 days        | 12 days        |
| <b>Procurement Support</b>                                  |                          |                |                |
| Number of sites visited and supported                       | 1,000                    | 1,000          | 1,000          |
| <b>Contracts Management</b>                                 |                          |                |                |
| Manage and maintain an electronic Database of GPG Contracts | 95%                      | 95%            | 95%            |
| <b>Vendor Management &amp; Development</b>                  |                          |                |                |
| 1.Data integrity of the GPG Centralized Vendor Database     | 70% Compliance           | 70% Compliance | 70% Compliance |

### PROGRAMME 8: TECHNOLOGY SUPPORT SERVICES

#### Programme description

Technology Support Services (TSS) is the Information and Communications Technology (ICT) shared services provider for GPG, responsible for all transversal or cross-departmental ICT infrastructure. This infrastructure includes Applications, Networks, Hardware, Software and any other ICT related assets. TSS is responsible for managing these assets on a daily basis to ensure an adequate ICT-enabled working environment for all departments.

## Programme objectives

### Applications Competency Centre

- Extend the deployment of the Enterprise Resource Planning (ERP) functionality essential to efficient working of GPG processes
- Provide operational support to all GPG ERP entities and departments

### E-Government

- Enable the Gauteng Provincial Government to be open for business from any place and at any time, with one point of entry for all its citizens
- Connect communities using appropriate channels, building a secure and reliable infrastructure
- Assist in creating a sustainable schools-based e-learning environment in order to maximize learners' educational experiences
- Enhance content and services, as well as implement transactional capabilities

### Information Security

- Secure the GPG ICT environment
- Minimize the impact of adverse ICT security events

### Operations & Infrastructure

- Provide an ICT infrastructure that meets GPG business needs

### Planning & Systems Architecture

Provide the GPG with ICT architecture planning and advisory services so that technology utilisation is optimised

### Applications Development

- Provide transversal application support and availability across GPG Departments, driven by specific business needs
- Design, develop and enhance applications that support business processes to ensure availability of business applications as well as provide a enterprise reporting tool for the GPG

### IT Operations Support

- Coordinate the activities of the Technology Support Services (TSS) business unit
- Achieve continuous service improvement through monitoring, measuring and reporting on ICT service levels including the management of external IT vendors forming part of the service delivery chain

### Programme Management

- Manage effectively a portfolio of ICT programmes and projects to improve operational and strategic initiatives

### Change Control

- Ensure stability and minimize disruptions within the ICT environment

TABLE 19: SUMMARY OF PAYMENTS AND ESTIMATES: TECHNOLOGY SUPPORT SERVICES

| R thousand                          | Outcome        |                |                | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates |                |                |
|-------------------------------------|----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
|                                     | 2007/08        | 2008/09        | 2009/10        | 2010/11            |                        |                  | 2011/12               | 2012/13        | 2013/14        |
| 1. TSS Programme Support            | 3 179          | 5 632          | 6 035          | 4 543              | 2 624                  | 2 624            | 1 847                 | 1 944          | 2 045          |
| 2. Programmes and Applications      | 104 596        | 99 281         | 61 832         | 125 759            | 153 513                | 143 113          | 81 742                | 86 236         | 90 573         |
| 3. Planning & Operations            | 160 145        | 131 393        | 220 333        | 219 391            | 185 475                | 194 878          | 183 149               | 135 141        | 141 785        |
| 4. E-Government                     | 323 698        | 431 717        | 448 485        | 458 219            | 463 069                | 463 070          | 534 412               | 564 873        | 589 580        |
| <b>Total payments and estimates</b> | <b>591 618</b> | <b>668 023</b> | <b>736 685</b> | <b>807 912</b>     | <b>804 681</b>         | <b>803 685</b>   | <b>801 150</b>        | <b>788 194</b> | <b>823 983</b> |

TABLE 20: SUMMARY OF ESTIMATES BY ECONOMIC CLASSIFICATION: TECHNOLOGY SUPPORT SERVICES

| R thousand  | Outcome        |                |                | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates |                |                |
|---|----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
|   | 2007/08        | 2008/09        | 2009/10        | 2010/11            |                        |                  | 2011/12               | 2012/13        | 2013/14        |
| <b>Current payments</b>                             | <b>494 296</b> | <b>651 125</b> | <b>735 869</b> | <b>778 336</b>     | <b>775 205</b>         | <b>775 077</b>   | <b>764 499</b>        | <b>749 379</b> | <b>783 247</b> |
| Compensation of employees                           | 50 758         | 57 152         | 63 813         | 79 144             | 89 420                 | 89 288           | 86 705                | 91 123         | 95 874         |
| Goods and services                                  | 443 538        | 593 973        | 672 056        | 699 192            | 685 785                | 685 789          | 677 794               | 658 256        | 687 373        |
| Interest and rent on land                           |                |                |                |                    |                        |                  |                       |                |                |
| <b>Transfers and subsidies to:</b>                  |                | <b>6</b>       | <b>7</b>       |                    |                        | <b>132</b>       |                       |                |                |
| Provinces and municipalities                        |                |                |                |                    |                        |                  |                       |                |                |
| Departmental agencies and accounts                  |                |                |                |                    |                        |                  |                       |                |                |
| Universities  |                |                |                |                    |                        |                  |                       |                |                |
| Foreign governments and international organisations |                |                |                |                    |                        |                  |                       |                |                |
| Public corporations and private enterprises         |                |                |                |                    |                        |                  |                       |                |                |
| Non-profit institutions                             |                |                |                |                    |                        |                  |                       |                |                |
| Households  |                | 6              | 7              |                    |                        | 132              |                       |                |                |
| <b>Payments for capital assets</b>                  | <b>97 322</b>  | <b>16 892</b>  | <b>809</b>     | <b>29 576</b>      | <b>29 476</b>          | <b>28 476</b>    | <b>36 651</b>         | <b>38 815</b>  | <b>40 736</b>  |
| Buildings and other fixed structures                |                |                |                |                    |                        |                  |                       |                |                |
| Machinery and equipment                             | 12 515         | 16 815         | 809            | 29 576             | 29 476                 | 28 476           |                       |                |                |
| Heritage Assets                                     |                |                |                |                    |                        |                  |                       |                |                |
| Specialised military assets                         |                |                |                |                    |                        |                  |                       |                |                |
| Biological assets                                   |                |                |                |                    |                        |                  |                       |                |                |
| Land and sub-soil assets                            |                |                |                |                    |                        |                  |                       |                |                |
| Software and other intangible assets                | 84 807         | 77             |                |                    |                        |                  | 36 651                | 38 815         | 40 736         |
| <b>Payments for financial assets</b>                |                |                |                |                    |                        |                  |                       |                |                |
| <b>Total economic classification</b>                | <b>591 618</b> | <b>668 023</b> | <b>736 685</b> | <b>807 912</b>     | <b>804 681</b>         | <b>803 685</b>   | <b>801 150</b>        | <b>788 194</b> | <b>823 983</b> |

The programme's expenditure has been increasing between 2008/09 and 2010/11. This increase is associated with the increased ICT responsibilities and challenges which the unit has had to address. In 2008/09, main contributor to the increased budget was the solution procured to deal with an unexpected virus attack in 2007. In order to properly address ICT related issues, the unit had to be fully capacitated; this accounts for the steady increase in personnel expenditure over the period under review.

The programme's estimated expenditure increases from R805 million in 2010/11 to R824 million in 2013/14, an average 0.8 percent increase year-on-year over the MTEF.

Compensation of employees increases from R89 million in 2010/11 to R96 million in 2013/14, an average annual rate of 3 per cent. This increase in compensation reflects the impact of filling critical posts over the MTEF, and assumptions about salary adjustments for the period under review.

Goods and services increase marginally from R686 million in 2010/11 to R687 million in 2013/14, an annual average increase of 0.1% over the MTEF. Of the aggregate expenditure estimates for goods and services, 82 per cent on average is allocated to provincial earmarked projects, specifically Gauteng-On-Line, the e-gov infrastructure plan, deployment of the Customer Relations Management system, and the roll-out of the GPG broadband service. The balance of the goods and services budget is allocated to the maintenance and up-keep of the provincial IT infrastructure.

Provision is made under payments for capital assets for software maintenance and support.

**SERVICE DELIVERY MEASURES****PROGRAMME 8: TECHNOLOGY SUPPORT SERVICES**

| Sub programme/Performance measures   | Estimated Annual Targets  |   |   |
|--|---|---|---|
|  | 2011/12   | 2012/13   | 2013/14   |
| <b>Applications Competency Centre</b>  |   |   |   |
| Provide applications support by managing the resolution of incidents within the agreed service level indicators        | 95% incidents to be resolved within the service level indicators                        | 95% incidents to be resolved within the service level indicators                        | 95% incidents to be resolved within the service level indicators                        |
| Ensuring the availability the ERP application  | The ERP application to be available for 22 hours per working day                        | The ERP application to be available for 22 hours per working day                        | The ERP application to be available for 22 hours per working day                        |
| Provide applications support by managing the resolution of service requests within the agreed service level indicators | 95% of service requests to be resolved within the service level indicators              | 95% of service requests to be resolved within the service level indicators              | 95% of service requests to be resolved within the service level indicators              |
| The deployment of the Customer Relationship Management (CRM) module within GPG Departments                             | -   | The successful deployment of the CRM module within 5 departments                        | The successful deployment of the CRM module to the remaining 5 departments              |
| <b>E-Government</b>  |   |   |   |
| Provide and maintain a computer laboratory for each public school within the Province                                  | Maintain and support the computer laboratory for all public schools within the Province | Maintain and support the computer laboratory for all public schools within the Province | Maintain and support the computer laboratory for all public schools within the Province |
| Provide affordable access to broadband services with the Province  | The deployment of 25% of the broadband network to be completed                          | The deployment of 65% of the broadband network to be completed                          | The deployment of 95% of the broadband network to be completed                          |
| <b>Information Security</b>  |   |   |   |
| Review and develop ICT security related policies   | Annual review of policies to be conducted   | Annual review of policies to be conducted   | Annual review of policies to be conducted   |
| Conduct ICT risk assessments   | A ICT risk assessment to be conducted on a quarterly basis                              | A ICT risk assessment to be conducted on a quarterly basis                              | A ICT risk assessment to be conducted on a quarterly basis                              |
| <b>Operations &amp; Infrastructure</b>   |   |   |   |
| Manage the Provincial Wide Area Network (WAN)  | Provide WAN availability of 715 hours per month   | Provide WAN availability of 715 hours per month   | Provide WAN availability of 715 hours per month   |
| <b>Planning &amp; Systems Architecture</b>   |   |   |   |
| Review and maintain Departmental systems plans and the Provincial Integrated Master Systems Plan (IMSP)                | Review and maintain baseline , Gap analysis and roadmap reports for all departments     | Review and maintain baseline , Gap analysis and roadmap reports for all departments     | Review and maintain baseline , Gap analysis and roadmap reports for all departments     |
| <b>Applications Management</b>   |   |   |   |
| Ensuring the availability of business and other applications including all transversal applications                    | Business and other applications to be available for 22 hours per working day            | Business and other applications to be available for 22 hours per working day            | Business and other applications to be available for 22 hours per working day            |

