

VOTE 13

GAUTENG TREASURY

To be appropriated by vote in 2012/13	R428 934 000
Responsible MEC	MEC for Finance
Administering Department	Gauteng Treasury
Accounting Officer	Head of Department

1. OVERVIEW

Vision

The Gauteng Treasury sets for itself the following vision:

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

Mission

We are a strategic, pro-active and value adding department 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; and
- Professionalizing the public service by investing in human capital.

Key Strategic objectives

The strategic objectives of Gauteng Treasury (GT), set out in the 2009-2014 Strategic Plan, are derived from an analysis of the environment, key challenges and strategic issues that the Department should address, and are aligned with both national and provincial strategic priorities.

- 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, thus enabling them to deliver quality services;
- To secure alternative finance sources, including the creation of new revenue streams; and
- To be a preferred employer, attracting and retaining highly skilled and performing individuals.

Overview of the main services

In driving its strategic intent, GT is prepared to take on the challenge of providing leadership, stewardship and oversight in working with the province's departments and municipalities to:

- Increase fiscal management capacity to achieve operational efficiency and promote accountability in government;
- Provide strategic leadership and technical support in fiscal management and discipline;
- Provide guidance and leadership in the implementation of fiscal management reforms for both provincial and local government;
- Identify and leverage alternative revenue streams; and
- Provide strategic and operational support to departments and municipalities in the delivery of their mandates.

Act, rules and regulations

- Division of Revenue Act (DORA), 2008;
- Treasury Regulations 2005 and Delegations;
- Prevention and Combating of Corrupt Activities Act, 2004;
- Municipal Finance Management Act, 2004;

- Broad-Based Black Economic Empowerment Act, 2003;
- The Tender Board Repeal Act, 2002;
- Preferential Procurement Policy Framework Act, 2000;
- Promotion of Access to Information Act, 2000 (Act 2 of 2000);
- Municipality Systems Act (2000) and Development Facilitation Act(1995);
- Promotion of Administrative Justice Act, 2000;
- Public Finance Management Act, 1999;
- Employment Equity Act, 1998;
- Basic Conditions of Employment Act, 1997;
- Intergovernmental Fiscal Relations Act,1997 (Act 97 of 1997);
- Public Service Laws Amendment Act; 1997;
- The National Archives Act, 1996;
- Borrowing Powers of Provincial Government Act,1996 (Act 48 of 1996);
- The Constitution of the Republic of South Africa, 1996;
- Labour Relations Act, 1995;
- Occupational Health and Safety Act, 1995;
- Public Service Act, 1994 Regulations and Delegations; and
- Government Employees Pension Law.

2. REVIEW OF THE CURRENT FINANCIAL YEAR (2011/12)

GT is responsible for implementing two outcomes: “Outcome 7: A responsive, accountable, efficient and effective local government”, which is being implemented in conjunction with Department of Local Government and Housing; and Outcome 8: “An effective and development oriented public service”.

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

Prudent municipal financial management

The 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. Vigorous bilateral engagements with key stakeholders in the municipal finance field were conducted to ensure coordination and support through the Municipal Finance Indaba (a quarterly meeting of the MEC for Finance, MEC for Local Government and Housing and the Members of Mayoral Committee for Finance at local government level).

Alignment of the planning and budget processes between the Department of Local Government and Housing (DLGH) and GT during the preparation of the 2011/12 Integrated Development Plans (IDP) and Medium Term Revenue Expenditure Framework (MTREF) Budget was a key priority which laid the foundation for further improvements on the previous processes used. This was made even more crucial by the fact that 2011 was the year that brought to an end the term of office of the previous councils. The local government elections were held on the 18th May 2011 and ushered in the new councils for their term of office in local government. This also meant that in most instances some IDP and budget related processes for the 2011/12 financial year were brought forward to ensure that existing councils were able to consider and approve the IDP and the budget before their term of office came to an end. The Municipal Budget Management and Municipal IDP units conducted assessments on the tabled and approved 2011/12 IDP and MTREF Budgets and agreed on a strategy, in partnership with the Gauteng Planning Commission, for providing a comprehensive feedback to municipalities with a view for influencing their budget adjustment processes. The municipal budget adjustment processes took place during January and February 2012 in most municipalities.

In order to curb inefficiencies in the management of provincial grants and transfers which in turn create opportunities for unkept expenditure as a result of inadequate control measures, a Grant Management Committee has been established as a platform for monitoring intergovernmental transfers between provincial and local spheres. The intention is to extend the Grant Management Committee to national transfers and therefore curb the stopping of transferring funds by the National Treasury.

In addition to the above, the Debt Management Committee established in the 2009/10 financial year continued to receive great support from both municipalities and provincial departments as a key platform for resolving outstanding government debt owed to municipalities for rates, taxes and services charges. To date, over R1 billion has been transferred to municipalities from various provincial departments. This has provided a wealth of knowledge of local government sphere which will provide the basis for unlocking possible blockages in the intergovernmental transfer system.

The body of knowledge accumulated through the intergovernmental engagements mentioned above has assisted the unit to gain in-depth understanding of the financial management practices in local government. Furthermore, the feedback received from the Municipal Hands-on Support Plan, a provincial initiative in partnership with the Development Bank of Southern Africa Siyenza Manje Project, has been critical for understanding key challenges in implementing financial reforms in municipalities. This enabled an improvement in the quality of our assessment of the monthly budget statements, to a point where they have become more diagnostic in nature to allow for early warning and intervention in municipalities experiencing financial constraints. The Local Government Financial Services has continued to produce and publish quarterly consolidated Monthly Budget Statements on the financial performance of all Gauteng municipalities (including the Metros) as required by the Municipal Finance Management Act.

Local Government Financial Services has been extensively involved in the City of Tshwane/Metsweding merger processes which culminated in the incorporation of the Metsweding region (which included Metsweding District Municipality, Kungwini Local Municipality and Nokeng Tsa Taemane Local Municipality) into the City of Tshwane thereby establishing the “New City of Tshwane” with the boundaries extended to cover the old Metsweding region. Local Government Financial Services was responsible for chairing the Finance and Information, Communication and Technology stream which included the Budget sub-stream, Revenue sub-stream, Supply Chain Management sub-stream and Internal Audit and Risk Management sub-stream. The work of the streams resulted in the compilation of the 2011/12 budget for the newly established City of Tshwane which was endorsed by the political and administrative leadership of the four former entities forming the new city.

Outcome 8A: An efficient, effective and development oriented public service

Prudent financial management across GPG

Financial constraints continued to prevail in the province during the 2011/12 financial year. This situation required interventions to improve allocative efficiency in the provincial budget to optimize service delivery in the province.

The Budget Management unit responded to the challenges resulting from the prevalent financial constraints by providing provincial platforms for the budget-related discussions. These platforms took the form of the Medium Term Expenditure Committee (MTEC) sessions held with departments in September 2011, the Premier’s Budget Committee (PBC) sessions held in October and November 2011 and the Finance Lekgotla held in October 2011. The MTEC evaluated the Department’s 2012 MTEF budget information in the context of government priorities and towards achieving financial stability to ensure service delivery in the province, with a special focus on the reprioritization of scarce resources in light of the constrained fiscus, while at the same time ensuring adequate resourcing of agreed-upon outcomes.

The PBC evaluated the policy issues relating to the state’s capacity to deliver public services, strategies for improving infrastructure delivery to support service delivery, and strategies for improving the financial situation in the province. The PPBC and the Finance Lekgotla endorsed a set of recommendations for departments to adopt in preparing for the 2012 MTEF Budget.

The unit also formulated the provincial budget strategy for guiding the budget allocation to alleviate financial pressures mainly in the provincial health sector

Outcomes Based Planning and Budgeting and the resolutions of the Provincial Budget Committees informed the 2011/12 provincial adjusted budget tabled in November 2011 and the 2012 MTEF budget tabled in March 2012.

Statutory reporting on financial and performance information continued during the financial year to inform the provincial resource allocation and utilization.

The Public Finance unit led the compilation of written input to inform the PBC about the state of finances in the province and to recommend resource allocation for the MTEF. The unit also compiled a chapter on expenditure for inclusion in the Medium Term Budget Policy Statement (MTBPS) which informs how the province allocates resources.

During the 2011/12 financial year, there was continued focus on the successful implementation of the Infrastructure Delivery Improvement Programme (IDIP). A rigorous process to assess readiness to implement the 2012/13 infrastructure plans was undertaken in order to ensure that only those projects that could be

implemented would be funded, and to lessen the increasing amount of under-expenditure and the exponential increase in infrastructure funding. With a view to utilizing scarce resources prudently, the unit embarked on the development of the prioritization and infrastructure planning tool in consultation with the Gauteng Planning Commission.

Monitoring of infrastructure and conditional grant expenditure assumed a more hands-on approach, with site visits undertaken for each grant to assess the veracity of reporting by implementing departments and to ensure that grant frameworks were adhered to. Quarterly meetings were held with CFOs of all departments where spending trends were thoroughly analysed and remedial measures to improve spending agreed upon. All infrastructure grants were ring-fenced, with verification of invoices prior to payment, in order to ensure value for money and prudent expenditure.

In line with the above mentioned Outcomes Based Performance Management approach, the Treasury conducted research with the intention of improving departmental understanding and implementation on this form of budgeting. The research focused on developing practical ways of supporting departments in implementing Outcomes Based Budgeting.

Financial Systems capacity in departments was strengthened by a joint partnership with the Public Administration Leadership and Management Academy (PALAMA) and National Treasury. Financial system users have been trained on the Standard Chart of Account (SCOA).

Treasury continued to focus on rolling out modules such as Assets, Inventory Management, Budget and Data Warehousing. The unit has expedited the implementation and rollout of the Integrated Financial Management System (IFMS) and other financial management solutions in the province.

