

VOTE 14

GAUTENG PROVINCIAL TREASURY

To be appropriated by Vote in 2013/14	R320 292 000
Responsible MEC	MEC for Finance
Administering department	Gauteng Provincial Treasury
Accounting officer	Head of Department

1. OVERVIEW

Vision

To be an activist, developmental and interventionist Treasury that is a pioneer in efficient resource management and fiscal discipline in South Africa.

Mission

The Department is a strategic, pro-active and value adding Treasury that enables and promotes 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 the Gauteng Provincial Treasury (GPT), 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. The key driving strategic objectives driving the work of the Department are:

- To ensure sound corporate governance in the province and 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, the GPT provides leadership, stewardship and oversight in working with provincial 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;
- 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;
- 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;
- National Archives Act, 1996;
- Borrowing Powers of Provincial Government Act, 1996 (Act 48 of 1996);
- 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.

Aligning departmental budgets to achieve government's prescribed outcomes

The Department aligns its core functions and responsibilities with the prescribed provincial outcomes, and aims to deliver outputs that support the realisation of two provincial Outcomes: A responsive, accountable, efficient and effective local government; and Efficient, effective and development oriented public service.

The key focus areas over the MTEF with regard to effective and efficient local government include strengthening asset management through the establishment of assets management forums, proper alignment of asset management strategies and Integrated Development Plans as well as the budgeting process. The Department provides support to municipalities and provincial departments to facilitate the process of implementation and compliance in the province.

The Department will continue to coordinate and drive strategies that will place the province on a sound footing towards improved service delivery while pursuing the effective, efficient, economic and equitable utilization of resources in GPG. To improve the provincial budget process, the Department will strengthen its effectiveness in driving the realization of the provincial outcomes and monitor and evaluate public spending on service delivery.

2. REVIEW OF THE CURRENT FINANCIAL YEAR (2012/13)

GPT is responsible for implementing two provincial outcomes: Outcome 7: A responsive, accountable, efficient and effective local government, being implemented in conjunction with the 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 financial management across GPG

GPT managed the compilation and tabling of the 2012/13 provincial adjusted budget in November 2012. This funded in-year developments such as the commitment to stabilise the provincial health system, increases in salaries resulting from the 2012 public sector wage agreement, the role of the province in hosting the 2013 Africa Cup of Nations soccer tournament and the reallocation of government programmes among departments to improve service delivery.

In line with the requirements of the PFMA, the 2013 MTEF budget was tabled in March 2013 for the Gauteng Provincial Legislature to approve. This budget includes the increased provincial budget from national that is based on the 2011 Census results which confirmed a high rate of population migration into the province. The compilation of this budget was guided by the budget principles that resulted in the province implementing budget cuts to realise savings that would fund high priority programmes relating to provincial outcomes. New reforms in the budget compilation process relate to the introduction of functional group engagements wherein Treasury and departments hold technical preliminary discussions prior to departments formally discussing their budgets

with the provincial budget committees: the Medium Term Expenditure Committee and the Premier's Budget Committee. The aim of these sessions is to improve the quality of budget information that serves as a basis for decisions taken by the provincial budget committees.

Statutory reporting on financial and performance information took place during the financial year to inform future provincial resource allocation and utilization. Monthly and quarterly provincial reports were submitted to the relevant stakeholders.

The Public Finance Unit prepared the state of provincial finances reports and quarterly assessment reports as part of the process of budget implementation. Monitoring of infrastructure and conditional grant expenditure became more hands-on, with site visits undertaken for each grant to assess the integrity of reporting by the implementing departments and to ensure compliance with the grant frameworks. The Unit closely monitored the implementation of conditional grants; this entailed the sign-off of 2012/13 business plans and assessment of 2011/12 performance reports as required by the Division of Revenue Act (DoRA). The Unit also analyzed and responded to all requests for funds rollover from the 2011/12 financial year, which formed part of the provincial adjustment budget tabled in November 2012. The Medium Term Expenditure Committee sessions and the functional group sessions in preparation for the 2013 MTEF budget were conducted and inputs to the Premier's Budget Committee sessions and Budget Benchmark Exercise were provided. The Public Finance unit made a concerted effort to strengthen formal working relationships with stakeholders: for example, with National Treasury on Formal Working Groups (Health, Social Protection) and with municipalities and metros on Transfers and Subsidies for Primary Health Care. The Unit played an active role in the management of personnel costing to inform the 2013 MTEF budget.