**7. OTHER PROGRAMME INFORMATION****7.1 Personnel numbers and cost****TABLE 21: PERSONNEL NUMBERS AND COSTS1: DEPARTMENT OF FINANCE**

| Personnel numbers                  | As at<br>31 March<br>2008 | As at<br>31 March<br>2009 | As at<br>31 March<br>2010 | As at<br>31 March<br>2011 | As at<br>31 March<br>2012 | As at<br>31 March<br>2013 | As at<br>31 March<br>2014 |
|------------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| 1. Administration                  | 373                       | 441                       | 477                       | 535                       | 535                       | 535                       | 535                       |
| 2. Sustainable Resource Management | 49                        | 76                        | 65                        | 77                        | 77                        | 77                        | 77                        |
| 3. Financial Governance            | 40                        | 44                        | 49                        | 84                        | 91                        | 91                        | 91                        |
| 4. Provincial Accounting Services  | 177                       | 188                       | 191                       | 190                       | 197                       | 197                       | 197                       |
| 5. Gauteng Audit Services          | 160                       | 155                       | 124                       | 129                       | 129                       | 129                       | 129                       |
| 6. Hire-to-Retire Services         | 443                       | 443                       | 352                       | 302                       | 340                       | 340                       | 340                       |
| 7. Procure-to-Pay Services         | 386                       | 384                       | 338                       | 358                       | 361                       | 361                       | 361                       |

| Personnel numbers                            | As at<br>31 March<br>2008 | As at<br>31 March<br>2009 | As at<br>31 March<br>2010 | As at<br>31 March<br>2011 | As at<br>31 March<br>2012 | As at<br>31 March<br>2013 | As at<br>31 March<br>2014 |
|--|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| 8. Technology Support Services               | 266                       | 266                       | 194                       | 195                       | 210                       | 210                       | 210                       |
| 9. Programme Management Unit                 | 37                        |                           |                           |                           |                           |                           |                           |
| <b>Total department personnel numbers</b>    | <b>1 931</b>              | <b>1 997</b>              | <b>1 790</b>              | <b>1 870</b>              | <b>1 940</b>              | <b>1 940</b>              | <b>1 940</b>              |
| Total department personnel cost (R thousand) | 355 730                   | 389 675                   | 468 448                   | 546 728                   | 619 019                   | 649 826                   | 682 993                   |
| Unit cost (R thousand)                       | 184                       | 195                       | 262                       | 292                       | 319                       | 335                       | 353                       |

The moratorium in 2009/10 on filling positions within the department resulted in a decline in number of personnel from 1,997 in 2008/09 to 1,790 in 2009/10. Numbers increased again in 2010/11 due to the filling of critical positions without which the Department cannot fully carry out its functions. The Department also employed 70 contact centre agents as part of running the contact centre internally; this resulted in an increase within the Administration programme from 477 in 2009/10 to 535 in 2010/11. The increase in personnel in Financial Governance is due to the relocating of the Local Government service from Sustainable Resource Management to the Programme. Hire-to-Retire personnel were however reduced by 50 due to the move of Organisational Development unit to the Office of the Premier. Total personnel numbers and related costs stabilise over the MTEF, subject to the conclusion of the reconfiguration process. The changes in personnel cost are consistent with the overall growth assumptions in relation to the compensation of employees.

TABLE 22: SUMMARY OF DEPARTMENTAL PERSONNEL NUMBERS AND COSTS

|   | Outcome |         |         | Main<br>appropriation | Adjusted<br>appropriation | Revised<br>estimate | Medium-term estimates |         |         |
|---|---------|---------|---------|-----------------------|---------------------------|---------------------|-----------------------|---------|---------|
|   | 2007/08 | 2008/09 | 2009/10 |                       |                           |                     | 2010/11               |         | 2011/12 |
| Total for Department                      |         |         |         |                       |                           |                     |                       |         |         |
| Personnel numbers (head count)            | 1 931   | 1 997   | 1 790   | 1 870                 | 1 870                     | 1 870               | 1 940                 | 1 940   | 1 940   |
| Personnel cost (R thousands)              | 355 730 | 389 675 | 468 448 | 527 614               | 546 728                   | 546 727             | 619 019               | 649 826 | 682 993 |
| Human resources component                 |         |         |         |                       |                           |                     |                       |         |         |
| Personnel numbers (head count)            | 34      | 30      | 63      | 54                    | 54                        | 54                  | 54                    | 54      | 54      |
| Personnel cost (R thousands)              | 7 977   | 7 618   | 12 171  | 49 274                | 57 613                    | 51 585              | 65 163                | 68 318  | 71 734  |
| Head count as % of total for province     | 2%      | 2%      | 4%      | 3%                    | 3%                        | 3%                  | 3%                    | 3%      | 3%      |
| Personnel cost as % of total for province | 2%      | 2%      | 3%      | 9%                    | 11%                       | 9%                  | 11%                   | 11%     | 10%     |
| Finance component                         |         |         |         |                       |                           |                     |                       |         |         |
| Personnel numbers (head count)            | 60      | 76      | 81      | 70                    | 70                        | 70                  | 70                    | 70      | 70      |
| Personnel cost (R thousands)              | 10 139  | 14 065  | 20 919  | 37 830                | 20 739                    | 20 742              | 22 420                | 23 527  | 24 717  |
| Head count as % of total for province     | 3%      | 4%      | 5%      | 4%                    | 4%                        | 4%                  | 4%                    | 4%      | 4%      |
| Personnel cost as % of total for province | 3%      | 4%      | 4%      | 7%                    | 4%                        | 4%                  | 4%                    | 4%      | 4%      |
| Full time workers                         |         |         |         |                       |                           |                     |                       |         |         |
| Personnel numbers (head count)            | 1 931   | 1 997   | 1 790   | 1 844                 | 1 844                     | 1 844               | 1 914                 | 1 914   | 1 914   |
| Personnel cost (R thousands)              | 355 730 | 389 675 | 468 448 | 527 614               | 546 728                   | 546 727             | 619 019               | 649 826 | 682 993 |
| Head count as % of total for province     | 100%    | 100%    | 100%    | 99%                   | 99%                       | 99%                 | 99%                   | 99%     | 99%     |
| Personnel cost as % of total for province | 100%    | 100%    | 100%    | 100%                  | 100%                      | 100%                | 100%                  | 100%    | 100%    |
| Part-time workers                         |         |         |         |                       |                           |                     |                       |         |         |
| Personnel numbers (head count)            |         |         |         |                       |                           |                     |                       |         |         |
| Personnel cost (R thousands)              |         |         |         |                       |                           |                     |                       |         |         |
| Head count as % of total for province     |         |         |         |                       |                           |                     |                       |         |         |
| Personnel cost as % of total for province |         |         |         |                       |                           |                     |                       |         |         |
| Contract workers                          |         |         |         |                       |                           |                     |                       |         |         |
| Personnel numbers (head count)            |         |         |         | 26                    | 26                        | 26                  | 26                    | 26      | 26      |
| Personnel cost (R thousands)              |         |         |         | 8 874                 | 8 874                     | 8 874               | 1 670                 | 1 756   | 1 850   |
| Head count as % of total for province     |         |         |         | 1%                    | 1%                        | 1%                  | 1%                    | 1%      | 1%      |
| Personnel cost as % of total for province |         |         |         | 2%                    | 2%                        | 2%                  | 0%                    | 0%      | 0%      |



The Human Resource component of the GDF maintains a consistent pattern throughout the period under review, in both personnel numbers and cost. Increases in cost over the period are mainly a reflection of projected compensation adjustments in keeping with the cost of living.

The Finance component also maintains a consistent pattern of personnel numbers and costs. The decrease from R38 million at the beginning of the 2010/11 financial year to R22 million in 2011/12 is the result of the allocation of the initial allocation of the ICS to the office of the CFO; this was moved during the adjustment process.

Part-time workers and contractors are personnel that have been brought in to areas such as the Document Management Centre (DMC). The DMC experiences seasonal spikes in the volume of mail handling, particularly around the end of the financial year and requires additional people to cope with this. The increases in costs over the MTEF for part-time and contract workers mainly relate to projected compensation adjustments in keeping with the cost of living.

## 7.2 Training

**TABLE 23: PAYMENTS ON TRAINING: DEPARTMENT OF FINANCE**

|                                  | Outcome |         |         | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates |         |         |
|----------------------------------|---------|---------|---------|--------------------|------------------------|------------------|-----------------------|---------|---------|
| R thousand                       | 2007/08 | 2008/09 | 2009/10 | 2010/11            |                        |                  | 2011/12               | 2012/13 | 2013/14 |
| Number of staff                  | 1 931   | 1 997   | 1 790   | 1 870              | 1 870                  | 1 870            | 1 940                 | 1 940   | 1 940   |
| Number of personnel trained      | 543     | 617     | 476     | 723                | 759                    | 759              | 797                   | 837     | 879     |
| of which                         |         |         |         |                    |                        |                  |                       |         |         |
| Male                             | 236     | 257     | 171     | 321                | 337                    | 337              | 354                   | 372     | 391     |
| Female                           | 307     | 360     | 305     | 402                | 422                    | 422              | 443                   | 465     | 488     |
| Number of training opportunities | 498     | 471     | 594     | 535                | 562                    | 562              | 590                   | 620     | 651     |
| of which                         |         |         |         |                    |                        |                  |                       |         |         |
| Tertiary                         | 303     |         | 354     | 307                | 322                    | 322              | 338                   | 355     | 373     |
| Workshops                        | 45      |         | 42      | 7                  | 8                      | 8                | 8                     | 9       | 9       |
| Seminars                         |         |         | 10      | 7                  | 8                      | 8                | 8                     | 9       | 9       |
| Other                            | 150     | 471     | 188     | 214                | 224                    | 224              | 235                   | 247     | 259     |
| Number of bursaries offered      | 293     |         | 218     | 361                | 379                    | 379              | 398                   | 418     | 439     |
| Number of interns appointed      | 52      |         | 55      | 68                 | 71                     | 71               | 74                    | 78      | 82      |
| Number of learnerships appointed | 40      | 54      | 16      | 55                 | 58                     | 58               | 61                    | 64      | 67      |
| Number of days spent on training | 26      |         | 313     | 315                | 331                    | 331              | 348                   | 365     | 383     |