The Department has identified the need to promote uniformity in Supply Chain Management (SCM) processes at provincial and local government level in line with national policy directives and procurement best practices. To this end, the Supply Chain Management policy model was compiled and disseminated to departments to be customised to suit their needs. The unit will continue to provide training and workshops to officials at municipalities and departments as part of its capacity building initiatives. The unit, in conjunction with National Treasury, will continue to monitor the reporting of SCM information to assess progress made in implementing preferential procurement policy in the province. The unit aims to pilot the electronic reporting system at municipalities as well as public entities in the province to ensure the accuracy of reporting within the current financial year. Continued investigations into SCM complaints will assist to reduce the level of corruption in government and will also build public confidence in the Gauteng Department of Finance. This will be coupled with provincial SCM instructions in the form of circulars and practice notes.

Monitoring as part of the Enterprise-wide Risk Management (ERM) process is an imperative component in the successful implementation of discipline and we therefore continue with the venture to train Risk Management Committees on their roles and responsibilities. Having adopted an interventionist hands-on approach, concerted efforts are being made to strengthen the implementation of ERM. At municipal level, in the absence of Chief Risk Officers, risk management awareness is created and assistance is provided with conducting risk assessments.

Implementation of the revised Gauteng Provincial Risk Management Framework will be closely monitored, and assistance with its implementation will be provided. Municipalities are also in the process of implementing the newly approved Municipal Risk Management Framework. Risk Management Forums are currently taking place on a quarterly basis, encouraging robust discussions of ERM implementation. Based on the risk maturity survey conducted in the provincial and local government spheres, Strategic Support Plans are in the process of being developed which are aimed at improving the risk maturity levels of departments and municipalities.

Conducting Global Risk Assessment and Control Risk Self Assessments workshops remain a key focus of the unit; these are aimed at all the provincial departments.

Improved liquidity and sound reserve levels

The 2011 Provincial Economic Review and Outlook (PERO) publication was successfully tabled in the provincial legislature in October 2011. The Economic Analysis unit produced and finalised Chapter 1 of the 2011 Medium Term Budget Policy Statement (MTBPS). The Fiscal Policy unit produced the 2011 MTBPS publication tabled in the provincial Legislature in November 2011.

These units jointly presented the key findings of PERO and MTBPS to stakeholders on 12th December 2011. The

Economic Analysis unit also produced the Quarterly Bulletin (QB) and 43 Weekly Economic Newsletters (WNLs). These units contributed to the 2012 Estimates of Provincial Revenue and Expenditure by producing analyses of the Socio Economic Review and Provincial Receipts (Sections 3 and 4) respectively.

Regarding provincial revenue management, the quarterly and bi-annual revenue forums (held to discuss revenue collection and management) identified revenue initiatives that would be explored by respective departments. The Fiscal Policy unit continued to oversee the implementation of the electronic data interchange and Provincial Driver License Testing Centre study recommendation. Monthly and quarterly revenue reports were produced and submitted to all departments and the Provincial Legislature. Tariffs proposal were reviewed and approved as per legislation.

The Fiscal Policy Directorate provided input to the National Treasury and the Financial and Fiscal Commission regarding the Division of Revenue Bill (DORB) that the National Treasury circulated to provinces for input. The unit provided input to provincial and national forums including the Budget Forum, Medium Term Expenditure Committee (MTEC) sessions, National Treasury's visit to provinces, the provincial budget benchmarking exercise, National Treasury's provincial revenue workgroup and the annual national Public Sector Economists Forum.

Sound corporate governance

Risk management

Monitoring as part of the Enterprise-wide Risk Management (ERM) process is an imperative component in the successful implementation of the discipline and we therefore continued with the venture to train Risk Management Committees on its roles and responsibilities. Having adopted an interventionist hands-on approach, concerted efforts were made to strengthen the implementation of Enterprise-wide Risk Management. At municipal level, in the absence of Chief Risk Officers, risk management awareness was created and assistance has been provided with conducting of risk assessments.

Implementation of the revised Gauteng Provincial Risk Management Framework was closely monitored through the risk management process reviews that were conducted quarterly and assistance with the implementation thereof was provided. Municipalities were also implementing the approved Municipal Risk Management Framework. Risk Management Forums took place on a quarterly basis and encouraged robust discussions in respect of ERM implementation. Based on the risk maturity survey conducted at provincial and local government sphere, Strategic Support Plans were developed which are aimed at improving the risk maturity levels of departments and municipalities.

Conducting of Strategic Risk Assessment and Control Risk Self Assessments workshops remained a key focus of the unit for the year under review and are aimed at all Gauteng provincial departments.

GPG Audit Committee

The Audit Committee is a corporate body that provides an oversight role with GP Department. The GPG Audit Committee is on a shared basis, with Members appointed by and reporting to the Head: Finance. The GP Audit Committee comprised of four Clusters and one overall Provincial Audit Committee. The Audit Committee is fully capacitated by appointing independent non-executive members with relevant qualification and skills as well as knowledgeable in audit, risk and finance disciplines. To enhance the effectiveness of the GPG Audit Committee, the Committee operates within the written terms of reference (GPG Audit Committee Charter), which is reviewed annually to ensure alignment to best practice.

The key roles and responsibilities of Audit Committee Clusters and the Provincial Audit Committee are to:

- review, amend and adopt the GPG Audit Committee Charter;
- review the quarterly (financial and non financial) performance reports of the Departments,
- review the Provincial Revenue Fund and the Consolidated Financial Information of the Gauteng Provincial Government; the Consolidated Risk Profile for Gauteng Provincial Government and provide oversight in terms of risk management and internal control activities;
- review and approve the Fraud Prevention Plan;
- review and approve the Internal Audit Charter, activities, staffing and organisational structure of the Internal Audit functions;
- review and concur with the appointment, replacement, resignation or dismissal of the Head of Internal Audit;
- review the effectiveness of the Internal Audit functions including compliance with the Internal Audit Charter; and
- Evaluate the performance of the Head of Internal Audit.

Operation Clean Audit 2014

The Provincial Accounting Services will continue playing a coordinating role as the achievement of this vision is a concerted effort involving stakeholders such as Financial Governance, Sustainable Resource Management, Gauteng Audit Services, Auditor General and Departments. PAS defines and drives a coordination model for GPG and will implement the strategy and monitor the progress through the CFO forum.

Provincial Accounting Services will continue with the measures that have already been implemented such as:

- Monitoring monthly possible unauthorised expenditure which will assist departments to adjust their budgets correctly and prevent unauthorised expenditure where possible
- Monitoring weekly cash flows and ensure that departments spend in line with the allocation to prevent overspending;
- Ring-fencing the infrastructure and conditional grant funds and enhancement of payment process thereof to ensure compliance with DORA;
- Quarterly review of financial statements. Improve the quality of the performance management information to ensure that we achieve clean audits in the predetermined objectives

Management of movable assets and inventory remains a challenge in the province as echoed by the auditor's reports. GDF will continue to facilitate training sessions across departments in these both critical areas and put stringent monitoring measures.

We are in the process of implementing monthly financial statements which will enhance the quality of the Annual Financial Statements (AFS) In collaboration with SCOPA Provincial Accounting Services will table the Unauthorized Expenditure Bill 2013 to clear the massive accumulated unauthorised expenditure in accordance to the Legislature decision.

3. OUTLOOK FOR THE COMING FINANCIAL YEAR (2012/13)

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

Prudent municipal financial management

The Local Government Financial Services unit is a single point of command for the implementation and monitoring of the Municipal Finance Management Act and also for providing oversight and support to municipalities on sustainable resource management and on financial governance matters. The key focus areas for the 2012/13 Medium Term Revenue and Expenditure Framework (MTREF) budget outlook include 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 transferring of funds and as well as resolving debt owed between organs of state; providing technical support in the implementation of Generally Recognised Accounting Practice (GRAP) standards; and strengthening the capacity of internal audit and audit committees towards achieving 2014 Operation Clean Audit.

Key focus areas for the 2012/13 financial year in the Local Government Financial Services unit include the strengthening of asset management through proper alignment of asset management strategies and Infrastructure Development Plans (IDP) as well as the budgeting processes; enhancing research methodologies and monitoring tools to support the Monitoring & Evaluation framework for monitoring implementation and compliance with the Municipal Financial Management Act; revising the current framework on informal and formal interventions and developing a framework for the Gauteng Municipal Emergency Fund; strengthening the support initiative to municipalities through the partnership with Development Bank of Southern Africa; and exploring other supplementary initiatives.

Outcome 8A: An efficient, effective and development oriented public service

Prudent financial management across GPG

The province will implement strategies that will result in prudent financial management across the province. The Budget Management unit will further improve the implementation of the Outcomes Based Budgeting approach to respond to the prevailing environment and ensure effective resourcing of outcomes, priorities and projects. There will be continuous review and improvement of the provincial budget process to strengthen its effectiveness in driving the provincial planning and budgeting process, monitoring and evaluation of public spending on service delivery. More emphasis will be placed on the credibility of the in-year monitoring (IYM) system and non-

financial information to inform national and provincial policy-making decisions. The unit plans to increase the capacity for managing the provincial performance monitoring and reporting. This initiative aims to improve the quality of performance information in order to realize the province's target and outputs.

The Department will continue to facilitate and monitor the implementation of the National Capacity Development Strategy for financial management through the generic structure, uniform job description and standardized capacity programmes within the GPG financial management offices. The Department will further issue Guidelines for issuing of cheques as a tool to enforce compliance with the provisions of the legislation in terms of cheque payments. Quarterly Public Finance Management Act (PFMA) Performance Reports will be produced to provide an overall analysis of compliance within the province. We will also continue to enforce, monitor and evaluate the implementation of the PFMA, Treasury Regulations (TR) and relevant frameworks and policies in place in the province.