During the 2012/13 financial year, there was continued focus on the successful implementation of the Infrastructure Delivery Improvement Programme (IDIP). The GPT, in consultation with provincial departments, led a process that defined the preferred Infrastructure Delivery Management System (IDMS) which was formally adopted by Exco in October 2012. Ring-fencing of infrastructure funds was maintained by enforcing transparency on infrastructure expenditure through weekly confirmation of invoices processed for all infrastructure projects. The performance management system for Health, Education, Roads and Transport was developed and tested. The GPT institutionalized the system of evaluating infrastructure projects and programmes prior to final budget allocation decision-making for the 2013 MTEF.

The Fiscal Policy and Economic Analysis Unit conducted economic research aimed at informing provincial resource allocation. The research output is contained in its publications. The main achievements during the financial year are stated below.

The GPT presented the findings of the 2012 Socio-Economic Review and Outlook (SERO) to the Standing Committee on Finance in the Legislature in May 2012. Stakeholder engagements for the SERO were subsequently held with identified GPG departments and local municipalities. Two Quarterly Bulletins and 42 Newsletters were published on GPT's website. The GPT tabled the Provincial Economic Review and Outlook (PERO) and the 2013 Medium Term Budget Policy Statement (MTBPS) in the legislature during the financial year. The Department held road shows after tabling these documents.

Revenue optimisation activities

Credible revenue forecast is a key component of sound fiscal policies geared towards service delivery enhancement. The Unit therefore reviewed its Revenue Forecasting Model and piloted it together with the Gauteng Department of Roads and Transport and the National Treasury. The Revenue Strategy document that GPT drafted and circulated to departments for comment is complete and ready for implementation.

Revenue enhancing activities included reviewing and recommending departmental tariffs, collaborating with the Department of Health to enforce debt payment involving North West (NW) and resolving disputes relating to revenue collecting agents and in particular to the Departments of Transport and Health. Other collaborations towards revenue enhancement included providing inputs on the terms of reference to review commission fees paid to revenue collecting agencies for the Department of Transport, and reviewing the Drivers' Licence Testing Centres (DLTCs) business model. The Unit was instrumental in sourcing funds for upgrading and refurbishing provincial DLTCs aimed at improving service delivery, as a result of which DLTCs are contributing significantly to revenue collection.

The Unit convened five revenue forums in which key issues affecting revenue collection were discussed. These

consisted of three quarterly forums and two bi-annual forums.

The Public Private Partnerships (PPP) Unit has continuously played a PPP regulatory and monitoring role in the Tourism, Health, Energy, Economic Development and Educational sectors via their involvement in the respective projects. Emphasis has also been placed on stakeholder engagement, particularly with regard to collaboration and engagements with key stakeholders such as municipalities and departments in the form of road shows and similar presentations. The Unit has also engaged departments and municipalities during MTEC hearing sessions, in CFO forums and other platforms, to explore PPPs as an alternative service delivery approach. The PPP Unit also supported clients in running PPP processes and regulated the inception through feasibility study phase for projects being explored as possible PPPs.

Sound corporate governance

Enterprise Risk Management

The Enterprise Risk Management Unit provided oversight of the implementation of Enterprise-wide Risk Management (ERM) at provincial and local government levels in line with the Public Finance Management Act and the Municipal Finance Management Act. There was increased emphasis on one-on-one visits to, and training for, departments and municipalities with the aim of strengthening ERM capacity to improve the implementation status. The quarterly Risk Management Forums attended by Chief Risk Officers also assisted with this. ERM process reviews were conducted to ascertain risk maturity levels in the local and provincial spheres in the province. The results of these reviews informed the Strategic Support Plans that were developed to address identified weaknesses.