**TABLE 24: INFORMATION ON TRAINING: DEPARTMENT OF FINANCE**

|   | Outcome     |             |             | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates |             |             |
|---|-------------|-------------|-------------|--------------------|------------------------|------------------|-----------------------|-------------|-------------|
| R thousand                                | 2007/08     | 2008/09     | 2009/10     | 2010/11            |                        |                  | 2011/12               | 2012/13     | 2013/14     |
| <b>1. Administration</b>                  | <b>3705</b> | <b>5319</b> | <b>6577</b> | <b>6490</b>        | <b>6815</b>            | <b>6815</b>      | <b>7156</b>           | <b>7514</b> | <b>7890</b> |
| of which                                  |             |             |             |                    |                        |                  |                       |             |             |
| Subsistence and travel                    | 2753        | 4330        | 4460        | 3935               | 4132                   | 4132             |                       |             |             |
| Payments on tuition                       | 952         | 989         | 2117        | 2555               | 2683                   | 2683             |                       |             |             |
| <b>2. Sustainable Resource Management</b> | <b>159</b>  | <b>51</b>   | <b>34</b>   | <b>400</b>         | <b>420</b>             | <b>420</b>       | <b>441</b>            | <b>463</b>  | <b>486</b>  |
| Subsistence and travel                    | 152         | 51          | 0           | 400                | 420                    | 420              |                       |             |             |
| Payments on tuition                       | 7           |             | 34          |                    |                        |                  |                       |             |             |
| <b>3. Financial Governance</b>            | <b>103</b>  | <b>21</b>   | <b>308</b>  | <b>30</b>          | <b>32</b>              | <b>32</b>        | <b>34</b>             | <b>36</b>   | <b>38</b>   |
| Subsistence and travel                    | 76          | 21          | 0           | 30                 | 32                     | 32               |                       |             |             |

| R thousand                               | Outcome      |              |              | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates |              |              |
|--|--------------|--------------|--------------|--------------------|------------------------|------------------|-----------------------|--------------|--------------|
|  | 2007/08      | 2008/09      | 2009/10      | 2010/11            |                        |                  | 2011/12               | 2012/13      | 2013/14      |
| Payments on tuition                      | 27           |              | 308          |                    |                        |                  |                       |              |              |
| <b>4. Provincial Accounting Services</b> | <b>549</b>   | <b>196</b>   | <b>1045</b>  | <b>811</b>         | <b>849</b>             | <b>849</b>       | <b>891</b>            | <b>936</b>   | <b>982</b>   |
| Subsistence and travel                   | 496          | 150          | 467          | 617                | 645                    | 645              |                       |              |              |
| Payments on tuition                      | 53           | 46           | 578          | 194                | 204                    | 204              |                       |              |              |
| <b>5. Gauteng Audit Services</b>         | <b>1486</b>  | <b>362</b>   | <b>551</b>   | <b>804</b>         | <b>844</b>             | <b>844</b>       | <b>886</b>            | <b>930</b>   | <b>977</b>   |
| Subsistence and travel                   | 986          | 287          | 175          | 459                | 482                    | 482              |                       |              |              |
| Payments on tuition                      | 500          | 75           | 376          | 345                | 362                    | 362              |                       |              |              |
| <b>6. Hire-to-Retire Services</b>        | <b>2416</b>  | <b>1007</b>  | <b>621</b>   | <b>902</b>         | <b>948</b>             | <b>948</b>       | <b>995</b>            | <b>1045</b>  | <b>1097</b>  |
| Subsistence and travel                   | 2063         | 890          | 490          | 332                | 349                    | 349              |                       |              |              |
| Payments on tuition                      | 353          | 117          | 131          | 570                | 599                    | 599              |                       |              |              |
| <b>7. Procure-toPay Services</b>         | <b>394</b>   | <b>786</b>   | <b>466</b>   | <b>1329</b>        | <b>1395</b>            | <b>1395</b>      | <b>1465</b>           | <b>1538</b>  | <b>1615</b>  |
| Subsistence and travel                   | 348          | 679          | 169          | 800                | 840                    | 840              |                       |              |              |
| Payments on tuition                      | 46           | 107          | 297          | 529                | 555                    | 555              |                       |              |              |
| <b>8. Technology Support Services</b>    | <b>3596</b>  | <b>3084</b>  | <b>3810</b>  | <b>3804</b>        | <b>3994</b>            | <b>3994</b>      | <b>4194</b>           | <b>4404</b>  | <b>4624</b>  |
| Subsistence and travel                   | 2986         | 2494         | 633          | 3225               | 3386                   | 3386             |                       |              |              |
| Payments on tuition                      | 610          | 590          | 3177         | 579                | 608                    | 608              |                       |              |              |
| <b>Total payments on training</b>        | <b>12408</b> | <b>10826</b> | <b>13412</b> | <b>14570</b>       | <b>15297</b>           | <b>15297</b>     | <b>16062</b>          | <b>16866</b> | <b>17709</b> |

The above tables reflect the Department's commitment to the training and development of employees. The focus remains particularly on the development of women, and the Department intends to continue implementing focussed leadership development programmes such as the Women Management Advancement Programme (WOMAP); intensifying the leadership coaching aimed at women executives; and various management development programmes offered by the GCRA.

Specific focus this year will be on ensuring Khaedu deployment for employees who attended the Khaedu theoretical training: a management training programme focused on improving service delivery in public services. Other training interventions will focus on improving the generic and functional skills of the employees, and will include seminars and workshops. All training interventions will be in line with the approved Workplace Skills Plan and with individual Personal Development Plans (PDPs) which form part of the performance management and development system.

Internship programmes will continue, specifically in core areas of the Department such as auditing and finance, municipal finance and ICT. Twelve employees successfully completed a Business Administration learnership, and the Department has further enrolled 25 employees in a Business Practice learnership; these include people with disabilities. These programmes are specifically aimed at lower-level employees and are aimed at providing opportunities for growth in the Department.

There has been a significant increase in bursary applications, and these will be offered in line with the estimated allocation and availability of funds. The bursary programme will assist considerably in reducing skills gaps, particularly in management development and core skills areas.

## Reconciliation of structural changes

TABLE 24: RECONCILIATION OF STRUCTURAL CHANGES

| Programmes for 2009/10          | 2009/10 Equivalent   |  | Programmes for 2010/11          |  |
|---------------------------------|--|--|---------------------------------|--|
| Programmes                      | Subprogramme   |  | Programmes                      | Subprogramme   |
| ADMINISTRATION                  | Office of the MEC<br>Office of the HOD   |  | ADMINISTRATION                  | Office of the MEC  |
|                                 | Office of the CFO<br>Corporate Services  |  |                                 | Office of the HOD<br>Divisional Head: Shared Services<br>Divisional Head: Treasury Services<br>Internal Finance Services<br>Corporate Services<br>Strategy Management & Enterprise Integration<br>Forensic Services<br>Document & Records Management |
|                                 |  |  |                                 |  |
| SUSTAINABLE RESOURCE MANAGEMENT | SRM Programme Support  |  | SUSTAINABLE RESOURCE MANAGEMENT | SRM Programme Support  |
|                                 | Budget Management<br>Fiscal Policy<br>Public Finance<br>Public Private Partnership<br>Local Government Resource Management and Intergovernmental Relations |  |                                 | Budget Management<br>Fiscal Policy and Economic Analysis<br>Public Finance<br>Public Private Partnership   |
| FINANCIAL GOVERNANCE            | FG Programme Support<br>Assets & Liabilities<br>Accounting Services<br>Risk Management   |  | FINANCIAL GOVERNANCE            | FG Programme Support   |
|                                 |  |  |                                 | Norms & Standards<br>Local Government Financial Services<br>Risk Management<br>Financial Business Systems  |
|                                 |  |  | PROVINCIAL ACCOUNTING SERVICES  | PAS Programme Support  |
|                                 |  |  |                                 | Financial Assets & Liabilities<br>Accounting Services<br>Accounts Receivable<br>Statutory Deductions Management  |
| GAUTENG AUDIT SERVICES          | GM Office  |  | GAUTENG AUDIT SERVICES          | GAS Programme Support  |
|                                 | Risk Audit   |  |                                 | Risk & Compliance Audit Services: Clusters 1,2,3   |
|                                 |  |  |                                 | Risk & Compliance Audit Services: Clusters 4,5   |
|                                 | Computer Audit   |  |                                 | Computer Audit   |
|                                 | Performance Audit  |  |                                 | Performance Audit  |
|                                 |  |  |                                 | Audit Centre of Excellence   |
| HUMAN RESOURCE SERVICES         | GM Office  |  | HIRE-TO-RETIRE SERVICES         | HTH Programme Support  |
|                                 | Talent Attraction Services   |  |                                 | HR Transactional Services  |
|                                 | Human Resource Administration  |  |                                 |  |
|                                 | Employee Exits   |  |                                 |  |
|                                 | HR Organisational Development  |  |                                 | HR Advisory Services   |
|                                 | Management Information Services  |  |                                 |  |
|                                 | Labour Relations   |  |                                 |  |

| Programmes for<br>2009/10 |                             |   |  | Programmes for 2010/11      |   |
|---------------------------|-----------------------------|---|--|-----------------------------|---|
|                           | 2009/10 Equivalent          |   |  |                             |   |
|                           | Programmes                  | Subprogramme                              |  | Programmes                  | Subprogramme                              |
|                           |                             | Employee Wellbeing & Assessment Centre    |  |                             |   |
|                           | PROCUREMENT SERVICES        | GM Office                                 |  | PROCURE-TO-PAY SERVICES     | PTP Programme Support                     |
|                           |                             | Strategic Sourcing & Contracts Management |  |                             | Procurement Sourcing & Support: Cluster 1 |
|                           |                             | Vendor Management                         |  |                             | Procurement Sourcing & Support: Cluster 2 |
|                           |                             | Procurement Support                       |  |                             |   |
|                           |                             | Market Research                           |  |                             |   |
|                           |                             | Financial Risk & Escalation               |  |                             |   |
|                           | FINANCE SERVICES            | GM Office                                 |  |                             |   |
|                           |                             | Cash Book Services                        |  |                             |   |
|                           |                             | General Accounting                        |  |                             |   |
|                           |                             | Accounts Payable                          |  |                             |   |
|                           |                             | Payroll Administration                    |  |                             |   |
|                           |                             | Debts Management                          |  |                             |   |
|                           | TECHNOLOGY SUPPORT SERVICES | GM Office                                 |  | TECHNOLOGY SUPPORT SERVICES | TSS Programme Support                     |
|                           |                             | Service Management                        |  |                             | Programmes & Applications                 |
|                           |                             | Planning & Architecture                   |  |                             | Planning & Operations                     |
|                           |                             | Programme Management                      |  |                             |   |
|                           |                             | Application Management                    |  |                             |   |
|                           |                             | Information Security                      |  |                             |   |
|                           |                             | Operations Management                     |  |                             |   |
|                           |                             | E-Government                              |  |                             | E-Government                              |

## 8. Cross-cutting issues

| Cross Cutting Issue | Programme and subprogramme                                 | Indicator/ Measure   | Target | Output   | MTEF BUDGET  |         |         |
|---------------------|--|--|--------|--|--|---------|---------|
|                     |  |  |        |  | 2011/12  | 2012/13 | 2013/14 |
| Women               | Employment Equity  | Appointment of women in senior management  | 50%    | 50% women representation at SMS                      | 50%  | 50%     | 50%     |
|                     | Skills Development & Capacity Building Programmes          | 50% beneficiaries of education and training programmes should be women in all levels | 50%    | 50% of women benefiting from training programmes     | 20% of the allocated budget from the (1% of salary bill) | 25%     | 30%     |
|                     | Economic Empowerment                                       | Active participation of women in procurement processes                               | 15%    | 15% of GPG tenders awarded to women owned businesses | 15%  | 15%     | 15%     |
| Youth               | Skills Development & Capacity Building Programmes          | 4% of young people benefiting from bursaries and training programmes                 | 4%     | 4%   | 4% of total compensation budget                          | 4%      | 4%      |
|                     | Economic Empowerment                                       | Promotion of youth owned businesses  | 5%     | 5%   | 5%   | 5%      | 5%      |
| PwDs                | 2% of employees should be PwDs                             | 2% representation of the workforce of employees should be PwDs                       | 2%     | 2% of the wage bill                                  | 4%   | 4%      | 4%      |
|                     | PwDs should benefit from bursaries and training programmes | 2% PwDs employees  | 2%     | 2% of the training budget                            | 0.5%   | 0,5%    | 0,5%    |
|                     | Promotion of PwDs owned businesses                         | 5%Participation of PwD's in procurement process                                      | 5%     | 5% of tenders awarded to companies owned by PwD's    | 5% of the procurement budget                             | 5%      | 5%      |