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

The Provincial Treasury will begin a programme of capacity building in all infrastructure delivery departments to deal with GPG capacity to spend the infrastructure budget. This is in line with the President's state of the nation address, the budget speech and Gauteng provincial priorities.

Improved liquidity and sound reserve levels

Budget permitting, the Provincial Accounting services unit will deploy the Invoice and Receipting Engine (automation of receipts and deposits) to the Department of Infrastructure, Department of Education, Department of Roads and Transport and Department of Finance. This will result in the reduction of 40 per cent of manual receipts and deposits being captured, and an improvement of revenue generation and operating efficiencies.

In partnership with FNB our provincial banker, we will deploy merchant devices (speed points) across GPG revenue collection points namely hospitals, GDE district offices and regional offices of the Department of Transport. This will provide more payment options to the citizens.

We also plan to achieve a clean audit for the Provincial Revenue Fund and to table the Unauthorized Expenditure Bill 2013.

Sound corporate governance

In the 2012/13 financial year, infrastructure delivery will remain in sharp focus, with continued implementation of the Infrastructure Delivery Improvement Programme (IDIP), now in its fifth year. Emphasis will be on ensuring that departments budget for and implement only those projects that are ready, while at the same time increasing the project management and human capacity of departments to deliver on the ambitious social and economic infrastructure programme that is key to Gauteng's and South Africa's continued prosperity. It is anticipated that the conclusion of the development of the prioritization and infrastructure planning tool, in consultation with the Gauteng Planning Commission, will greatly enhance this.

In order to ensure that money is spent only on what it is appropriated for, ring-fencing of funds will be extended to some of the equitable share portion. Constant engagement with departments on overall expenditure trends will also be institutionalized as part of restoring fiscal discipline and prudent financial management to public sector finances.

In the 2012/13 financial year, financial management in the province will be strengthened and improved through institutionalizing a range of mechanisms including budget blocking to curb committing where there are no funds will be investigated, ring fencing of conditional grant and extending it to certain equitable share portions in other departments. Furthermore, contract management in the province will be strengthened.

The Risk Management unit will intensify its oversight role on the implementation of the Enterprise-wide Risk Management (ERM) in the provincial and local government spheres in line with the Public Finance Management Act and the Municipal Finance Management Act. With the roll out of the approved Municipal Risk Management Framework, the 2012/13 financial year will see a renewed drive to improve service delivery through the

implementation of ERM.

There will be increased emphasis on conducting one-on-one visits to departments and municipalities with the aim of strengthening ERM capacity and as a result improving the implementation status. Conducting ERM process reviews will continue, which will see the identification of action plans to be implemented to address any weaknesses noted. It is important that departments are aware of risks that they are facing in pursuing their objectives, and it is in light of this that the unit will facilitate Global Risk Assessment and Control Risk Self Assessment workshops.

4. REVENUE AND FINANCING

4.1 Summary of receipts

TABLE 1: SUMMARY OF RECEIPTS: GAUTENG TREASURY

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Equitable share	209 604	193 343	208 312	285 027	256 396	256 396	428 934	298 175	319 189
Conditional grants	4 200	4 410	4 734						
Total receipts	213 804	202 753	213 046	285 027	256 396	256 396	428 934	298 175	319 189

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

4.2 Departmental receipts

TABLE .2: DEPARTMENTAL RECEIPTS: GAUTENG TREASURY

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Tax receipts									
Casino taxes									
Horse racing taxes									
Liquor licenses									
Motor vehicle licenses									
Sales of goods and services other than capital assets									
Transfers received									
Fines, penalties and forfeits									
Interest, dividends and rent on land	128 760	54 162	37 044	30 000	98 000	111 628	55 000	60 000	60 000
Sales of capital assets									
Transactions in financial assets and liabilities									
Total departmental receipts	128 760	54 162	37 044	30 000	98 000	111 628	55 000	60 000	60 000

The revenue source for the Department is the interest earned on favorable bank balances. The bank balances, in turn, depend on the province's investment policy and the spending trends of provincial departments. The economic downturn that started in previous financial years reduced the amounts available for investment,

and the provincial departments' increased spending depleted the provincial reserves. This reduced the interest revenue earned from R128.8 million to R37 million during the first three years shown in the table. The continued negative economic outlook led to an interest revenue projection of R30 million in 2011/12. However, the Department earned R70.8 million in interest revenue in the first six months of the 2011/12 financial year, mainly due to implementation of more prudent cash management strategies to improve the liquidity of the province during periods of financial constraints. These strategies include ring fencing the infrastructure and conditional grants to ensure efficiency in spending them by departments. This stricter control of cash flows increased the cash resources in the province whilst the provincial departments were improving their spending plans.

Interest revenue is projected to increase R60 million over the MTEF. The projection is based on the following factors:

- Future economic outlook indicates that short-term money market interest rates and domestic inflation will remain within the inflation target range until 2012/13 financial year and it is expected that interest rates will remain unchanged for the rest of the 2011/12 financial year. However, given the risk posed by increasing fuel and food prices, interest rates may start to increase towards the last quarter of the 2012/13 financial year and thus require a more conservative estimation of Treasury's interest revenue projections for the next financial year 2012/13.
- Given that the new system of cash allocations and ring-fencing has been adopted as a permanent feature for prudent cash management, and given the collection trend since implementation, projected revenue collection for 2012/13 financial year is expected to exceed the 2011/12 projections.

5. PAYMENT SUMMARY

5.1 Key assumptions

the 2012 Medium Term Expenditure Framework (MTEF) budget is informed by the Gauteng Treasury's Strategic Plan, Annual Performance Plan, the provincial outcomes and the Gauteng Provincial Government's programme of action (POA). Provision for annual salary adjustments is as follows: 6.5 percent in 2012/13; 6.5 percent in 2013/14; 6.5 percent in 2014/15. Provision is also made for notch progression and performance bonuses.

5.2 Programme summary

TABLE 3: SUMMARY OF PAYMENTS AND ESTIMATES: GAUTENG TREASURY

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
1. Administration	55 072	61 085	55 722	84 695	66 759	66 964	69 095	74 750	83 584
2. Sustainable Resource Management	90 410	70 719	78 539	98 802	89 852	87 122	245 600	97 949	100 415
3. Financial Governance	21 967	19 186	35 583	45 770	44 172	41 765	53 637	57 828	63 468
4. Provincial Accounting Services	63 296	67 679	48 787	55 760	55 613	54 640	60 602	67 648	71 722
Total payments and estimates	230 745	218 669	218 631	285 027	256 396	250 491	428 934	298 175	319 189

5.3 Summary of economic classification

TABLE 4: SUMMARY OF ECONOMIC CLASSIFICATION: GAUTENG TREASURY

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Current payments	161 865	177 589	163 670	235 027	203 550	197 642	377 088	246 869	268 278
Compensation of employees	86 672	122 076	136 003	173 361	161 147	151 640	180 264	190 280	268 278
Goods and services	75 193	55 513	27 668	61 666	42 403	46 003	196 824	56 589	65 604

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Interest and rent on land									
Transfers and subsidies to:	61 581	40 001	51 522	50 000	50 002	50 004	50 000	50 000	50 000
Provinces and municipalities									
Departmental agencies and accounts	61 551	40 000	51 500	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	30	1	22		2	4			
Payments for capital assets	7 299	1 068	44		2 744	2 744	1 846	1 306	911
Buildings and other fixed structures									
Machinery and equipment	7 263	920	44		2 744	2 744	1 846	1 306	911
Heritage Assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets	36	148							
Payments for financial assets		11	3 395		100	100			
Total economic classification	230 745	218 669	218 631	285 027	256 396	250 491	428 934	298 175	319 189

Total expenditure reduced from R230.7 million in 2008/09 to R218.7 million in 2009/10 and increased to R218 million in 2010/11. The two main reasons for the trend were that the transfer to the Department's entity 'Gauteng Fund' reduced from R60 million to R40 million in 2009/10; and the Department postponed the development of planned electronic systems while it streamlined the systems development process to improve efficiency and value for money. This decision reduced spending on goods and services in 2009/10.

The total budget increased to R285 million in 2011/12 to fund the costs of increasing the capacity of the Department to deliver on its growing mandate. The increase reflects in the higher budget of R235 million for compensation of employees and goods and services combined. The budget for office equipment was reallocated to goods and services, given the decision to lease instead of purchasing these items. The budget reduced to R203.5 million during the budget adjustment process when the Department reprioritized funds towards the payment of commitments of the former Gauteng Shared Services Centre.

Compensation of employees has steadily increased for the period under review because of higher-than-expected salary adjustments during the 2009/10 financial year. It shows a significant increase particularly between 2010/11 and 2011/12; this increase provides for annual salary adjustments, filling of critical vacant posts, notch progression and annual performance bonuses. Implementation of the EXCO's decision to decentralize some functions to provincial departments is expected to reduce the salary bill of the Department over the MTEF.

The decision to postpone the development of planned electronic systems in 2009/10 while the department

streamlined the systems development process reduced spending on goods and services. The decision of the former Gauteng Department of Finance to reprioritize funds to pay preexisting commitments further reduced the budget between 2010/11 and 2011/12. However, this trend reverses over the MTEF, when goods and services increase from R56.8 million to R65.6 million.

The purchase of computer equipment for the Department after the demerger with the former Shared Service Centre has been allocated R1.8 million in 2012/13, R1.3 million in 2013/14 and R911, 000 in 2014/15. This increase is for providing adequate resources after the decision of the former department to lease instead purchasing the office computers.