Strategic and Operational Risk Assessments were conducted for departments to enable them to manage key risks facing them as they work to achieve their objectives. Implementation of Enterprise Risk Management at municipalities remains a challenge, due to insufficient capacity.

GPG Audit Committee

The Audit Committee (AC) is a corporate body that provides an oversight role within GPG departments. The GPG Audit Committee operates on a shared basis, consisting of four Clusters and one overall Provincial Audit Committee. The Audit Committee was fully capacitated by appointing independent non-executive members with relevant qualifications and skills. These members were appointed by the MEC for Finance in consultation with GPT's Accounting Officer. During the year under review, the AC operated within an approved AC Charter which is reviewed annually. The AC Charter was implemented through meetings held in line with the approved GPG Annual Schedule. The AC reviewed departments' quarterly financial and non-financial performance reports and Annual Financial Statements prior to their submission to the Auditor-General. Audit and Management reports were also tabled at the AC. The Annual Evaluation of the Audit Committee was also performed to assess the performance of the AC.

Governance and compliance

The business unit aims to create an enabling environment that will ensure sound financial management within GPG departments, trading and public entities. To ensure compliance with the provisions of the Public Finance Management Act (PFMA) and Treasury Regulations (TR), quarterly PFMA performance reviews, governance arrangements analyses and follow-ups on audit findings are conducted to enhance compliance with financial reforms.

The GPG Public Entities Governance Arrangements Analysis aims to align the financial management principles of transparency, accountability and openness in reporting information as highlighted in the PFMA, Treasury Regulations and King III Principles on Corporate Governance; and to ensure that the oversight role of governing bodies demonstrates public accountability and that they carry out their business functions within acceptable ethical standards.

To monitor and assess the effectiveness of compliance with norms and standards, the Governance and Compliance Unit carried out quarterly PFMA Performance Reviews for GPG departments and public/trading entities, evaluating their effectiveness as well as determining their levels of compliance and providing guidance on the correct interpretation of the PFMA and Treasury Regulations. In executing its GPT financial oversight role, it also convened consultative meetings with unlisted public and trading entities and with the oversight departments, providing advice on processes and procedures for creating public and trading entities as well as identifying appropriate corporate forms to ensure uniform reporting and accountability.

Supply Chain Management

In line with National Treasury Instruction Note No 34, the GPT SCM Unit requested all provincial departments to submit their demand plans for the 2012/2013 financial year. The implementation of procurement plans is monitored and assessed on a quarterly basis. Officials from provincial departments and municipalities were trained on the new National Treasury's Contract Registration Application system for reporting awarded contracts above R100 000.00; reports are then monitored on a monthly basis. The Unit coordinated Supply Chain Management (SCM) training for GPG departments, and Bid Committee training for municipalities. Reports on the implementation of the SCM framework within GPG have been produced for the first, second and third quarters of the current financial year. The Unit has been facilitating the process of reporting all exceptional reports on invoices paid after 30 days as well as invoices that remain unpaid after 30 days. The reports are consolidated and forwarded to National Treasury on a monthly basis.

As part of its capacity building initiatives, the Unit continues to provide training and workshops to officials at municipalities and in departments. Continued investigations into SCM complaints will assist in reducing the level of corruption in government and will also build public confidence in the GPT. This will be coupled with provincial SCM instructions in the form of circulars and practice notes.

Financial Business Systems

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 Accounts (SCOA). Through its Financial Systems directorate, GPT took a hands-on approach and visited departments in an attempt to improve data quality and accuracy of government data, and to ensure compliance with the SCOA.

A provincial users' forum was established which will promote a culture of sharing knowledge and informing departments about enhancements on transversal systems. GPT continued to focus on rolling out modules such as Assets and Inventory Management, and the SCM Unit has expedited implementation and rollout of the Integrated Financial Management System (IFMS) and other financial management solutions in the province.