**ANNEXURE TO ESTIMATES OF  
PROVINCIAL EXPENDITURE**

TABLE 25: SPECIFICATION OF RECEIPTS: DEPARTMENT OF FINANCE

| R thousand  | Outcome        |                |               | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates |               |               |
|---|----------------|----------------|---------------|--------------------|------------------------|------------------|-----------------------|---------------|---------------|
|   | 2007/08        | 2008/09        | 2009/10       | 2010/11            |                        |                  | 2011/12               | 2012/13       | 2013/14       |
| <b>Tax receipts</b>   |                |                |               |                    |                        |                  |                       |               |               |
| Casino taxes  |                |                |               |                    |                        |                  |                       |               |               |
| Horse racing taxes  |                |                |               |                    |                        |                  |                       |               |               |
| Liquor licences   |                |                |               |                    |                        |                  |                       |               |               |
| Motor vehicle licences  |                |                |               |                    |                        |                  |                       |               |               |
| <b>Sales of goods and services other than capital assets</b>                        | <b>410</b>     | <b>752</b>     | <b>786</b>    | <b>629</b>         | <b>785</b>             | <b>951</b>       | <b>806</b>            | <b>817</b>    | <b>828</b>    |
| Sale of goods and services produced by department (excluding capital assets)        | 410            | 752            | 786           | 629                | 785                    | 951              | 806                   | 817           | 828           |
| Sales by market establishments  |                |                |               |                    |                        |                  |                       |               |               |
| Administrative fees   |                |                |               |                    |                        |                  |                       |               |               |
| Other sales   |                |                |               |                    |                        |                  |                       |               |               |
| Of which  | 410            | 752            | 786           | 629                | 785                    | 951              | 806                   | 817           | 828           |
| Mark Estab: Rental Park Covr & Open   | 410            | 752            | 786           | 629                | 785                    | 951              | 806                   | 817           | 828           |
| Commission  |                |                |               |                    |                        |                  |                       |               |               |
| Replacement of security cards   |                |                |               |                    |                        |                  |                       |               |               |
| Parking Bays  |                |                |               |                    |                        |                  |                       |               |               |
| Sport & Facilities  |                |                |               |                    |                        |                  |                       |               |               |
| Sales of scrap, waste, arms and other used current goods (excluding capital assets) |                |                |               |                    |                        |                  |                       |               |               |
| Transfers received from:  |                |                |               |                    |                        |                  |                       |               |               |
| Other governmental units  |                |                |               |                    |                        |                  |                       |               |               |
| Universities and technikons   |                |                |               |                    |                        |                  |                       |               |               |
| Foreign governments   |                |                |               |                    |                        |                  |                       |               |               |
| International organisations   |                |                |               |                    |                        |                  |                       |               |               |
| Public corporations and private enterprises   |                |                |               |                    |                        |                  |                       |               |               |
| Households and non-profit institutions  |                |                |               |                    |                        |                  |                       |               |               |
| <b>Fines, penalties and forfeits</b>  |                |                |               |                    |                        |                  |                       |               |               |
| <b>Interest, dividends and rent on land</b>   | <b>326 024</b> | <b>128 760</b> | <b>54 162</b> | <b>50 000</b>      | <b>14 450</b>          | <b>31 039</b>    | <b>30 000</b>         | <b>50 000</b> | <b>50 000</b> |
| Interest  | 326 024        | 128 760        | 54 162        | 50 000             | 14 450                 | 31 039           | 30 000                | 50 000        | 50 000        |
| Dividends   |                |                |               |                    |                        |                  |                       |               |               |
| Rent on land  |                |                |               |                    |                        |                  |                       |               |               |
| <b>Sales of capital assets</b>  |                |                |               |                    | <b>62</b>              | <b>62</b>        |                       |               |               |
| Land and sub-soil assets  |                |                |               |                    |                        |                  |                       |               |               |
| Other capital assets  |                |                |               |                    | 62                     | 62               |                       |               |               |
| Transactions in financial assets and liabilities                                    | 5 283          | 5 459          | 1 955         |                    | 637                    | 637              | 535                   | 540           | 545           |
| <b>Total departmental receipts</b>  | <b>331 717</b> | <b>134 971</b> | <b>56 903</b> | <b>50 629</b>      | <b>15 934</b>          | <b>32 689</b>    | <b>31 341</b>         | <b>51 357</b> | <b>51 373</b> |



TABLE 26: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ADMINISTRATION

|   | Outcome        |                |                | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates |                |                |
|---|----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| R thousand  | 2007/08        | 2008/09        | 2009/10        | 2010/11            |                        |                  | 2011/12               | 2012/13        | 2013/14        |
| <b>Current payments</b>   | <b>215 999</b> | <b>242 990</b> | <b>324 511</b> | <b>259 844</b>     | <b>296 649</b>         | <b>460 553</b>   | <b>320 216</b>        | <b>403 338</b> | <b>443 700</b> |
| Compensation of employees   | 70 285         | 85 014         | 116 524        | 148 410            | 142 043                | 148 207          | 169 334               | 177 766        | 186 878        |
| Salaries and wages  | 63 214         | 76 404         | 104 874        | 138 410            | 131 851                | 134 781          | 153 290               | 160 923        | 169 171        |
| Social contributions  | 7 071          | 8 610          | 11 650         | 10 000             | 10 192                 | 13 426           | 16 044                | 16 844         | 17 707         |
| Goods and services  | 145 714        | 157 976        | 207 987        | 111 434            | 154 606                | 312 346          | 150 882               | 225 572        | 256 822        |
| of which  |                |                |                |                    |                        |                  |                       |                |                |
| Administrative fees   | 44             | 2 472          | 2 546          | 1 900              | 2 010                  | 15 994           |                       |                |                |
| Advertising   | 3 791          | 7 686          | 10 046         | 3 842              | 3 842                  | 14 275           | 1 000                 | 1 000          | 1 000          |
| Assets < than the threshold (currently R5000)                       | 3 326          | 1 425          | 223            | 1 133              | 1 058                  | 369              |                       |                |                |
| Audit cost: External  | 530            | 3 909          | 9 215          | 5 534              | 7 434                  | 7 443            | 5 733                 | 6 020          | 6 321          |
| Bursaries (employees)   | 1 064          | 963            | 1 785          | 2 655              | 2 655                  | 4 421            | 3 000                 | 3 500          | 4 000          |
| Catering: Departmental activities                                   | 1 537          | 1 481          | 553            | 789                | 904                    | 373              | 1 000                 | 1 000          | 1 000          |
| Communication   | 7 550          | 13 698         | -(3 044)       | 5 466              | 7 110                  | 11 645           | 61 210                | 67 331         | 74 064         |
| Computer services   | 10 958         | 7 415          | 5 814          | 4 148              | 2 687                  | 436              | 20                    | 20             | 20             |
| Consultants and professional service: Business and advisory service | 63 805         | 57 800         | 117 847        | 24 901             | 71 140                 | 214 274          | 80                    | 61 966         | 79 871         |
| Consultants and professional service: Infrastructure and planning   | 169            |                | 15 877         |                    |                        |                  |                       |                |                |
| Consultants and professional service: Legal cost                    | 15             | 8 565          | 59             | 16 582             | 2 708                  | 6 000            | 1 500                 | 1 500          | 1 500          |
| Contractors   |                | 4 206          | 4 003          | 2 523              | 8 462                  | 2 686            | 1 580                 | 1 659          | 1 742          |
| Agency and support / outsourced services                            | 142            | 3 188          | 1 717          | 538                | 538                    | 438              |                       |                |                |
| Entertainment   | 842            | 1 578          | 29             | 942                | 3                      | 187              | 50                    | 40             | 50             |
| Fleet services (including government motor transport)               |                |                |                | 1 010              | 1 010                  | 1 012            | 500                   | 540            | 550            |
| Housing   |                |                |                | 4                  | 4                      |                  |                       |                |                |
| Inventory: Food and food supplies                                   | 84             | 246            | 204            | 353                | 353                    | 170              | 18                    | 18             | 18             |
| Inventory: Fuel, oil and gas  | 70             | 63             | 52             |                    |                        | 8                | 40                    | 40             | 40             |
| Inventory: Learner and teacher support material                     |                |                |                |                    |                        |                  |                       |                |                |
| Inventory: Materials and supplies                                   |                | 557            | 136            |                    |                        | 29               |                       |                |                |
| Inventory: Medical supplies   |                |                | 4              |                    |                        |                  |                       |                |                |
| Inventory: Other consumables  | 1 189          | 78             | 171            | 1 192              | 556                    | 628              | 370                   | 370            | 370            |
| Inventory: Stationery and printing                                  | 2 761          | 4 026          | 2 691          | 1 832              | 4 161                  | 3 583            | 2 380                 | 2 432          | 2 501          |
| Lease payments (Incl. operating leases, excl. finance leases)       | 3 428          | 4 462          | 5 920          | 6 092              | 6 092                  | 6 998            | 27 013                | 28 840         | 30 842         |
| Property payments   |                | 9 722          | 14 148         | 7 475              | 7 474                  | 13 941           | 1 600                 | 1 800          | 2 000          |
| Transport provided: Departmental activity                           |                |                |                |                    | 50                     | 50               |                       |                |                |
| Travel and subsistence  | 6 084          | 13 149         | 8 455          | 6 590              | 5 305                  | 2 939            | 6 400                 | 6 750          | 7 100          |
| Training and development  | 3 787          | 5 504          | 4 876          | 6 340              | 8 694                  | 1 484            | 2 927                 | 2 721          | 2 538          |
| Operating expenditure   | 32 497         | 1 833          | 3 135          | 4 133              | 9 071                  | 1 661            | 32 056                | 35 025         | 38 295         |
| Venues and facilities   | 2 041          | 3 950          | 1 525          | 5 460              | 1 285                  | 1 302            | 2 405                 | 3 000          | 3 000          |
| Interest and rent on land   |                |                |                |                    |                        |                  |                       |                |                |
| Interest  |                |                |                |                    |                        |                  |                       |                |                |
| <b>Transfers and subsidies to:</b>                                  |                |                |                |                    |                        | <b>37</b>        |                       |                |                |

|                                      | Outcome        |                |                | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates |                |                |
|--------------------------------------|----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| R thousand                           | 2007/08        | 2008/09        | 2009/10        | 2010/11            |                        |                  | 2011/12               | 2012/13        | 2013/14        |
| Departmental agencies and accounts   |                |                |                |                    |                        | 37               |                       |                |                |
| Social security funds                |                |                |                |                    |                        | 37               |                       |                |                |
| Households                           |                | 51             | 33             |                    | 330                    | 302              |                       |                |                |
| Social benefits                      |                | 51             | 33             |                    | 330                    | 302              |                       |                |                |
| <b>Payments for capital assets</b>   | <b>6 742</b>   | <b>11 112</b>  | <b>59 646</b>  | <b>12 091</b>      | <b>76</b>              | <b>924</b>       |                       |                |                |
| Buildings and other fixed structures |                |                |                |                    |                        |                  |                       |                |                |
| Machinery and equipment              | 6 133          | 11 004         | 59 498         | 12 091             | 1                      | 849              |                       |                |                |
| Transport equipment                  |                |                |                |                    |                        |                  |                       |                |                |
| Other machinery and equipment        | 6 133          | 11 004         | 59 498         | 12 091             | 1                      | 849              |                       |                |                |
| Software and other intangible assets | 609            | 108            | 148            |                    | 75                     | 75               |                       |                |                |
| <b>Payments for financial assets</b> |                |                | <b>11</b>      |                    |                        |                  |                       |                |                |
| <b>Total economic classification</b> | <b>222 741</b> | <b>254 153</b> | <b>384 201</b> | <b>271 935</b>     | <b>297 055</b>         | <b>461 816</b>   | <b>320 216</b>        | <b>403 338</b> | <b>443 700</b> |