6. PROGRAMME DESCRIPTION

PROGRAMME 1: ADMINISTRATION

Programme description

This programme aims to provide effective leadership, management and administrative support to the Head of Treasury and the Treasury Programmes. This is done in fulfillment of the mission and mandate of the Treasury. The aim is to provide a comprehensive range of solutions resulting in, among other things, the refinement of corporate strategy, structure and processes, in accordance with best practice. The structure includes the Office of the MEC, Strategic Management Services, Corporate Services and Financial Management (CFO).

Programme objectives

- To ensure an integrated corporate service function that provides strategic and operational support for the Department;
- To provide oversight and financial and risk management services to the Department for the achievement of its objectives thereby enhancing service delivery, and compliance with the PFMA and other relevant legislation;
- To facilitate, monitor and drive the overall departmental strategy and planning processes to ensure achievement of GT mandate and intended impact on the provincial priorities;
- To provide effective strategic and operational support to the MEC;
- To ensure the effective and efficient management of the Administration programme; and
- To ensure a high performance culture that encompasses the Treasury's values.

TABLE 5: SUMMARY OF PAYMENTS AND ESTIMATES: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
1. Office of the MEC	222	3 404	6 013	6 592	6 682	8 248	6 114	6 693	6 980
2. Office of the HOD (Strategic Management)			2 679	2 626	2 345	2 745	8 590	8 870	11 324
3. Corporate Services	35 602	40 221	35 445	55 992	38 306	36 421	28 261	30 283	34 907
4. Financial Management (Office of the CFO)	19 248	17 460	11 585	19 485	19 426	19 549	26 130	28 904	30 373
Total payments and estimates	55 072	61 085	55 722	84 695	66 759	66 964	69 095	74 750	83 584

TABLE 6: SUMMARY OF ECONOMIC CLASSIFICATION: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Current payments	48 000	60 135	52 276	84 695	64 013	64 215	67 249	73 444	82 673
Compensation of employees	15 748	33 490	34 139	39 356	37 901	34 439	38 580	41 633	46 723
Goods and services	32 252	26 645	18 138	45 339	26 112	29 777	28 669	31 811	35 950

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Interest and rent on land									
Transfers and subsidies to:			7		2	4			
Provinces and municipalities									
Departmental agencies and accounts									
Universities									
Foreign governments and international organisations									
Public corporations and private enterprises									
Non-profit institutions									
Households			7		2	4			
Payments for capital assets	7 072	939	44		2 744	2 744	1 846	1 306	911
Buildings and other fixed structures									
Machinery and equipment	7 036	791	44		2 744	2 744	1 846	1 306	911
Heritage Assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets	36	148							
Payments for financial assets		11	3 395						
Total economic classification	55 072	61 085	55 722	84 695	66 759	66 964	69 095	74 750	83 584

The budget for Administration grows from R55 million in 2008/09 financial year to R84 million in 2014/15 financial year. The increase in the budget for this programme reflects both a significant increase of personnel numbers to support a growing departmental structure as well as the centralization of some goods and services items such as travelling costs, communication costs and printing and stationery to this programme.

Compensation increased from R15 million in 2008/09 financial year to R34 million in 2010/11 financial year, after the Department filled vacant posts as per its approved structure. Compensation of employees in the 2008/09 financial year reflects the last year of the establishment phase of the Provincial Treasury following its promulgation in April 2006.

Another contributing factor to the above-average increases 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. Overall, both the absolute and the relative changes in compensation under the Administration programme are in line with the growth assumptions and inflation projections over the MTEF.

Goods and services was at R32 million and R18 million for the 2008/09 and 2009/10 financial years respectively, and subsequently reduced to R18 million in the 2010/11 financial year when the Department reprioritized funds towards the payment of commitments of the former Gauteng Department of Finance. The 2011/12 financial year estimates reflect a level of normalization of spending trends for the Department to around R67 million. Over the MTEF, spending levels for the administration programme are expected to stay within the spending range

of R69 million; R74 million and R87 million, an average of 9.9 per cent per year. The main cost drivers under Administration include utilities, external audit, lease payments and travel and subsistence claims.

Payments for capital assets in 2008/9 financial year amounted to R7 million; this expenditure was incurred for computer equipment for the growing personnel numbers and in the later part of the 2011/12 financial year a computer refresh which is staggered over the MTEF. The computer refresh is expected to normalize in the 2014/15 financial year as the Department plans to put on stringed measures in order to avoid heavy expenditure within one year.

SERVICE DELIVERY MEASURES

Programme Performance Measures	Estimated Annual Targets		
	2012/13	2013/14	2014/15
Accurate accountability Plans & Reports to Legislature, Office of the Premier, AG & National Treasury	Accurate accountability Plans & Reports to Legislature, Office of the Premier, AG & National Treasury (APP, QPR, Annual Report and other reports)	Accurate accountability Plans & Reports to Legislature, Office of the Premier, AG & National Treasury	Accurate accountability Plans & Reports to Legislature, Office of the Premier, AG & National Treasury
Develop and approve a GEYODI advocacy and compliance monitoring plan	Develop and approve a GEYODI advocacy and compliance monitoring plan	Review and approve a GEYODI advocacy and compliance monitoring plan	Review and approve a GEYODI advocacy and compliance monitoring plan

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT

Programme description

The programme aims to optimise resources allocation, utilisation and revenue in order to maximise the social benefit to Gauteng's citizens.

Programme objectives

Fiscal policy and economic analysis

- Maximize current revenue sources and optimize potential new revenue streams;
- Develop and implement a comprehensive provincial revenue strategy;
- Provide advisory services to relevant stakeholders on fiscal policy matters and the medium term fiscal framework; and
- Provide provincial socio-economic research and analysis to inform resource allocation and utilization.

Budget management

- Allocate resources to outputs in an optimal and transparent manner that is aligned with the national and provincial outcomes and that addresses equity, need and spatial development;
- Manage provincial planning and budgeting processes for the province;
- Implement budget reforms which enhance budgeting processes in the province;
- Promote effective and efficient public service delivery by assisting departments with service delivery; and
- Enforce implementation of and compliance with the PFMA.
- Public finance
- Provide strategic support to departments and agencies to utilize public resources effectively;
- Conduct sector level policy analysis to maximize efficiency gains and value for money; and
- Monitor and evaluate the performance outcomes of spending agencies.

Public private partnerships

- Facilitate, enhance and complement provincial revenue through private investment in infrastructure and service delivery;
- Evolve as a dynamic and sustainable centre of excellence for public private partnerships (PPPs), providing technical, financial and legal assistance to all provincial departments and municipalities in the province;
- Provide assistance through project feasibility, procurement and contract management during a project;
- Improve the infrastructure and service delivery efficiency of the province; and
- Drive PPP deal flow by identifying project opportunities that yield value to all stakeholders.

Table 7: SUMMARY OF PAYMENTS AND ESTIMATES: SUSTAINABLE RESOURCE MANAGEMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
1. SRM Programme Support	61 614	41 712	51 574	54 519	54 519	55 060	204 424	54 644	54 889
2. Fiscal Policy & Economic Analysis	7 237	6 717	5 081	8 418	8 418	7 334	8 642	9 062	9 508
3. Budget Management	8 541	8 738	6 806	12 622	11 293	9 782	15 846	16 733	17 645
4. Public Finance	9 321	9 640	10 799	18 323	13 021	10 703	13 970	14 656	15 376
5. Public Private Partnership	3 697	3 912	4 279	4 920	2 601	4 243	2 718	2 854	2 997
Total payments and estimates	90 410	70 719	78 539	98 802	89 852	87 122	245 600	97 949	100 415

TABLE 8: SUMMARY OF ECONOMIC CLASSIFICATION: SUSTAINABLE RESOURCE MANAGEMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Current payments	30 410	30 719	28 539	48 802	39 752	37 022	195 600	47 949	50 415
Compensation of employees	21 308	27 081	26 756	42 213	33 480	30 868	40 484	42 572	44 755
Goods and services	9 102	3 638	1 783	6 589	6 272	6 154	155 116	5 377	5 660
Interest and rent on land									
Transfers and subsidies to:	60 000	40 000	50 000	50 000	50 000	50 000	50 000	50 000	50 000
Provinces and municipalities									
Departmental agencies and accounts	60 000	40 000	50 000	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									
Payments for capital assets									
Buildings and other fixed structures									
Machinery and equipment									
Heritage Assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Payments for financial assets					100	100			
Total economic classification	90 410	70 719	78 539	98 802	89 852	87 122	245 600	97 949	100 415

The SRM budget increases from R90 million in 2008/09 financial year to R100 million in 2014/15 financial year, which reflects an average increase of 1 per cent for each year in the seven year period under review. Included in the outcome, is the current financial year and the Medium Term Expenditure Framework. The absolute spending figures decreased consistently between 2008/09 financial year and 2011/12 financial year. This was caused by the financial constraints in the province during the period. The merger of the Gauteng Shared Services Centre and Gauteng Treasury resulted in a comprehensive review and reprioritization of expenditure, with a view to containing costs and directing scarce resources to areas of priority critical to operations. This exercise resulted in a shift of resources toward the Shared Services division, due to the need to address the accumulated accounts payable.

Compensation increased smoothly between 2008/09 financial year and 2011/12 financial year. The above average increases reflect the filling of critical vacant posts and also wage settlements that have been above inflation over the period, as well as notch progressions. Over the MTEF, compensation increases from R31 million in 2011/12 financial year to R40 million in 2012/13 as the division is capacitated to deal with current financial management challenges in the province and to monitor the anticipated increase in infrastructure delivery in the province. For the rest of the MTEF, compensation grows at an average of 5.1 per cent which is within the planning parameters provided.