Local Government Financial Service

The focus for the financial year under review has continued to be on strengthening intergovernmental relations amongst all spheres of government with particular emphasis on municipal financial managements. There were vigorous bilateral engagements with key stakeholders in the municipal finance field to ensure coordination and support through the Municipal Finance Indaba (a quarterly meeting of the MEC for Finance, the MEC for Local Government and Housing and Members of Mayoral Committees for Finance at local government level). The Local Government Finance Inter-governmental Relations framework continues to evolve and has expanded into disciplines such as Asset Management and Internal Audit and Audit Committees.

Alignment of the planning and budgeting processes between the Department of Local Government and Housing (DLGH) and GPT during the preparation of the 2012/13 Integrated Development Plans (IDP) and the Medium Term Revenue Expenditure Framework (MTREF) Budget was a key priority which laid the foundation for further improvements on the processes previously used. The Municipal Budget Management and Municipal IDP units conducted assessments on the tabled and approved 2012/13 IDP and MTREF Budgets and agreed on a strategy, in partnership with other relevant stakeholders, for providing comprehensive feedback to municipalities with a view to influencing their budget adjustment processes. The municipal budget adjustment processes took place during January and February 2013 in most municipalities. In assessing capital budgeting and appropriation, GPT undertook a detailed assessment of municipal asset management in delegated municipalities. This culminated in a diagnostic analysis of the full quantum of municipal infrastructure asset management, with key recommendations which it is hoped municipalities will take forward in their municipal appropriations for the 2013/14 fiscal planning framework.

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, the Grant Management Committee continues to perform work as a platform for monitoring intergovernmental transfers between the provincial and local spheres. The intention is to extend the Grant Management Committee to national transfers and therefore towards reducing incidences of stopping of transferring funds by the National Treasury.

In addition to the above, the Debt Management Committee (DMC) continued to receive great support from municipalities and from provincial departments as a key platform for resolving outstanding government debt owed to municipalities for rates, taxes and services charges. To date, over R2 billion has been transferred to

municipalities from various provincial departments. The DMC will look at extending its scope to interfacing with other national stakeholders located within our municipalities.

As part of the ongoing Municipal Finance Management Act (MFMA) reform agenda in collaboration with the National Treasury, GPT embarked on and successfully concluded a pilot project on the Annual Report in Merafong municipality. This will ultimately constitute the basis for the audit of predetermined objectives. All local and district municipalities have been trained on the new Annual Report framework. Currently, the new Annual Report Template is being rolled out to the rest of the municipalities in the province.

Statutory Deductions

The Statutory Deductions Unit has surpassed the SARS' target of 31 May 2012 in respect of submitting the employer annual tax reconciliations EMP 501 on behalf of all GPG departments, as the tax reconciliations were submitted 10 days before the deadline. This meant more time for printing of IRP5s for all GPG employees.

Management of payroll-related ledger accounts continued to improve, with all accounts being cleared within set targets throughout the year. The Unit successfully implemented a project to reduce the inflow of returned salaries and bonds which ensured that affected GPG employees could change their bank details timeously. This also reduced the number of unnecessary transactions in the ledger accounts thus improving their reconciliation.

The Unit will be piloting in GDF and GPT an Identity Verification Solution (IVS), used for the verification of employees. The project is aimed at minimizing ghost employees and eliminating overpayment of salaries to employees who have terminated their services

Financial assets and liabilities

The Cash Management Unit in Provincial Accounting Services (PAS) has strengthened its capacity to implement robust cash management practices in the province. Cash flow levels are positive, with sufficient cash to fund departments' cash flow needs. Conditional grants, infrastructure funds and transfers to municipalities have been ring-fenced to ensure usage of funds in compliance with the DORA. Furthermore, proper investment of over-collection of own revenue and surrendered unspent voted funds has improved liquidity in the province.

The building of cash reserves continues to be a challenge, due to exorbitant unauthorized expenditure from prior years and also the payment of accruals from prior years using available cash resources. Close monitoring of departments' cash flows, and training of the departments on cash management, will ensure that they begin to manage their cash flows and prevent temporary overdrafts. The 2011/12 annual financial statements for the Provincial Revenue Fund were prepared and submitted to the Auditor-General for audit, in compliance with the PFMA, and received an unqualified audit opinion.