TABLE 27: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: SUSTAINABLE RESOURCE MANAGEMENT

|   | Outcome      |              |              | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates |              |              |
|---|--------------|--------------|--------------|--------------------|------------------------|------------------|-----------------------|--------------|--------------|
| R thousand  | 2007/08      | 2008/09      | 2009/10      | 2010/11            |                        |                  | 2011/12               | 2012/13      | 2013/14      |
| <b>Current payments</b>   | <b>23326</b> | <b>30410</b> | <b>30719</b> | <b>41024</b>       | <b>35232</b>           | <b>32681</b>     | <b>48802</b>          | <b>51302</b> | <b>53889</b> |
| Compensation of employees   | 14 782       | 21 308       | 27 081       | 33 863             | 31 289                 | 28 860           | 42 213                | 44 405       | 46 704       |
| Salaries and wages  | 13 401       | 18 960       | 24 374       | 29 743             | 27 169                 | 24 740           | 38 492                | 40 492       | 42 588       |
| Social contributions  | 1 381        | 2 348        | 2 708        | 4 120              | 4 120                  | 4 120            | 3 721                 | 3 913        | 4 116        |
| Goods and services  | 8 544        | 9 102        | 3 638        | 7 161              | 3 943                  | 3 821            | 6 589                 | 6 897        | 7 185        |
| of which  |              |              |              |                    |                        |                  |                       |              |              |
| Administrative fees   | 78           | 9            | 683          | 40                 |                        |                  | 150                   | 150          | 150          |
| Advertising   | 856          | 477          | 504          | 81                 |                        |                  |                       |              |              |
| Assets < than the threshold (currently R5000)                       | 226          | 3            | 8            | 20                 |                        |                  |                       |              |              |
| Audit cost: External  |              |              |              |                    |                        |                  |                       |              |              |
| Bursaries (employees)   | 3            |              |              |                    |                        | 1                |                       |              |              |
| Catering: Departmental activities                                   | 314          | 168          |              | 194                | 78                     | 69               |                       |              |              |
| Communication   | 288          | 348          |              | 393                | 1                      | 13               |                       |              |              |
| Computer services   | 1 377        | 2 700        | 20           | 1 081              |                        |                  |                       |              |              |
| Consultants and professional service: Business and advisory service | 214          | 305          | 106          | 1 560              | 1 911                  | 1 909            |                       |              |              |
| Consultants and professional service: Infrastructure and planning   |              |              |              | 401                |                        |                  |                       |              |              |
| Consultants and professional service: Legal cost                    |              | 89           |              |                    | 201                    | 201              |                       |              |              |
| Contractors   |              | 33           | 28           | 100                |                        |                  |                       |              |              |
| Agency and support / outsourced services                            |              | 1 782        | 94           | 43                 |                        |                  | 5 302                 | 5 604        | 5 884        |
| Entertainment   | 55           | 319          | 27           | 4                  |                        |                  |                       |              |              |
| Inventory: Food and food supplies                                   | 2 012        | 61           |              | 20                 |                        |                  |                       |              |              |
| Inventory: Materials and supplies                                   |              | 3            | 6            |                    |                        |                  |                       |              |              |
| Inventory: Other consumables  |              | 2            | 1            |                    |                        |                  |                       |              |              |
| Inventory: Stationery and printing                                  |              | 1 395        | 1 502        | 1 680              | 1 181                  | 1 143            | 1 137                 | 1 143        | 1 151        |
| Lease payments (Incl. operating leases, excl. finance leases)       | 20           |              |              |                    |                        | 90               |                       |              |              |

| R thousand   | Outcome       |               |               | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates |                |                |
|--|---------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
|  | 2007/08       | 2008/09       | 2009/10       | 2010/11            |                        |                  | 2011/12               | 2012/13        | 2013/14        |
| Travel and subsistence                                       | 2 264         | 598           | 135           | 563                | 224                    | 157              |                       |                |                |
| Training and development                                     | 507           | 11            | 34            | 12                 |                        |                  |                       |                |                |
| Operating expenditure  |               | 293           | 162           | 205                | 237                    | 238              |                       |                |                |
| Venues and facilities  | 330           | 506           | 328           | 764                | 110                    |                  |                       |                |                |
| Interest and rent on land                                    |               |               |               |                    |                        |                  |                       |                |                |
| <b>Transfers and subsidies to:</b>                           | <b>40 000</b> | <b>60 000</b> | <b>40 000</b> | <b>50 000</b>      | <b>50 000</b>          | <b>50 000</b>    | <b>50 000</b>         | <b>50 000</b>  | <b>50 000</b>  |
| Provinces and municipalities                                 |               |               |               |                    |                        |                  |                       |                |                |
| Provinces  |               |               |               |                    |                        |                  |                       |                |                |
| Municipal agencies and funds                                 |               |               |               |                    |                        |                  |                       |                |                |
| Departmental agencies and accounts                           | 40 000        | 60 000        | 40 000        | 50 000             | 50 000                 | 50 000           | 50 000                | 50 000         | 50 000         |
| Social security funds  |               |               |               |                    |                        |                  |                       |                |                |
| Provide list of entities receiving transfers4 (Gauteng fund) | 40 000        | 60 000        | 40 000        | 50 000             | 50 000                 | 50 000           | 50 000                | 50 000         | 50 000         |
| Universities and technikons                                  |               |               |               |                    |                        |                  |                       |                |                |
| Non-profit institutions                                      |               |               |               |                    |                        |                  |                       |                |                |
| <b>Payments for capital assets</b>                           | <b>729</b>    |               |               |                    |                        |                  |                       |                |                |
| Buildings and other fixed structures                         |               |               |               |                    |                        |                  |                       |                |                |
| Machinery and equipment                                      | 729           |               |               |                    |                        |                  |                       |                |                |
| Transport equipment  |               |               |               |                    |                        |                  |                       |                |                |
| Other machinery and equipment                                | 729           |               |               |                    |                        |                  |                       |                |                |
| <b>Payments for financial assets</b>                         |               |               |               |                    |                        |                  |                       |                |                |
| <b>Total economic classification</b>                         | <b>64 055</b> | <b>90 410</b> | <b>70 719</b> | <b>91 024</b>      | <b>85 232</b>          | <b>82 681</b>    | <b>98 802</b>         | <b>101 302</b> | <b>103 889</b> |

TABLE 28: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: FINANCIAL GOVERNANCE

| R thousand  | Outcome       |               |               | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates |               |               |
|---|---------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|---------------|---------------|
|   | 2007/08       | 2008/09       | 2009/10       | 2010/11            |                        |                  | 2011/12               | 2012/13       | 2013/14       |
| <b>Current payments</b>   | <b>16 576</b> | <b>20 416</b> | <b>19 186</b> | <b>32 397</b>      | <b>41 566</b>          | <b>28 010</b>    | <b>45 770</b>         | <b>45 725</b> | <b>47 969</b> |
| Compensation of employees   | 8 051         | 12 463        | 15 529        | 24 359             | 32 770                 | 20 203           | 39 261                | 41 254        | 43 387        |
| Salaries and wages  | 6 997         | 11 136        | 13 976        | 22 936             | 31 347                 | 18 780           | 35 334                | 37 130        | 39 049        |
| Social contributions  | 1 054         | 1 327         | 1 553         | 1 423              | 1 423                  | 1 423            | 3 927                 | 4 124         | 4 339         |
| Goods and services  | 8 525         | 7 953         | 3 657         | 8 038              | 8 796                  | 7 807            | 6 509                 | 4 471         | 4 582         |
| of which  |               |               |               |                    |                        |                  |                       |               |               |
| Administrative fees   |               | 22            | 7             | 21                 |                        |                  |                       |               |               |
| Advertising   | 145           | 175           | 51            | 56                 | 56                     |                  |                       |               |               |
| Assets < than the threshold (currently R5000)                       | 55            | 25            |               |                    |                        |                  |                       |               |               |
| Audit cost: External  | 154           |               |               |                    |                        |                  | 859                   | 871           | 982           |
| Bursaries (employees)   | 7             |               |               | 19                 | 19                     | 3                |                       |               |               |
| Catering: Departmental activities                                   | 66            | 106           | 4             | 56                 | 50                     | 51               |                       |               |               |
| Communication   | 173           | 272           |               | 432                | 401                    | 274              |                       |               |               |
| Computer services   |               | 116           |               | 38                 | 38                     |                  |                       |               |               |
| Consultants and professional service: Business and advisory service | 3 845         | 1 355         | 2 493         | 5 204              | 6 913                  | 6 404            | 2 650                 | 600           | 600           |
| Contractors   |               | 8             | 34            |                    |                        |                  |                       |               |               |
| Agency and support / outsourced services                            | 1 483         | 184           | 22            | 345                |                        |                  |                       |               |               |
| Entertainment   | 1             | 9             |               | 18                 | 18                     |                  |                       |               |               |
| Inventory: Food and food supplies                                   | 468           | 32            |               | 113                | 3                      |                  |                       |               |               |
| Inventory: Materials and supplies                                   |               | 4             | 2             | 2                  |                        |                  |                       |               |               |
| Inventory: Other consumables  |               | 14            |               | 1                  |                        |                  |                       |               |               |

| R thousand   | Outcome       |               |               | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates |               |               |
|--|---------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|---------------|---------------|
|  | 2007/08       | 2008/09       | 2009/10       | 2010/11            |                        |                  | 2011/12               | 2012/13       | 2013/14       |
| <i>Inventory: Stationery and printing</i>                            |               | 865           | 248           | 535                | 134                    | 99               |                       |               |               |
| <i>Lease payments (Incl. operating leases, excl. finance leases)</i> | 86            | 82            |               |                    |                        |                  |                       |               |               |
| <i>Travel and subsistence</i>  | 1 263         | 3 219         | 357           | 755                | 755                    | 582              |                       |               |               |
| <i>Training and development</i>                                      | 300           |               |               | 136                | 136                    | 74               |                       |               |               |
| <i>Operating expenditure</i>   | 25            | 165           | 240           | 48                 | 48                     | 95               | 3 000                 | 3 000         | 3 000         |
| <i>Venues and facilities</i>   | 454           | 1 300         | 199           | 259                | 225                    | 225              |                       |               |               |
| <i>Interest and rent on land</i>                                     |               |               |               |                    |                        |                  |                       |               |               |
| <b>Transfers and subsidies to:</b>                                   | <b>1 500</b>  | <b>1 551</b>  |               | <b>2 000</b>       | <b>1 515</b>           | <b>1 515</b>     |                       |               |               |
| <i>Provinces and municipalities</i>                                  | 1 500         | 1 551         |               | 2 000              | 1 500                  | 1 500            |                       |               |               |
| <i>Provincial agencies and funds</i>                                 |               |               |               |                    |                        |                  |                       |               |               |
| <i>Municipalities</i>  | 1 500         | 1 551         |               | 2 000              | 1 500                  | 1 500            |                       |               |               |
| <i>Municipalities</i>  | 1 500         | 1 551         |               | 2 000              | 1 500                  | 1 500            |                       |               |               |
| <i>of which: Regional service council levies</i>                     |               |               |               |                    |                        |                  |                       |               |               |
| <i>Households</i>  |               |               |               |                    | 15                     | 15               |                       |               |               |
| <i>Social benefits</i>   |               |               |               |                    | 15                     | 15               |                       |               |               |
| <i>Other transfers to households</i>                                 |               |               |               |                    |                        |                  |                       |               |               |
| <b>Payments for capital assets</b>                                   | <b>620</b>    |               |               |                    |                        |                  |                       |               |               |
| <i>Buildings and other fixed structures</i>                          |               |               |               |                    |                        |                  |                       |               |               |
| <i>Machinery and equipment</i>                                       | 620           |               |               |                    |                        |                  |                       |               |               |
| <i>Other machinery and equipment</i>                                 | 620           |               |               |                    |                        |                  |                       |               |               |
| <b>Payments for financial assets</b>                                 |               |               |               |                    |                        |                  |                       |               |               |
| <b>Total economic classification</b>                                 | <b>18 696</b> | <b>21 967</b> | <b>19 186</b> | <b>34 397</b>      | <b>43 096</b>          | <b>29 540</b>    | <b>45 770</b>         | <b>45 725</b> | <b>47 969</b> |