Goods and services decrease from R9 million in the 2008/09 financial year to R155 million in the 2014/15 financial year. This increase results from the review and reprioritization that occurred during the merger of the two departments. Starting in the 2010/11 financial year, the goods and services budget for the programme consists mainly of critical operating costs; hence the significant decrease in the budget. The Provincial Treasury will begin a programme of capacity building in all infrastructure delivery departments to deal with GPG capacity to spend the infrastructure budget

Provision is made under transfers and subsidies for the annual transfers to the Gauteng Project Office, amounting to R50 million annually over the MTEF. This amount forms part of the Programme Support allocation.

SERVICE DELIVERY MEASURES

Subprogramme/Performance measures	Estimated Annual Targets		
	2012/13	2013/14	2014/15
Budget Management			
Tabling of an MTEF and adjustment budget that is informed by outcomes	Tabling of an MTEF and adjustment budget that is informed by outcomes	Tabling of an MTEF and adjustment budget that is informed by outcomes	Tabling of an MTEF and adjustment budget that is informed by outcomes
Timely, qualitative and accurate reports/plans	Timely, qualitative and accurate reports/plans - S32 of PFMA, Quarterly Performance Reports (QPR) APP, In-Year Monitoring, Provincial Gazette in terms of DoRA, (monthly, quarterly and annual)	Timely, qualitative and accurate reports/plans - S32 of PFMA, Quarterly Performance Reports (QPR) APP, In-Year Monitoring, Provincial Gazette in terms of DoRA, (monthly, quarterly and annual)	Timely, qualitative and accurate reports/plans - S32 of PFMA, Quarterly Performance Reports (QPR) APP, In-Year Monitoring, Provincial Gazette in terms of DoRA, (monthly, quarterly and annual)
Public Finance			
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
Submit recommendations i.r.o adjustment budget on roll overs, additional funding for unforeseen and unavoidable expenditure	Submit recommendations i.r.o adjustment budget on roll overs, additional funding for unforeseen and unavoidable expenditure	Submit recommendations i.r.o adjustment budget on roll overs, additional funding for unforeseen and unavoidable expenditure	Submit recommendations i.r.o adjustment budget on roll overs, additional funding for unforeseen and unavoidable expenditure

Subprogramme/Performance measures	Estimated Annual Targets		
	2012/13	2013/14	2014/15
Fiscal Policy and Economic Analysis			
Quarterly and timely, qualitative and accurate legislated submissions (IYM own revenue analysis)	Quarterly and timely, qualitative and accurate legislated submissions (IYM own revenue analysis)	Quarterly and timely, qualitative and accurate legislated submissions (IYM own revenue analysis)	Quarterly and timely, qualitative and accurate legislated submissions (IYM own revenue analysis)
New indicator(Revenue Enhancement Strategy)	Development of the provincial Own Revenue Enhancement Strategy	Finalisation and consultation of the provincial Own Revenue Enhancement Strategy	Oversight role on the Implementation of the provincial wn Revenue Enhancement Strategy
New indicator(oversight of revenue collected through agencies)	Oversight role on the reconciliation of revenue collected by municipalities in conjunction with Gauteng Department of Roads and Transport (GDRT) and cash book services	Oversight role on the reconciliation of revenue collected by municipalities in conjunction with GDRT and cash book services	Oversight role on the reconciliation of revenue collected by municipalities in conjunction with GDRT and cash book services
Tariff requests reviewed and approved as per PFMA and Treasury Regulation	Tariff requests reviewed and approved as per PFMA and Treasury Regulation	Tariff requests reviewed and approved as per PFMA and Treasury Regulation	Tariff requests reviewed and approved as per PFMA and Treasury Regulation
Annual MTBPS completed	Annual MTBPS completed	Annual MTBPS completed	Annual MTBPS completed
Own revenue inputs into the MTEC, Budget Forum, estimates of provincial expenditure, adjusted estimates of provincial expenditure meetings, provincial visits and benchmarking exercise	Own revenue inputs into the MTEC, Budget Forum, estimates of provincial expenditure, adjusted estimates of provincial expenditure meetings, provincial visits and benchmarking exercise	Own revenue inputs into the MTEC, Budget Forum, estimates of provincial expenditure, adjusted estimates of provincial expenditure meetings, provincial visits and benchmarking exercise	Own revenue inputs into the MTEC, Budget Forum, estimates of provincial expenditure, adjusted estimates of provincial expenditure meetings, provincial visits and benchmarking exercise
Annual Socio-Economic Review and Outlook (SERO) tabled and published	Annual SERO tabled and published	Annual SERO tabled and published	Annual SERO tabled and published
Contribute to national government and FFC engagements on equitable allocation of the equitable share	Report on inputs provided to national government and Financial and Fiscal Commission (FFC) engagements on equitable allocation of the equitable share	Report on inputs provided to national government and FFC engagements on equitable allocation of the equitable share	Report on inputs provided to national government and FFC engagements on equitable allocation of the equitable share
Annual Provincial Economic Review and Outlook (PERO) tabled and published	Annual PERO tabled and published	Annual PERO tabled and published	Annual PERO tabled and published
4 Quarterly Bulletins published	4 Quarterly Bulletins published	4 Quarterly Bulletins published	4 Quarterly Bulletins published
Impact studies and simulation reports	1 simulation report completed	1 simulation report completed	1 simulation report completed
3 national revenue workgroup forums on best practices on fiscal policy to inform budget process	3 national revenue workgroup forums on best practices on fiscal policy to inform budget process	3 national revenue workgroup forums on best practices on fiscal policy to inform budget process	3 national revenue workgroup forums on best practices on fiscal policy to inform budget process
Weekly Newsletters produced	Report on number of Weekly Newsletters produced	Report on number of Weekly Newsletters produced	Report on number of Weekly Newsletters produced
Annual assessment report on credible revenue projections	Annual assessment report on credible revenue projections	Annual assessment report on credible revenue projections	Annual assessment report on credible revenue projections
Public Private Partnerships			
Provide appraisal and regulatory advice to all provincial and municipal Public Private Partnerships (PPPs) during planning, procurement and implementation phase.	Respond to requests within 5 working days	Respond to requests within 5 working days	Respond to requests within 5 working days
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
Capacitate departments and municipalities in collaboration with national and DFIs where necessary with regards to PPP initiatives.	4 training sessions/project inceptions/workshops including collaborations	4 training sessions/project inceptions/workshops including collaborations.	4 training sessions/project inceptions/workshops including collaborations.

PROGRAMME 3 : FINANCIAL GOVERNANCE**Programme description**

To create an enabling environment that will ensure sound financial management in the Province, through the implementation of supply chain management, enterprise wide risk management, financial management systems and compliance with financial legislative frameworks in place.

Programme objectives

- To be a credible partner in Financial Management practices and systems;
- Ensure that GPG financial systems are efficient to enable it to perform its functions effectively;
- To ensure the implementation of enterprise wide risk management;
- To ensure the implementation of Municipal Finance Management Act and Public Finance Management Act, and adherence to the spirit, underlying principles and objectives of the Acts

TABLE 9: SUMMARY OF PAYMENTS AND ESTIMATES: FINANCIAL GOVERNANCE

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
1. FG Programme Support	2 636	811	517	1 772	1 516	1 157	1 752	5 339	8 161
2. Risk Management	5 299	7 950	11 494	9 767	10 430	9 119	12 525	13 376	14 238
3. Norms & Standards			2 642	4 193	4 202	4 012	8 152	8 678	9 165
4. Local Government Financial Services	14 032	10 425	16 885	24 290	22 371	22 380	25 202	24 141	25 308
5. Financial Business Systems			4 045	5 748	5 653	5 097	6 006	6 294	6 596
Total payments and estimates	21 967	19 186	35 583	45 770	44 172	41 765	53 637	57 828	63 468

TABLE 10: SUMMARY OF ECONOMIC CLASSIFICATION: FINANCIAL GOVERNANCE

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Current payments	20 416	19 186	34 068	45 770	44 172	41 765	53 637	57 828	63 468
Compensation of employees	12 463	15 529	28 352	39 261	36 595	34 104	44 076	46 287	48 611
Goods and services	7 953	3 657	5 716	6 509	7 577	7 661	9 561	11 541	14 857
Interest and rent on land									
Transfers and subsidies to:	1 551		1 515						
Provinces and municipalities									
Departmental agencies and accounts	1 551		1 500						
Universities									
Foreign governments and international organisations									
Public corporations and private enterprises									
Non-profit institutions									
Households			15						

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Payments for capital assets									
Buildings and other fixed structures									
Machinery and equipment									
Heritage Assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
Payments for financial assets									
Total economic classification	21 967	19 186	35 583	45 770	44 172	41 765	53 637	57 828	63 468

Compensation of employees budget increased significantly by R24 million from R12 million in 2008/09 to R36 million in 2011/12 financial year. The above-average increases reflect the filling of critical vacant posts, wage settlements that were higher than expected and notch progressions. The areas that experienced significant growth were Risk Management, and the Local Government Financial Services and the Norms and Standards units. Over the MTEF period, the compensation of employees increases from R36 million in 2011/12 to R44 million in the 2012/13 financial year as the division is capacitated to deal with current financial management challenges in the departments and municipalities in the province. For the rest of the MTEF, compensation of employees grows at an average of 4.7 per cent which is within planning parameters provided.

Goods and services remained at R8 million in the 2008/09 to 2011/12 financial year. This trend results from the review and reprioritization that occurred during the merger of the two departments. Starting in 2009/10 financial year, the goods and services budget for the programme consists mainly of critical operating costs; hence the constant budget. More capacity is provided over the MTEF in order to provide resources to strengthen financial governance in the province.