The performance of First National Bank as a provincial banker is being monitored for compliance with the service level agreement and the partnership agreement. In our endeavour to improve the cash collection process and the accounting thereof, the unit has:

- deployed the Invoice and Receipting Engine (IRE) project at the Head Office of the Gauteng Department of Education (GDE) to automate processing of cash receipts and deposits; and
- Rolled out the implementation of speed points to the GDE.

Financial accounting services

The Financial accounting services unit continued to provide support in the form of training on accounting reforms and monitored remedial measures instituted to improve the financial management capability of departments and entities. Emphasis was placed mainly on addressing weaknesses and transversal matters identified in the reports of the Office of the Auditor General and as a result, the following will be achieved:

- Reduction in the number of departments overspending at a vote and programme level;
- Comprehensive review of the Interim Financial Statements and Annual Financial Statements to reduce the number of departments with material adjustments, and eliminate repeat audit findings;
- Improvement of capacity in the offices of CFOs in departments and entities through provision of training;
- Implementation and monitoring of Strategic Support Plans (SSP) which were developed following the results of the Financial Management Capability Model assessment survey. The SSPs address the identified weaknesses in various areas of financial management, and areas which were included in the AG management reports;
- Improved compliance with PFMA S40 monthly financial reporting by departments and
- Improve the reporting template for 2012/2013 monthly reports with the aim of increasing the standard of Interim Financial Statements and Annual Financial Statements.

Because of controls and measures introduced and implemented, GPG unauthorised expenditure has decreased year on year. In collaboration with SCOPA, the provincial Accounting Services have cleared R780million of previous unauthorised expenditure balances and at the end of the third quarter tabled the second Unauthorised Expenditure Bill to clear the massive accumulated unauthorised expenditure.

Management of movable assets and inventory remains a challenge in the province, as indicated by the AGs reports. GPT will continue to facilitate training sessions across departments in both of these critical areas and put in place stringent monitoring measures.

In its endeavour to improve the accounting and financial skills in the province, GPT is collaborating with the South African Institute of Professional Accountants (SAIPA), which has led to GPT becoming an Approved Training Centre (ATC) of SAIPA. The first intake of 20 students will start their training in February 2013. After writing and passing the SAIPA board exams in three years' time, they will become professional accountants.

3. OUTLOOK FOR THE COMING FINANCIAL YEAR (2013/14)

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

Prudent financial management across GPG

The Budget Management Unit will continue to coordinate and drive strategies to place the province on a sound footing to improve service delivery while pursuing the efficient allocation of resources to outputs in GPG. The Unit will continue to review and improve the provincial budget process to strengthen its effectiveness in driving the realization of the provincial outcomes and in monitoring and evaluating public spending on service delivery. The implementation of Outcome Based Budgeting (OBB) will be strengthened by conducting further research to ensure responsiveness of the budget.

Greater emphasis will be placed on the credibility of the processes and data which inform the in-year monitoring (IYM) system and quarterly performance reports used to guide decision making. This will improve national and provincial policy-making decisions and improve planning and resource allocation. The Unit will strengthen institutional feedback mechanisms such as the functional meetings, MTEC engagements and quarterly feedback on reporting as a means of improving the quality of the province's planning and budgeting processes. The Unit also intends to increase its capacity to put more emphasis on the management of performance information in the province in order to realize the province's targets and outputs along with feedback to planning and budgeting in consecutive years.

The Unit will also continue to deliver the normal outputs of preparing the Estimate of Provincial Revenue and Expenditure and the Adjusted Estimate of Expenditure for during the 2013/14 financial year.

In the 2013/14 financial year, the Unit will also continue to focus on financial reporting, broadening this to encompass outcomes that are agreed upon by the sector at national level and are identified by the province. Reports produced by the Unit will be based on information obtained from first-hand insights into departmental operations gained by spending time within departments and on-site visits. These reports will provide the basis for meaningful engagement with National Treasury and with provincial departments at various forums. With infrastructure delivery providing much of the impetus for economic development in the country, the focus for 2013/14 will be on full implementation of the approved provincial Infrastructure Delivery Management System.