TABLE 29: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: PROVINCIAL ACCOUNTING SERVICES

| R thousand   | Outcome       |               |               | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates |               |               |
|--|---------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|---------------|---------------|
|  | 2007/08       | 2008/09       | 2009/10       | 2010/11            |                        |                  | 2011/12               | 2012/13       | 2013/14       |
| <b>Current payments</b>  | <b>38 113</b> | <b>63 039</b> | <b>67 549</b> | <b>63 681</b>      | <b>49 766</b>          | <b>50 728</b>    | <b>55 760</b>         | <b>58 528</b> | <b>61 501</b> |
| <i>Compensation of employees</i>   | 27 506        | 37 153        | 45 976        | 46 303             | 47 231                 | 47 047           | 52 531                | 55 095        | 57 865        |
| <i>Salaries and wages</i>  | 24 704        | 33 355        | 41 380        | 42 320             | 43 248                 | 42 461           | 47 278                | 49 587        | 52 079        |
| <i>Social contributions</i>  | 2 802         | 3 798         | 4 596         | 3 983              | 3 983                  | 4 586            | 5 253                 | 5 508         | 5 787         |
| <i>Goods and services</i>  | 10 607        | 25 886        | 21 573        | 17 378             | 2 535                  | 3 681            | 3 229                 | 3 433         | 3 636         |
| <i>of which</i>  |               |               |               |                    |                        |                  |                       |               |               |
| <i>Administrative fees</i>   | 1 710         |               | 223           |                    |                        |                  | 2 170                 | 2 370         | 2 570         |
| <i>Advertising</i>   | 294           | 34            |               | 2                  |                        | 37               |                       |               |               |
| <i>Assets &lt; than the threshold (currently R5000)</i>                    | 66            | 34            | 88            | 27                 |                        |                  |                       |               |               |
| <i>Audit cost: External</i>  | 1 226         | 393           | 342           | 447                | 297                    | 288              | 650                   | 650           | 650           |
| <i>Bursaries (employees)</i>   | 91            | 45            | 105           | 159                | 3                      | 3                |                       |               |               |
| <i>Catering: Departmental activities</i>                                   | 44            | 79            |               | 30                 | 1                      | 10               |                       |               |               |
| <i>Communication</i>   | 604           | 905           | 120           | 924                | 3                      | 2                |                       |               |               |
| <i>Computer services</i>   |               | 4 800         | 16 867        | 11 197             | 1 000                  | 1 278            |                       |               |               |
| <i>Consultants and professional service: Business and advisory service</i> | 263           | 14 978        | 294           | 1 100              | 200                    | 865              | 240                   | 240           | 240           |
| <i>Consultants and professional service: Legal cost</i>                    |               |               |               | 18                 |                        |                  |                       |               |               |
| <i>Contractors</i>   |               | 33            | 18            | 30                 |                        | 18               |                       |               |               |

| R thousand  | Outcome       |               |               | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates |               |               |
|---|---------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|---------------|---------------|
|   | 2007/08       | 2008/09       | 2009/10       | 2010/11            |                        |                  | 2011/12               | 2012/13       | 2013/14       |
| Agency and support / outsourced services                      | 2 848         | 1 666         | 850           |                    |                        |                  |                       |               |               |
| Entertainment   |               | 10            |               |                    |                        |                  |                       |               |               |
| Fleet services (including government motor transport)         |               |               |               | 20                 | 20                     | 20               |                       |               |               |
| Housing   |               |               |               |                    |                        |                  |                       |               |               |
| Inventory: Food and food supplies                             | 13            | 37            | 5             | 16                 |                        |                  |                       |               |               |
| Inventory: Materials and supplies                             |               | 3             |               |                    |                        | 2                |                       |               |               |
| Inventory: Military stores                                    |               |               |               | 2                  |                        |                  |                       |               |               |
| Inventory: Other consumables                                  | 131           | 78            | 46            | 341                | 29                     |                  | 1                     | 1             | 1             |
| Inventory: Stationery and printing                            | 861           | 467           | 601           | 385                | 350                    | 365              | 168                   | 172           | 175           |
| Lease payments (Incl. operating leases, excl. finance leases) | 153           | 101           | 236           | 48                 | 78                     | 112              |                       |               |               |
| Property payments   |               | 6             |               |                    |                        |                  |                       |               |               |
| Transport provided: Departmental activity                     | 195           | 166           |               | 61                 |                        |                  |                       |               |               |
| Travel and subsistence  | 543           | 1 119         | 690           | 722                | 200                    | 458              |                       |               |               |
| Training and development                                      | 980           | 261           | 886           | 559                | 180                    |                  |                       |               |               |
| Operating expenditure   | 394           | 312           |               | 60                 | 15                     | 64               |                       |               |               |
| Venues and facilities   | 191           | 359           | 202           | 1 230              | 159                    | 159              |                       |               |               |
| Interest and rent on land                                     |               |               |               |                    |                        |                  |                       |               |               |
| <b>Transfers and subsidies to:</b>                            |               | <b>30</b>     | <b>1</b>      |                    | <b>1</b>               | <b>1</b>         |                       |               |               |
| Provinces and municipalities                                  |               |               |               |                    |                        |                  |                       |               |               |
| Households  |               | 30            | 1             |                    | 1                      | 1                |                       |               |               |
| Social benefits   |               | 30            | 1             |                    | 1                      | 1                |                       |               |               |
| Other transfers to households                                 |               |               |               |                    |                        |                  |                       |               |               |
| <b>Payments for capital assets</b>                            | <b>387</b>    | <b>227</b>    | <b>129</b>    | <b>87</b>          |                        | <b>32</b>        |                       |               |               |
| Buildings and other fixed structures                          |               |               |               |                    |                        |                  |                       |               |               |
| Machinery and equipment                                       | 387           | 227           | 129           | 87                 |                        | 32               |                       |               |               |
| Transport equipment   |               |               |               |                    |                        |                  |                       |               |               |
| Other machinery and equipment                                 | 387           | 227           | 129           | 87                 |                        | 32               |                       |               |               |
| Heritage Assets   |               |               |               |                    |                        |                  |                       |               |               |
| <b>Payments for financial assets</b>                          |               |               |               |                    |                        |                  |                       |               |               |
| <b>Total economic classification</b>                          | <b>38 500</b> | <b>63 296</b> | <b>67 679</b> | <b>63 768</b>      | <b>49 767</b>          | <b>50 761</b>    | <b>55 760</b>         | <b>58 528</b> | <b>61 501</b> |

TABLE 30: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: GAUTENG AUDIT SERVICES

| R thousand                                    | Outcome       |               |               | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates |               |               |
|---|---------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|---------------|---------------|
|   | 2007/08       | 2008/09       | 2009/10       | 2010/11            |                        |                  | 2011/12               | 2012/13       | 2013/14       |
| <b>Current payments</b>                       | <b>47 667</b> | <b>37 454</b> | <b>45 473</b> | <b>46 782</b>      | <b>45 647</b>          | <b>49 643</b>    | <b>50 682</b>         | <b>53 462</b> | <b>56 359</b> |
| Compensation of employees                     | 25 798        | 27 389        | 37 612        | 41 543             | 41 497                 | 43 986           | 49 082                | 51 662        | 54 359        |
| Salaries and wages                            | 23 218        | 24 651        | 33 850        | 37 389             | 37 089                 | 39 867           | 44 174                | 46 496        | 48 923        |
| Social contributions                          | 2 580         | 2 738         | 3 762         | 4 154              | 4 408                  | 4 119            | 4 908                 | 5 166         | 5 436         |
| Goods and services                            | 21 869        | 10 065        | 7 861         | 5 239              | 4 150                  | 5 657            | 1 600                 | 1 800         | 2 000         |
| of which                                      |               |               |               |                    |                        |                  |                       |               |               |
| Administrative fees                           | 42            |               |               | 1                  | 1                      |                  |                       |               |               |
| Advertising                                   | 373           | 305           | 70            | 163                | 163                    | 267              |                       |               |               |
| Assets < than the threshold (currently R5000) | 253           | 1             |               | 4                  | 4                      | 4                |                       |               |               |
| Audit cost: External                          |               |               |               |                    |                        |                  |                       |               |               |
| Bursaries (employees)                         | 111           | 136           | 248           | 206                | 206                    | 220              |                       |               |               |
| Catering: Departmental activities             | 306           | 37            | 1             | 15                 | 15                     |                  |                       |               |               |

|   | Outcome       |               |               | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates |               |               |
|---|---------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|---------------|---------------|
| R thousand  | 2007/08       | 2008/09       | 2009/10       | 2010/11            |                        |                  | 2011/12               | 2012/13       | 2013/14       |
| Communication   | 4 129         | 644           | 233           | 351                | 351                    | 332              |                       |               |               |
| Computer services   | 103           |               | 332           | 475                | 475                    | 924              |                       |               |               |
| Consultants and professional service:                         |               |               |               |                    |                        |                  |                       |               |               |
| Business and advisory service                                 | 13 337        | 6 472         | 4 060         | 1 603              | 1 672                  | 2 481            | 1 600                 | 1 800         | 2 000         |
| Contractors   |               | 21            |               | 42                 | 42                     | 55               |                       |               |               |
| Agency and support / outsourced services                      | 2             | 99            | 555           |                    |                        |                  |                       |               |               |
| Entertainment   | 8             | 2             |               | 19                 | 19                     | 52               |                       |               |               |
| Inventory: Food and food supplies                             | 12            | 20            | 4             | 5                  | 5                      | 8                |                       |               |               |
| Inventory: Materials and supplies                             |               |               |               | 7                  | 7                      |                  |                       |               |               |
| Inventory: Other consumables                                  | 27            | 105           | 74            | 64                 | 64                     | 72               |                       |               |               |
| Inventory: Stationery and printing                            | 205           | 197           | 76            | 137                | 136                    | 166              |                       |               |               |
| Lease payments (Incl. operating leases, excl. finance leases) | 82            | 71            | 1             | 64                 | 64                     | 1                |                       |               |               |
| Travel and subsistence  | 976           | 1 194         | 554           | 661                | 492                    | 556              |                       |               |               |
| Training and development                                      | 1 144         | 336           | 92            | 318                | 318                    | 366              |                       |               |               |
| Operating expenditure   | 743           | 376           | 1 522         | 1 054              | 66                     | 153              |                       |               |               |
| Venues and facilities   | 16            | 49            | 39            | 50                 | 50                     |                  |                       |               |               |
| Interest and rent on land                                     |               |               |               |                    |                        |                  |                       |               |               |
| <b>Transfers and subsidies to:</b>                            |               |               | <b>1</b>      |                    | <b>2</b>               | <b>2</b>         |                       |               |               |
| Provinces and municipalities                                  |               |               |               |                    |                        |                  |                       |               |               |
| Households  |               |               | 1             |                    | 2                      | 2                |                       |               |               |
| Social benefits   |               |               | 1             |                    | 2                      | 2                |                       |               |               |
| Other transfers to households                                 |               |               |               |                    |                        |                  |                       |               |               |
| <b>Payments for capital assets</b>                            | <b>286</b>    | <b>538</b>    | <b>304</b>    | <b>407</b>         |                        |                  |                       |               |               |
| Buildings and other fixed structures                          |               |               |               |                    |                        |                  |                       |               |               |
| Machinery and equipment                                       | 286           | 538           | 304           | 407                |                        |                  |                       |               |               |
| Transport equipment   |               |               |               |                    |                        |                  |                       |               |               |
| Other machinery and equipment                                 | 286           | 538           | 304           | 407                |                        |                  |                       |               |               |
| <b>Payments for financial assets</b>                          |               |               |               |                    |                        |                  |                       |               |               |
| <b>Total economic classification</b>                          | <b>47 953</b> | <b>37 992</b> | <b>45 778</b> | <b>47 189</b>      | <b>45 649</b>          | <b>49 645</b>    | <b>50 682</b>         | <b>53 462</b> | <b>56 359</b> |