SERVICE DELIVERY MEASURE

Sub programme/Performance measures	Estimated Annual Targets		
	2012/13	2013/14	2014/15
Governance & Compliance			
PFMA Performance Report	Improved compliance to legislation and regulations and, alignment to GPG Outcomes	95 per cent compliance	99 per cent compliance
Checklist on Public Entities	80 per cent compliance	90 per cent compliance	95 per cent compliance
Implement the Charter and Policy	360 degree Evaluation Report	360 degree Evaluation Report	360 degree Evaluation Report
Supply Chain Management			
Compliance to SCM Framework	Implementation of SCM policy, regulations, treasury instructions and standards by all departments and municipalities (All GPG departments to adopt SCM policies)	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.
	Monitor the implementation of National Treasury Procurement Contract Information in all GPG departments and municipalities (four quarterly assessments).	Continuous reporting of procurement spend information by GPG departments, municipalities and entities.	Continuous reporting of procurement spend information by GPG departments, municipalities and entities.
	Continuous training in SCM (four training sessions)	Continuous training in SCM (four training sessions)	Continuous training in SCM (four training sessions)

Sub programme/Performance measures	Estimated Annual Targets		
	2012/13	2013/14	2014/15
	Facilitate implementation of procurement plans by departments.	Monitor compliance to SCM framework by all departments.	Monitor compliance to SCM framework by departments and municipalities
Local Government Financial Services	2 bi-annually Reports on implementation and compliance to MFMA	2 bi-annually Reports on implementation and compliance to MFMA	2 bi-annually Reports on implementation and compliance to MFMA
	2 bi-annually Reports on the assessment of municipal budget	2 bi-annually Reports on the assessment of municipal budget	2 bi-annually Reports on the assessment of municipal budget
	4 Quarterly Consolidated Monthly Budget Statements on the performance against the budget.	4 Quarterly Consolidated Monthly Budget Statements on the performance against the budget.	4 Quarterly Consolidated Monthly Budget Statements on the performance against the budget.
	2 Gazettes on the main and adjustment for the provincial transfers	2 Gazettes on the main and adjustment for the provincial transfers	2 Gazettes on the main and adjustment for the provincial transfers
	2 bi-annual key IGR forums on municipal finance	2 bi-annual key IGR forums on municipal finance	2 bi-annual key IGR forums on municipal finance
	2 bi-annual reports on the Municipal Hands-on Support Plan	2 bi-annual reports on the Municipal Hands-on Support Plan	2 bi-annual reports on the Municipal Hands-on Support Plan
	1 annual Action Plan on the preparation of AFS, Audit Process and Performance reporting through the Annual Report	1 annual Action Plan on the preparation of AFS, Audit Process and Performance reporting through the Annual Report	1 annual Action Plan on the preparation of AFS, Audit Process and Performance reporting through the Annual Report
Risk Management			
Reduction in the GPG core risk profile (Improvement in good governance)	ERM Process review conducted, Risk Assessments facilitated and required support provided to GPG entities (departments and municipalities)	ERM Process review conducted, Risk Assessments facilitated and required support provided to GPG entities (departments and municipalities)	ERM Process review conducted, Risk Assessments facilitated and required support provided to GPG entities (departments and municipalities)
	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
	52 CRSA's 11 Global Assessments conducted	52 CRSA's 11 Global Assessments conducted	52 CRSA's 11 Global Assessment conducted
Financial Business Systems	Monitoring of the code structure alignment on transversal systems and financial systems to improve data integrity on data recorded quarterly.	Monitoring of the code structure alignment on transversal systems and financial systems to improve data integrity on data recorded quarterly.	Monitoring of the code structure alignment on transversal systems and financial systems to improve data integrity on data recorded quarterly.
	Quarterly / annual reports on transversal system training and support provided	Quarterly / annual reports on transversal system training and support provided	Quarterly / annual reports on transversal system training and support provided
	Providing support towards reducing misallocations in Departments and improvements of financial systems modules in the province.	Providing support towards reducing misallocations in Departments and improvements of financial systems modules in the province.	Providing support towards reducing misallocations in Departments and improvements of financial systems modules in the province.
	SAP Asset Management implemented in one Department	SAP Asset Management implemented in one Department	SAP Asset Management implemented in all Departments
	Continuous support of transversal systems	Continuous support of transversal systems	Continuous support of transversal systems

PROGRAMME 4 : PROVINCIAL ACCOUNTING SERVICES

Programme Purpose

To provide strategic leadership, guidance and support to all GPG departments in terms of financial management, thus ensuring that there is transparent and effective financial management and reporting in the provincial departments and entities.

Programme Objectives:

- To be a credible partner in Financial Governance practices and systems;
- To provide leadership on accounting best practices within the province;
- To ensure sound cash management and implementation of financial management systems for the province;
- To enforce compliance with the PFMA; and
- To ensure the effective and efficient management of the Financial Governance Programme.

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

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
1. PAS Programme Support	3 875	5 600	1 438	1 895	2 117	1 559	2 495	6 223	6 903
2. Financial Assets & Liabilities	16 925	31 300	13 607	16 361	14 752	14 472	17 613	19 105	20 529
3. Accounting Services	32 990	20 964	15 388	17 586	16 299	16 232	17 316	18 110	18 977
4. Accounts Receivable	9 506	9 815	10 389	11 345	13 403	13 403	13 353	13 939	14 573
5. Statutory Deductions Management			7 965	8 573	9 042	8 974	9 825	10 271	10 740
Total payments and estimates	63 296	67 679	48 787	55 760	55 613	54 640	60 602	67 648	71 722

TABLE 12: SUMMARY OF ECONOMIC CLASSIFICATION: PROVINCIAL ACCOUNTING SERVICES

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Current payments	63 039	67 549	48 787	55 760	55 613	54 640	60 602	67 648	71 722
Compensation of employees	37 153	45 976	46 756	52 531	53 171	52 229	57 124	59 788	62 585
Goods and services	25 886	21 573	2 031	3 229	2 442	2 411	3 478	7 860	9 137
Interest and rent on land									
Transfers and subsidies to:	30	1							
Provinces and municipalities									
Departmental agencies and accounts									
Universities									
Foreign governments and international organisations									
Public corporations and private enterprises									
Non-profit institutions									
Households	30	1							
Payments for capital assets	227	129							
Buildings and other fixed structures									
Machinery and equipment	227	129							
Heritage Assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Payments for financial assets									
Total economic classification	63 296	67 679	48 787	55 760	55 613	54 640	60 602	67 648	71 722

The programme expenditure decreased from R63.2 million in 2008/09 to R49 million in 2010/11 financial year. The total budget was adjusted down to R55.6 million from R55.8 during the 2011 adjustments budget. The programme shows further increase of R11 million over the MTEF period from R60.6 million in the 2012/13 to R71.7 million in the 2014/15 financial year, representing an annual average growth of 9 per cent. The largest portion of the programme budget is allocated to compensation of employees.

The increase is on compensation of employees with a reported expenditure of R37 million in 2008/09 to R46.7 million in 2010/11 financial year. Compensation of employee budget is expected to increase from R57 million in 2012/13 to R62.6 million in 2014/15 financial year. The increased allocation on compensation of employees is to cover annual living adjustment cost for the existing personnel in the Department.

Goods and services increase from R2 million in 2011/12 to R9 million in 2014/15. This translates to an average of 33 per cent growth over the MTEF. The biggest cost driver is the provision of bank charges and costs for audit of provincial financials and the revenue fund, also the provision is made for the operation clean audit, printing of provincial publications, printing of IRP5 certificates for government employees and debt management system.

SERVICE DELIVERY MEASURE

Sub-programme/Performance measures	Estimated Annual Targets		
	2012/13	2013/14	2014/15
Cash Management			
% Variance between funds allocated and requested by departments	0% Variance between funds allocated and requested	0% Variance between funds allocated and requested	0% Variance between funds allocated and requested
Financial Accounting			
Consolidated GPG financial information	Annual consolidated GPG financial information	Annual consolidated GPG financial information	Annual consolidated GPG financial information
Revenue Fund Management			
Compilation of provincial revenue fund financial statements	Annual compilation of provincial revenue fund financial statements	Annual compilation of provincial revenue fund financial statements	Annual compilation of provincial revenue fund financial statements
Achievement of clean audit opinion for PRF	Clean audit opinion	Clean audit opinion	Clean audit opinion
Cash Book and Banking Services			
Number of report submitted on accounts and processes impacting on cash flow	12 reports	12 reports	12 reports
Statutory Deductions Management			
PAYE payments and declarations made within SARS timelines	0% Variance between declaration and payment to SARS	0% Variance between declaration and payment to SARS	0% Variance between declaration and payment to SARS
General Accounting			
Number of successful accounting period closure per GPG department	13 successful closures per GPG department	13 successful closures per GPG department	13 successful closures per GPG department
Asset Management			
Monitoring of compliance in asset management	Compliance report on asset management	Compliance report on asset management	Compliance report on asset management

7. OTHER PROGRAMME INFORMATION

7.1 Personnel numbers and cost

TABLE 13: PERSONNEL NUMBERS AND COSTS: GAUTENG TREASURY

Personnel numbers	As at 31 March 2008	As at 31 March 2009	As at 31 March 2010	As at 31 March 2011	As at 31 March 2012	As at 31 March 2013	As at 31 March 2014
1. Administration	205	205	205	205	152	152	160
2. Institutional Development	76	76	76	76	95	95	100
3. Financial Governance	44	49	60	93	134	134	141
4. Provincial Accounting Services	188	191	190	193	150	150	158
Total provincial personnel numbers	513	521	531	567	531	531	559
Total provincial personnel cost (R thousand)	86 672	122 076	136 003	173 361	180 264	190 280	268 278
Unit cost (R thousand)	169	234	256	306	339	358	479

Total personnel numbers and related costs stabilise over the MTEF, subject to the conclusion of the reconfiguration process and the migration of functions to GPG departments. The changes in personnel costs are consistent with the overall growth assumptions in relation to the compensation of employees.

TABLE 14: SUMMARY OF DEPARTMENTAL PERSONNEL NUMBERS AND COSTS

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2008/09	2009/10	2010/11				2011/12		2012/13
Total for department									
Personnel numbers (head count)	513	521	531	567	567	567	531	531	559
Personnel cost (R thousands)	86 672	122 076	136 003	173 361	161 147	151 640	180 264	190 280	268 278
Human resources component									
Personnel numbers (head count)	30	63	54	55	55	55	20	20	21
Personnel cost (R thousands)	7 618	12 171	49 274	29 974	15 219	15 219	16 205	17 107	17 997
Head count as % of total for department	6%	10%	8%	8%	8%	8%	4%	4%	4%
Personnel cost as % of total for department	9%	10%	36%	17%	9%	10%	9%	9%	9%
Finance component									
Personnel numbers (head count)	76	81	70	68	68	68	38	38	40
Personnel cost (R thousands)	4 335	8 646	6 045	6 726	5 652	5 652	11 114	13 139	13 764
Head count as % of total for department	15%	13%	11%	10%	10%	10%	7%	7%	8%
Personnel cost as % of total for department	5%	7%	4%	4%	4%	4%	6%	7%	7%
Full time workers									
Personnel numbers (head count)	513	521	531	567	567	567	531	531	559
Personnel cost (R thousands)	86 672	122 076	136 003	173 361	161 147	151 640	180 264	190 280	268 278
Head count as % of total for department	100%	100%	100%	100%	100%	100%	100%	100%	100%

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Personnel cost as % of total for department	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 department									
Personnel cost as % of total for department									
Contract workers									
Personnel numbers (head count)				26	26	26	26	26	26
Personnel cost (R thousands)				1670	1670	1670	1756	1850	1952
Head count as % of total for department				4%	4%	4%	5%	5%	5%
Personnel cost as % of total for department				1%	1%	1%	1%	1%	1%

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

7.2 Training

TABLE 15: PAYMENTS ON TRAINING: GAUTENG TREASURY

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
1. Administration of which	2 022	3 575	163	878	754	755	852	900	944
Subsistence and travel									
Payments on tuition	2 022	3 575	163	878	754	755	852	900	944
2. Sustainable Resource Management of which	11	34							
Subsistence and travel									
Payments on tuition	11	34							
3. Financial Governance of which			24						
Subsistence and travel									
Payments on tuition			24						

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
4. Provincial Accounting Services of which Subsistence and travel	129								
Payments on tuition	129								
Total payments on training	4 324	7 218	373	1 756	1 507	1 509	1 704	1 800	1 888

TABLE 16: INFORMATION ON TRAINING: TREASURY

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Number of staff	513	521	531	567	567	567	531	531	559
Number of personnel trained of which									
Male	14	14	14	14	14	14	14	14	15
Female	22	22	22	22	22	22	22	22	23
Number of training opportunities of which									
Tertiary	177	177	177	177	177	177	177	177	186
Workshops	5	5	5	5	5	5	5	5	6
Seminars	5	5	5	5	5	5	5	5	6
Other	20	20	20	20	20	20	20	20	21
Number of bursaries offered	177	177	177	177	177	177	177	177	186
Number of interns appointed	16	16	16	16	16	16	16	16	17
Number of learnerships appointed	11	11	11	11	11	11	11	11	12
Number of days spent on training	50	50	50	50	50	50	50	50	40

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

Training interventions will focus on improving the generic and functional skills of employees, which includes seminars and workshops. All training interventions will be in line with the approved Workplace Skills Plan, as well as the individual Personal Development Plans (PDPs) which form part of the performance management and development system.

Internship and learnership programmes continue particularly in core areas of the Department such as auditing and finance, municipal finance. Learnerships such as business administration, business practice will be considered for employees on lower levels to enable career growth.

Bursary applications will be offered in line with the estimated allocation and availability of funds, it will aimed at reducing the skills gap , specifically in management development and core skills areas

8. RECONCILIATION OF STRUCTURAL CHANGES

TABLE 17: RECONCILIATION OF STRUCTURAL CHANGES: TREASURY

Programmes for 2011/12		Programmes for 2012/13	
Programmes	Subprogrammes	Programmes	Subprogrammes
Administration	Sub-Programmes Office of the MEC Head: Treasury Services Internal Finance Services Corporate Services	Administration	Sub-programmes Office of the MEC Office of the HOD(Strategic Management) Internal Finance Services Corporate Services
Sustainable Resource Management	Sub-Programme SRM Programme Support Budget Management Fiscal Policy and Economic Analysis Public Private Partnership	Sustainable Resource Management	Sub-Programme SRM Programme Support Budget Management Fiscal Policy and Economic Analysis
Financial Governance	Sub-Programme FG Programme Support Norms & Standards Local Government Financial Services Risk Management Financial Business Systems		Sub-Programmes FG Programme Support Norms & Standards Local Government Financial Services Risk Management Financial Business Systems
Provincial Accounting Services	Sub-Programmes PAS Programme Support Financial Assets & Liabilities Accounting Services Accounts Receivable Statutory Deductions Management	Provincial Accounting Services (Assets & Liabilities Management)	Sub-Programmes PAS Programme Support Financial Assets & Liabilities Accounting Services Accounts Receivable Statutory Deductions Management

CROSS-CUTTING ISSUES

Cross Cutting Issue	Programme and sub-programme	Indicator/Measure	Target	Output	MTEF BUDGET		
					2012/13	2013/14	2014/15
Women	Employment Equity	Appointment of women in senior management	50%	50% women representation at SMS	50%	50%	50%
	Skills Development & Capacity Building Programmes	60% of beneficiaries of education and training programmes should be women in all levels	60%	60% of beneficiaries of education and training programmes should be women in all levels	60%	60%	60%
	Economic Empowerment	Active participation of women in procurement processes	30%	30% of GPG tenders awarded to women owned businesses	30% of the procurement budget	30%	30%
Youth	Skills Development & Capacity Building Programmes	4% of beneficiaries of education and training programmes should be youth	4% of beneficiaries of education and training programmes should be youth	4% of beneficiaries of education and training programmes should be youth	4%	4%	4%

Cross Cutting Issue	Programme and sub-programme	Indicator/Measure	Target	Output	MTEF BUDGET		
					2012/13	2013/14	2014/15
	Economic Empowerment	Promotion of youth owned businesses	10% of the procurement budget	10%	10%	10%	10%
PwDs	2% of employees should be PwDs	2% of work force should be PwD's across all levels	2% of work force should be PwD's across all levels	2% of work force should be PwD's across all levels	2%	2%	2%
	PwDs should benefit from bursaries and training programmes	2% of beneficiaries of education and training programmes should be PwD's	2% % of beneficiaries of education and training programmes should be PwD's	2% % of beneficiaries of education and training programmes should be PwD's	2%	2%	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%

ANNEXURES TO ESTIMATES OF PROVINCIAL REVENUE AND EXPENDITURE

TABLE 18: SPECIFICATION OF RECEIPTS: GAUTENG TREASURY

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Tax receipts									
Casino taxes									
Horse racing taxes									
Liquor licenses									
Motor vehicle licenses									
Sales of goods and services other than capital assets									
Sale of goods and services produced by department (excluding capital assets)									
Sales by market establishments									
Administrative fees									
Other sales									
Of which									
Health patient fees									
Other (Specify)									
Other (Specify)									
Other (Specify)									
Sales of scrap, waste, arms and other used current goods (excluding capital assets)									
Transfers received from:									
Other governmental units									
Universities									
Foreign governments									
International organisations									
Public corporations and private enterprises									
Households and non-profit institutions									
Fines, penalties and forfeits									
Interest, dividends and rent on land	128 760	54 162	37 044	30 000	98 000	111 628	55 000	60 000	60 000
Interest	128 760	54 162	37 044	30 000	98 000	111 628	55 000	60 000	60 000
Dividends									
Rent on land									
Sales of capital assets									
Land and sub-soil assets									

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Other capital assets									
Transactions in financial assets and liabilities									
Total departmental receipts	128 760	54 162	37 044	30 000	98 000	111 628	55 000	60 000	60 000

TABLE 19: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ADMINISTRATION

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Current payments	48 000	60 135	52 276	84 695	64 013	64 215	67 249	73 444	82 673
Compensation of employees	15 748	33 490	34 139	39 356	37 901	34 439	38 580	41 633	46 723
Salaries and wages	14 005	29 686	30 233	35 660	34 153	30 996	34 476	37 435	41 992
Social contributions	1 743	3 804	3 906	3 696	3 748	3 443	4 104	4 198	4 731
Goods and services of which	32 252	26 645	18 138	45 339	26 112	29 777	28 669	31 811	35 950
Administrative fees	1 254	1 540	1 074		653	135			
Advertising	3 003	2 195	1 807	300	239	225	500	529	557
Assets <R5000	1 096	120	1						
Audit cost: External	1 639	2 777	1 963	1 720	1 870	2 450	2 000	2 110	2 216
Bursaries (employees)	682	647	638	900	900	900	852	900	944
Catering:									
Departmental activities	363	432	68	300	314	296	600	600	600
Communication	2 935	2 457	1 352	18 363	5 399	5 734	5 000	5 676	6 323
Computer services	3 070	2 099	9	20	70	14			
Cons/prof: business & advisory services	1 381	1 121	1 888	80	789	6 937	1 053	1 373	1 393
Cons/prof: Infrastructure & planning									
Cons/prof: Laboratory services									
Cons/prof: Legal cost	1 195	59	99	450	675	913	1 580	1 670	1 753
Contractors	916	2 025	565		131	131	2 520	2 551	2 639
Agency & support/outsourced services	1 292	883	29		27	(2 239)			
Entertainment	355	29	59	50	200	210	100	106	111
Fleet Services (F/SER)			3	500	20	16			
Housing									
Inventory: Food and food supplies	136	167	10	18	54	57	30	32	34
Inventory: Fuel, oil and gas			4	40	40	40	100	106	111
Inventory: Learn & teacher support material									
Inventory: Materials and supplies	181	43	11		32	14	50	53	55