TABLE 31: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: HIRE-TO-RETIRED SERVICES

|   | Outcome        |               |               | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates |               |                |
|---|----------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|---------------|----------------|
| R thousand                                    | 2007/08        | 2008/09       | 2009/10       | 2010/11            |                        |                  | 2011/12               | 2012/13       | 2013/14        |
| <b>Current payments</b>                       | <b>103 969</b> | <b>95 926</b> | <b>94 054</b> | <b>87 112</b>      | <b>103 632</b>         | <b>110 400</b>   | <b>91 094</b>         | <b>95 447</b> | <b>100 195</b> |
| Compensation of employees                     | 78 642         | 78 811        | 82 908        | 79 639             | 77 361                 | 84 022           | 89 654                | 93 955        | 98 642         |
| Salaries and wages                            | 70 779         | 70 932        | 74 617        | 71 677             | 69 399                 | 75 998           | 80 689                | 84 560        | 88 778         |
| Social contributions                          | 7 863          | 7 879         | 8 291         | 7 962              | 7 962                  | 8 024            | 8 965                 | 9 396         | 9 864          |
| Goods and services                            | 25 327         | 17 115        | 11 146        | 7 473              | 26 271                 | 26 378           | 1 440                 | 1 492         | 1 553          |
| of which                                      |                |               |               |                    |                        |                  |                       |               |                |
| Administrative fees                           | 5 148          | 1 699         | 3             | 1                  |                        |                  |                       |               |                |
| Advertising                                   | 282            | 3 653         | 45            | 304                | 120                    | 120              | 390                   | 390           | 390            |
| Assets < than the threshold (currently R5000) | 736            | 164           | 39            | 193                | 10                     | 20               |                       |               |                |
| Audit cost: External                          |                |               | 49            |                    |                        |                  |                       |               |                |
| Bursaries (employees)                         | 355            | 213           | 69            | 725                | 96                     | 96               |                       |               |                |
| Catering: Departmental activities             | 126            | 32            |               | 52                 | 2                      |                  |                       |               |                |
| Communication                                 | 1 416          | 1 519         | 286           | 988                | 221                    | 42               |                       |               |                |
| Computer services                             | 812            | 35            | 66            |                    |                        | 44               |                       |               |                |
| Consultants and professional service:         |                |               |               |                    |                        |                  |                       |               |                |
| Business and advisory service                 | 8 060          | 4 121         |               | 1 180              | 930                    | 500              | 1 050                 | 1 102         | 1 163          |

|   | Outcome        |               |               | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates |               |                |
|---|----------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|---------------|----------------|
| R thousand  | 2007/08        | 2008/09       | 2009/10       | 2010/11            |                        |                  | 2011/12               | 2012/13       | 2013/14        |
| Consultants and professional service:                         |                |               |               |                    |                        |                  |                       |               |                |
| Infrastructure and planning                                   |                | 318           |               |                    |                        |                  |                       |               |                |
| Consultants and professional service:                         |                |               |               |                    |                        |                  |                       |               |                |
| Legal cost  |                | 9             | 13            |                    |                        |                  |                       |               |                |
| Contractors   |                | 86            | 8 532         | 85                 | 23 523                 | 23 520           |                       |               |                |
| Agency and support / outsourced services                      | 72             | 786           | 65            | 748                | 565                    | 995              |                       |               |                |
| Entertainment   |                | 40            | 6             | 12                 | 7                      | 4                |                       |               |                |
| Inventory: Food and food supplies                             | 37             | 36            | 12            | 8                  | 3                      |                  |                       |               |                |
| Inventory: Materials and supplies                             |                |               | 4             |                    |                        | 2                |                       |               |                |
| Inventory: Other consumables                                  | 109            | 6             | 114           | 1                  |                        |                  |                       |               |                |
| Inventory: Stationery and printing                            | 699            | 880           | 398           | 934                | 296                    | 352              |                       |               |                |
| Lease payments (Incl. operating leases, excl. finance leases) | 859            | 197           | 288           | 277                | 135                    | 106              |                       |               |                |
| Transport provided: Departmental activity                     | 129            |               |               |                    |                        |                  |                       |               |                |
| Travel and subsistence  | 2 830          | 2 247         | 583           | 556                | 186                    | 407              |                       |               |                |
| Training and development                                      | 1 909          | 569           | 407           | 943                | 77                     | 70               |                       |               |                |
| Operating expenditure   | 1 468          |               | 23            |                    |                        |                  |                       |               |                |
| Venues and facilities   | 280            | 505           | 144           | 466                | 100                    | 100              |                       |               |                |
| Interest and rent on land                                     |                |               |               |                    |                        |                  |                       |               |                |
| <b>Transfers and subsidies to:</b>                            |                | <b>180</b>    | <b>116</b>    |                    | <b>67</b>              | <b>207</b>       |                       |               |                |
| Provinces and municipalities                                  |                |               |               |                    |                        |                  |                       |               |                |
| Households  |                | 180           | 116           |                    | 67                     | 207              |                       |               |                |
| Social benefits   |                | 180           | 116           |                    | 67                     | 207              |                       |               |                |
| Other transfers to households                                 |                |               |               |                    |                        |                  |                       |               |                |
| <b>Payments for capital assets</b>                            | <b>628</b>     | <b>1 399</b>  | <b>108</b>    | <b>791</b>         |                        |                  |                       |               |                |
| Buildings and other fixed structures                          |                | 37            |               |                    |                        |                  |                       |               |                |
| Buildings   |                |               |               |                    |                        |                  |                       |               |                |
| Other fixed structures  |                | 37            |               |                    |                        |                  |                       |               |                |
| Machinery and equipment                                       | 628            | 1 330         | 108           | 791                |                        |                  |                       |               |                |
| Transport equipment   |                |               |               |                    |                        |                  |                       |               |                |
| Other machinery and equipment                                 | 628            | 1 330         | 108           | 791                |                        |                  |                       |               |                |
| Software and other intangible assets                          |                | 32            |               |                    |                        |                  |                       |               |                |
| Payments for financial assets                                 |                |               |               |                    |                        |                  |                       |               |                |
| <b>Total economic classification</b>                          | <b>104 597</b> | <b>97 505</b> | <b>94 278</b> | <b>87 903</b>      | <b>103 699</b>         | <b>110 607</b>   | <b>91 094</b>         | <b>95 447</b> | <b>100 195</b> |

TABLE 32: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: PROCURE-TO-PAY SERVICES

|   | Outcome       |               |               | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates |               |                |
|---|---------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|---------------|----------------|
| R thousand                                    | 2007/08       | 2008/09       | 2009/10       | 2010/11            |                        |                  | 2011/12               | 2012/13       | 2013/14        |
| <b>Current payments</b>                       | <b>84 953</b> | <b>91 246</b> | <b>87 081</b> | <b>91 361</b>      | <b>85 723</b>          | <b>86 121</b>    | <b>91 689</b>         | <b>96 016</b> | <b>100 734</b> |
| Compensation of employees                     | 66 137        | 70 385        | 79 005        | 74 353             | 85 117                 | 85 115           | 90 239                | 94 566        | 99 284         |
| Salaries and wages                            | 59 523        | 63 347        | 71 105        | 66 473             | 77 682                 | 77 734           | 81 215                | 85 109        | 89 356         |
| Social contributions                          | 6 614         | 7 038         | 7 900         | 7 881              | 7 436                  | 7 382            | 9 024                 | 9 457         | 9 928          |
| Goods and services                            | 18 816        | 20 861        | 8 076         | 17 008             | 606                    | 1 006            | 1 450                 | 1 450         | 1 450          |
| of which                                      |               |               |               |                    |                        |                  |                       |               |                |
| Administrative fees                           |               |               |               |                    | 300                    |                  |                       |               |                |
| Advertising                                   | 1 733         | 670           | 1 997         | 2 760              | 24                     | 71               | 1 450                 | 1 450         | 1 450          |
| Assets < than the threshold (currently R5000) | 306           | 65            | 4             | 401                |                        |                  |                       |               |                |
| Audit cost: External                          |               |               |               |                    |                        |                  |                       |               |                |
| Bursaries (employees)                         | 446           | 209           | 130           | 565                | 106                    | 15               |                       |               |                |



| R thousand  | Outcome       |               |               | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates |               |                |
|---|---------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|---------------|----------------|
|   | 2007/08       | 2008/09       | 2009/10       | 2010/11            |                        |                  | 2011/12               | 2012/13       | 2013/14        |
| Catering: Departmental activities                             | 57            | 65            | 23            | 15                 | 5                      | 15               |                       |               |                |
| Communication   | 2 098         | 2 430         | 178           | 1 101              | ( 250)                 | 78               |                       |               |                |
| Computer services   | 401           | 31            |               | 76                 |                        |                  |                       |               |                |
| Consultants and professional service:                         |               |               |               |                    |                        |                  |                       |               |                |
| Business and advisory service                                 | 7 495         | 9 625         | 2 184         | 4 808              |                        |                  |                       |               |                |
| Contractors   |               | 78            | 28            | 9                  | 5                      | 133              |                       |               |                |
| Agency and support / outsourced services                      | 123           | 1 060         | 1 108         | 66                 | 12                     |                  |                       |               |                |
| Inventory: Food and food supplies                             | 50            | 53            | 5             | 100                | 6                      | 4                |                       |               |                |
| Inventory: Materials and supplies                             |               |               | 2             |                    |                        |                  |                       |               |                |
| Inventory: Military stores                                    | 6             | 8             |               |                    |                        |                  |                       |               |                |
| Inventory: Other consumables                                  | 1 063         | 602           | 21            | 32                 | 50                     | 1                |                       |               |                |
| Inventory: Stationery and printing                            | 1 682         | 960           | 828           | 1 899              | 44                     | 155              |                       |               |                |
| Lease payments (Incl. operating leases, excl. finance leases) | 21            | 49            | 890           | 1 296              |                        | 130              |                       |               |                |
| Transport provided: Departmental activity                     |               |               |               | 10                 |                        |                  |                       |               |                |
| Travel and subsistence  | 1 636         | 3 383         | 376           | 1 667              | 257                    | 110              |                       |               |                |
| Training and development                                      | 1 570         | 878           | 298           | 1 742              | 7                      | 7                |                       |               |                |
| Operating expenditure   |               |               |               | 275                |                        | 247              |                       |               |                |
| Venues and facilities   | 129           | 695           | 4             | 186                | 40                     | 40               |                       |               |                |
| Interest and rent on land                                     |               |               |               |                    |                        |                  |                       |               |                |
| <b>Transfers and subsidies to:</b>                            |               | <b>74</b>     | <b>72</b>     |                    | <b>121</b>             | <b>125</b>       |                       |               |                |
| Provinces and municipalities                                  |               |               |               |                    |                        |                  |                       |               |                |
| Households  |               | 74            | 72            |                    | 121                    | 125              |                       |               |                |
| Social benefits   |               | 74            | 72            |                    | 121                    | 125              |                       |               |                |
| Other transfers to households                                 |               |               |               |                    |                        |                  |                       |               |                |
| <b>Payments for capital assets</b>                            | <b>964</b>    | <b>545</b>    | <b>32</b>     | <b>944</b>         |                        |                  |                       |               |                |
| Buildings and other fixed structures                          |               |               |               |                    |                        |                  |                       |               |                |
| Machinery and equipment                                       | 964           | 545           | 32            | 944                |                        |                  |                       |               |                |
| Transport equipment   |               |               |               |                    |                        |                  |                       |               |                |
| Other machinery and equipment                                 | 964           | 545           | 32            | 944                |                        |                  |                       |               |                |
| <b>Payments for financial assets</b>                          |               |               |               |                    |                        |                  |                       |               |                |
| <b>Total economic classification</b>                          | <b>85 917</b> | <b>91 865</b> | <b>87 185</b> | <b>92 305</b>      | <b>85 844</b>          | <b>86 246</b>    | <b>91 689</b>         | <b>96 016</b> | <b>100 734</b> |

TABLE 33: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: TECHNOLOGY SUPPORT SERVICES

| R thousand                                    | Outcome        |                |                | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates |                |                |
|---|----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
|   | 2007/08        | 2008/09        | 2009/10        | 2010/11            |                        |                  | 2011/12               | 2012/13        | 2013/14        |
| <b>Current payments</b>                       | <b>494 296</b> | <b>651 125</b> | <b>735 869</b> | <b>778 336</b>     | <b>775 205</b>         | <b>775 077</b>   | <b>764 499</b>        | <b>749 379</b> | <b>783 247</b> |
| Compensation of employees                     | 50 758         | 57 152         | 63 813         | 79 144             | 89 420                 | 89 288           | 86 705                | 91 123         | 95 874         |
| Salaries and wages                            | 45 683         | 51 450         | 57 432         | 71 230             | 81 506                 | 81 806           | 78 034                | 82 011         | 86 287         |
| Social contributions                          | 5 075          | 5 702          | 6 381          | 7 914              | 7 914                  | 7 482            | 8 671                 | 9 112          | 9 587          |
| Goods and services                            | 443 538        | 593 973        | 672 056        | 699 192            | 685 785                | 685 789          | 677 794               | 658 256        | 687 373        |
| of which                                      |                |                |                |                    |                        |                  |                       |                |                |
| Administrative fees                           |                |                | 208            |                    |                        |                  |                       |                |                |
| Advertising                                   | 9 490          | 431            | 708            | 5 210              | 4 720                  | ( 31 812)        |                       |                |                |
| Assets < than the threshold (currently R5000) | 4 347          | 1 890          | 84             | 8                  | 8                      | 8                |                       |                |                |
| Audit cost: External                          |                |                |                | 65                 |                        | ( 14)            |                       |                |                |
| Bursaries (employees)                         | 310            | 255            | 309            | 579                | 460                    | 417              |                       |                |                |

|   | Outcome        |                |                | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates |                |                |
|---|----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| R thousand  | 2007/08        | 2008/09        | 2009/10        | 2010/11            |                        |                  | 2011/12               | 2012/13        | 2013/14        |
| Catering: Departmental activities                             | 88             | 103            | 119            | 17                 | 17                     |                  |                       |                |                |
| Communication   | 3 102          | 1 525          | 39 295         | 1 514              | 13 161                 | ( 15 550)        |                       |                |                |
| Computer services   | 176 038        | 176 287        | 113 587        | 44 920             | 73 731                 | 176 982          | 96 750                | 102 266        | 107 140        |
| Consultants and professional service:                         | 224 361        | 385 469        | 510 304        | 509 646            | 533 984                | 557 846          | 580 979               | 555 925        | 580 168        |
| Business and advisory service                                 |                |                |                |                    |                        |                  |                       |                |                |
| Contractors   |                | 4 687          | 1 522          | 70                 | 17                     | 13               |                       |                |                |
| Agency and support / outsourced services                      | 29             | 445            | 1 420          | 10                 | 10                     |                  |                       |                |                |
| Entertainment   | 9              | 3              |                |                    |                        |                  |                       |                |                |
| Inventory: Food and food supplies                             | 38             | 77             | 1              | 11                 | 4                      | 16               |                       |                |                |
| Inventory: Materials and supplies                             |                | 1              | 32             |                    |                        |                  |                       |                |                |
| Inventory: Other consumables                                  | 612            | 135            | 66             | 1                  | 1                      | 1                |                       |                |                |
| Inventory: Stationery and printing                            | 850            | 774            | 134            | 150                | 93                     | 77               |                       |                |                |
| Lease payments (Incl. operating leases, excl. finance leases) | 767            | 755            | 111            |                    |                        | 50               |                       |                |                |
| Property payments   |                | 2 336          |                |                    |                        |                  |                       |                |                |
| Transport provided: Departmental activity                     | 46             | 17             |                |                    |                        |                  |                       |                |                |
| Travel and subsistence  | 1 914          | 3 103          | 1 158          | 2 644              | 2 287                  | (6 522)          |                       |                |                |
| Training and development                                      | 3 498          | 3 244          | 2 964          | 3 804              | 3 501                  | 3 750            |                       |                |                |
| Operating expenditure   | 18 025         | 12 349         |                | 130 040            | 53 288                 | 24               | 65                    | 65             | 65             |
| Venues and facilities   | 14             | 87             | 34             | 503                | 503                    | 503              |                       |                |                |
| Interest and rent on land                                     |                |                |                |                    |                        |                  |                       |                |                |
| <b>Transfers and subsidies to:</b>                            |                | <b>6</b>       | <b>7</b>       |                    |                        | <b>132</b>       |                       |                |                |
| Provinces and municipalities                                  |                |                |                |                    |                        |                  |                       |                |                |
| Households  |                | 6              | 7              |                    |                        | 132              |                       |                |                |
| Social benefits   |                | 6              | 7              |                    |                        | 132              |                       |                |                |
| Other transfers to households                                 |                |                |                |                    |                        |                  |                       |                |                |
| <b>Payments for capital assets</b>                            | <b>97 322</b>  | <b>16 892</b>  | <b>809</b>     | <b>29 576</b>      | <b>29 476</b>          | <b>28 476</b>    | <b>36 651</b>         | <b>38 815</b>  | <b>40 736</b>  |
| Buildings and other fixed structures                          |                |                |                |                    |                        |                  |                       |                |                |
| Machinery and equipment                                       | 12 515         | 16 815         | 809            | 29 576             | 29 476                 | 28 476           |                       |                |                |
| Transport equipment   |                |                |                |                    |                        |                  |                       |                |                |
| Other machinery and equipment                                 | 12 515         | 16 815         | 809            | 29 576             | 29 476                 | 28 476           |                       |                |                |
| Software and other intangible assets                          | 84 807         | 77             |                |                    |                        |                  | 36 651                | 38 815         | 40 736         |
| Payments for financial assets                                 |                |                |                |                    |                        |                  |                       |                |                |
| <b>Total economic classification</b>                          | <b>591 618</b> | <b>668 023</b> | <b>736 685</b> | <b>807 912</b>     | <b>804 681</b>         | <b>803 685</b>   | <b>801 150</b>        | <b>788 194</b> | <b>823 983</b> |

TABLE 34: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: PROGRAMME MANAGEMENT UNIT

|                              | Outcome       |         |         | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates |         |         |
|------------------------------|---------------|---------|---------|--------------------|------------------------|------------------|-----------------------|---------|---------|
| R thousand                   | 2007/08       | 2008/09 | 2009/10 | 2010/11            |                        |                  | 2011/12               | 2012/13 | 2013/14 |
| <b>Current payments</b>      | <b>41 452</b> |         |         |                    |                        |                  |                       |         |         |
| Compensation of employees    | 13 771        |         |         |                    |                        |                  |                       |         |         |
| Salaries and wages           | 12 394        |         |         |                    |                        |                  |                       |         |         |
| Social contributions         | 1 377         |         |         |                    |                        |                  |                       |         |         |
| Goods and services           | 27 681        |         |         |                    |                        |                  |                       |         |         |
| of which                     |               |         |         |                    |                        |                  |                       |         |         |
| Administrative fees          |               |         |         |                    |                        |                  |                       |         |         |
| Training & staff development |               |         |         |                    |                        |                  |                       |         |         |
| Operating expenditure        | 27 681        |         |         |                    |                        |                  |                       |         |         |
| Venues and facilities        |               |         |         |                    |                        |                  |                       |         |         |
| Interest and rent on land    |               |         |         |                    |                        |                  |                       |         |         |

| R thousand                           | Outcome       |         |         | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates |         |         |
|--------------------------------------|---------------|---------|---------|--------------------|------------------------|------------------|-----------------------|---------|---------|
|                                      | 2007/08       | 2008/09 | 2009/10 | 2010/11            |                        |                  | 2011/12               | 2012/13 | 2013/14 |
| <b>Transfers and subsidies to:</b>   |               |         |         |                    |                        |                  |                       |         |         |
| Provinces and municipalities         |               |         |         |                    |                        |                  |                       |         |         |
| Subsidies on production              |               |         |         |                    |                        |                  |                       |         |         |
| Other transfers                      |               |         |         |                    |                        |                  |                       |         |         |
| Non-profit institutions              |               |         |         |                    |                        |                  |                       |         |         |
| Households                           |               |         |         |                    |                        |                  |                       |         |         |
| Social benefits                      |               |         |         |                    |                        |                  |                       |         |         |
| Other transfers to households        |               |         |         |                    |                        |                  |                       |         |         |
| <b>Payments for capital assets</b>   | <b>2 690</b>  |         |         |                    |                        |                  |                       |         |         |
| Buildings and other fixed structures |               |         |         |                    |                        |                  |                       |         |         |
| Buildings                            |               |         |         |                    |                        |                  |                       |         |         |
| Other fixed structures               |               |         |         |                    |                        |                  |                       |         |         |
| Machinery and equipment              | 2 690         |         |         |                    |                        |                  |                       |         |         |
| Transport equipment                  |               |         |         |                    |                        |                  |                       |         |         |
| Other machinery and equipment        | 2 690         |         |         |                    |                        |                  |                       |         |         |
| <b>Payments for financial assets</b> |               |         |         |                    |                        |                  |                       |         |         |
| <b>Total economic classification</b> | <b>44 142</b> |         |         |                    |                        |                  |                       |         |         |