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Inventory: Medical supplies		4							
Inventory: Medicine									
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	60	191	127	125	49	97	350	350	350
Inventory: Stationery and printing	1 580	1 078	346	714	701	735	1 155	1 397	1 483
Lease payments	869	1 272	2 463	8 104	4 753	4 753	3 047	4 035	4 238
Rental and Hiring					1	1			
Property payments	2 753	853	3 238	480	3 173	3 172			
Transport provided dept activity	(194)	(400)							
Travel and subsistence	2 555	1 728	2 153	2 550	4 332	3 478	4 265	4 759	5 232
Training & development	2 022	3 575	163	878	754	755	852	900	944
Operating payments	1 884	832	22	9 026	213	213	2 615	2 637	4 764
Venues and facilities	1 225	918	47	722	724	741	2 000	2 027	2 203
Interest and rent on land									
Interest									
Rent on land									
Transfers and subsidies tot:			7		2	4			
Provinces and municipalities									
Provinces2									
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities3									
Municipal bank accounts									
Municipal agencies and funds									
Departmental agencies and accounts									
Social security funds									
Provide list of entities receiving transfers4									
Universities									
Foreign governments and international organisations									
Public corporations and private enterprises5									
Public corporations									
Subsidies on production									
Other transfers									

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Private enterprises									
Subsidies on production									
Other transfers									
Non-profit institutions									
Households			7		2	4			
Social benefits			7		2	4			
Other transfers to households									
Payments for capital assets	7 072	939	44		2 744	2 744	1 846	1 306	911
Buildings and other fixed structures									
Buildings									
Other fixed structures									
Machinery and equipment	7 036	791	44		2 744	2 744	1 846	1 306	911
Transport equipment	521	35			725	725			
Other machinery and equipment	6 515	756	44		2 019	2 019	1 846	1 306	911
Heritage Assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets	36	148							
Payments for financial assets		11	3 395						
Total economic classification	55 072	61 085	55 722	84 695	66 759	66 964	69 095	74 750	83 584

TABLE 20: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: SUSTAINABLE RESOURCE MANAGEMENT

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Current payments	30 410	30 719	28 539	48 802	39 752	37 022	195 600	47 949	50 415
Compensation of employees	21 308	27 081	26 756	42 213	33 480	30 868	40 484	42 572	44 755
Salaries and wages	18 960	24 374	24 081	38 242	29 719	27 781	36 613	38 535	40 420
Social contributions	2 348	2 708	2 675	3 971	3 761	3 087	3 871	4 037	4 335
Goods and services	9 102	3 638	1 783	6 589	6 272	6 154	155 116	5 377	5 660
of which									
Administrative fees	9	683		150	142	142			
Advertising	477	504	171		327	365	400	422	443
Assets <R5000	3	8							
Audit cost: External									
Bursaries (employees)			1						
Catering:									
Departmental activities	168		30						
Communication	348		1						

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Computer services	2 700	20							
Cons/prof:business & advisory services	305	106	267		1 830	1 915	200	212	222
Cons/prof: Infrastructre & planning									
Cons/prof: Laboratory services									
Cons/prof: Legal cost	89								
Contractors	33	28					150 000		
Agency & support/ outsourced services	1 782	94		5 302	2 266	2 266	2 637	2 769	2 921
Entertainment	319	27							
Fleet Services (F/ SER)									
Housing									
Inventory: Food and food supplies	61								
Inventory: Fuel, oil and gas									
Inventory:Learn & teacher support material									
Inventory: Materials and supplies	3	6							
Inventory: Medical supplies									
Inventory: Medicine									
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumbles	2	1							
Inventory: Stationery and printing	1 395	1 502	1 042	1 137	1 678	1 436	1 569	1 647	1 730
Lease payments									
Rental and Hiring									
Property payments									
Transport provided dept activity									
Travel and subsistence	598	135	74		23	24			
Training & development	11	34							
Operating payments	293	162	197		6	6	310	327	344
Venues and facilities	506	328							
Interest and rent on land									
Interest									
Rent on land									
Transfers and subsidies tot:	60 000	40 000	50 000	50 000	50 000	50 000	50 000	50 000	50 000
Provinces and municipalities									

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Departmental agencies and accounts	60 000	40 000	50 000	50 000	50 000	50 000	50 000	50 000	50 000
Social security funds									
Other transfers to households									
Payments for capital assets									
Buildings and other fixed structures									
Software and other intangible assets									
Payments for financial assets					100	100			
Total economic classification	90 410	70 719	78 539	98 802	89 852	87 122	245 600	97 949	100 415

TABLE 21: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: FINANCIAL GOVERNANCE

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Current payments	20 416	19 186	34 068	45 770	44 172	41 765	53 637	57 828	63 468
Compensation of employees	12 463	15 529	28 352	39 261	36 595	34 104	44 076	46 287	48 611
Salaries and wages	11 136	13 976	25 137	35 334	32 668	30 694	39 952	41 949	44 035
Social contributions	1 327	1 553	3 215	3 927	3 927	3 410	4 124	4 338	4 576
Goods and services	7 953	3 657	5 716	6 509	7 577	7 661	9 561	11 541	14 857
of which									
Administrative fees	22	7							
Advertising	175	51				10			
Assets <R5000	25								
Audit cost: External				859		(1)			
Bursaries (employees)			3						
Catering:									
Departmental activities	106	4	8						
Communication	272								
Computer services	116				7	7			
Cons/prof: business & advisory services	1 355	2 493	5 055	2 650	4 156	4 200	6 201	4 681	5 115
Cons/prof: Infrastructre & planning									
Cons/prof: Laboratory services									
Cons/prof: Legal cost									
Contractors	8	34	109						
Agency & support/ outsourced services	184	22							
Entertainment	9								
Fleet Services (F/ SER)									
Housing									

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Inventory: Food and food supplies	32								
Inventory: Fuel, oil and gas									
Inventory: Learn & teacher support material									
Inventory: Materials and supplies	4	2							
Inventory: Medical supplies									
Inventory: Medicine									
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	14								
Inventory: Stationery and printing	865	248	129		60	91	360	360	360
Lease payments	82								
Rental and Hiring									
Property payments									
Transport provided dept activity									
Travel and subsistence	3 219	357	209		352	352			
Training & development			24						
Operating payments	165	240	83	3 000	3 002	3 002	3 000	6 500	9 382
Venues and facilities	1 300	199	96						
Interest and rent on land									
Interest									
Rent on land									
Transfers and subsidies tot:	1 551		1 515						
Provinces and municipalities									
Departmental agencies (non business entities)	1 551		1 500						
Universities									
Foreign governments and international organisations									
Households			15						
Social benefits									
Other transfers to households									
Payments for capital assets									

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Buildings and other fixed structures									
Payments for financial assets									
Total economic classification	21 967	19 186	35 583	45 770	44 172	41 765	53 637	57 828	63 468

TABLE 22: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: PROVINCIAL ACCOUNTING SERVICES

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Current payments	63 039	67 549	48 787	55 760	55 613	54 640	60 602	67 648	71 722
Compensation of employees	37 153	45 976	46 756	52 531	53 171	52 229	57 124	59 788	62 585
Salaries and wages	33 355	41 380	41 011	47 223	47 791	46 947	51 417	53 797	56 280
Social contributions	3 798	4 596	5 745	5 308	5 380	5 282	5 707	5 991	6 305
Goods and services of which	25 886	21 573	2 031	3 229	2 442	2 411	3 478	7 860	9 137
Administrative fees		223		2 170			2 370	3 145	3 816
Advertising	34		36						
Assets <R5000	34	88							
Audit cost: External	393	342	548	650	650	650	705	708	744
Bursaries (employees)	45	105	3						
Catering:									
Departmental activities	79		1						
Communication	905	120	2						
Computer services	4 800	16 867	202		1 375	1 375	385	385	404
Cons/prof: business & advisory services	14 978	294	664	240	240	240			
Cons/prof: Infrastructure & planning									
Cons/prof: Laboratory services									
Cons/prof: Legal cost									
Contractors	33	18	33						
Agency & support/outsourced services	1 666	850							
Entertainment	10								
Fleet Services (F/SER)									
Housing									
Inventory: Food and food supplies	37	5							
Inventory: Fuel, oil and gas									
Inventory: Learn & teacher support material									
Inventory: Materials and supplies	3		2						

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Inventory: Medical supplies									
Inventory: Medicine									
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	78	46		1	1		1	1	1
Inventory: Stationery and printing	467	601	74	168	173	144	17	17	18
Lease payments	101	236	89						
Rental and Hiring									
Property payments	6								
Transport provided dept activity	360	400							
Travel and subsistence	1 057	831	314						
Training & development	129	345							
Operating payments	366		54		3	2		3 604	4 154
Venues and facilities	305	202	9						
Interest and rent on land									
Interest									
Rent on land									
Transfers and subsidies to:	30	1							
Provinces and municipalities									
Households	30	1							
Social benefits	30	1							
Other transfers to households									
Payments for capital assets	227	129							
Buildings and other fixed structures									
Buildings									
Other fixed structures									
Machinery and equipment	227	129							
Transport equipment									
Other machinery and equipment	227	129							
Payments for financial assets									
Total economic classification	63 296	67 679	48 787	55 760	55 613	54 640	60 602	67 648	71 722