The Public Finance Unit will also intensify the monitoring of Conditional Grant expenditure and outcomes, in line with the grant frameworks as set out in the DoRA. Interaction with grant managers will be based on ascertaining adherence to the grant frameworks, attainment of intended outcomes, value for money and the impact on the population of the province. In the 2013/14 financial year, the Unit will enhance the focus groups in preparation for the Medium-Term Expenditure Committee (MTEC) hearings, with special attention to policy issues and linking strategy to projects, analysis of implementation of national and provincial priorities, review of major programmes funded in the past and analysis of requests for additional funding. The Unit will also focus on publishing research on topical and pertinent issues.

Provincial socio-economic research aimed at informing resource allocation and revenue optimization

Publications

The Fiscal policy unit will continue to conduct road shows to engage stakeholders and thus improve on the

publications PERO, MTBPS and SERO. Economic research on topical issues will be enhanced through collaboration with research and/or academic institutions. Production of the weekly newsletters will continue.

Revenue optimisation activities

Revenue Charter implementation is envisaged to be fully implemented in the coming financial year to institutionalize revenue management in the province. The Fiscal policy unit will continue to support departments to optimize revenue collection. This will take the form of revenue forums and bilateral discussions. The Unit will implement the.

The PPP Unit will continue to focus on Tourism, Energy, Economic Development, Health and Educational sectors via continuous initiatives and involvement in the respective areas. The Unit will also focus on diversifying its project portfolio and exploring other sectors such as Water, Housing and Transport in order to overcome service delivery and infrastructure challenges and showcase the value-add that PPPs may bring.

Collaborations and engagements with various stakeholders will be intensified, especially in the municipal arena, with an emphasis on the vast untapped potential for PPP projects. This will form part of the Unit's emphasis in road shows and stakeholder engagements on various levels

The Unit will also seek to channel and enhance PPP knowledge among provincial and local government institutions, other PPP stakeholders, role-players and interested parties, and to provide continuous, accurate and timely information to promote a better understanding of the PPP ideology and how implementation of PPP projects can add value to infrastructure regeneration and recreation units in the province.

In addition, the Unit will collaborate with other units within GPT in order to provide proactive strategic and operational institutional support to stakeholders, thus enabling them to deliver quality services.

Sound corporate governance

Enterprise Risk Management

The Enterprise Risk Management Unit will continue to provide support and training to departments and municipalities, especially to those who have not made significant progress due to insufficient capacity. The Unit will monitor the implementation of ERM jointly with Chief Risk Officers. Risk maturity levels at departments and municipalities will be determined by risk maturity surveys.

Strategic Support Plans will direct the efforts to improve ERM implementation and will track progress on the implementation of the GPG and Municipal Risk Management Framework. The Risk Management Forum remains one of the Unit's key activities as it is a platform for fruitful ERM-related deliberations. Strategic Risk Assessments will be conducted at all GPG Departments to ensure that mitigation plans are compiled to address identified risks to acceptable levels which allow set objectives to be achieved.

GPG Audit Committee

The Audit Committee (AC) is a corporate body that provides oversight of departments' financial and accounting management, Enterprise Risk Management (ERM), internal control and corporate governance. To ensure sound corporate governance in the province, the ERM Unit will continue to support and coordinate GPG Audit Committees and thus strengthen their efficiency and effectiveness. The Unit will provide training for non-executive members and to thus help to ensure continuity of membership. The Audit Committee Charter will be reviewed to ensure alignment with global best practices and to enhance the effectiveness of the AC.

Governance and Compliance

To ensure sound corporate governance in the GPG and to provide robust resource management services, benchmarking exercises with other provincial Treasuries will be conducted. The will enhance methods of monitoring and reporting within the province. The Unit will also continuously implement and enforce compliance with the Guidelines on Issuance of Cheques to ensure adherence with legislation, and minimise payments by cheque as well as non-complying cheques. GPT will continue to monitor, through the quarterly PFMA Performance Reviews, in order to provide an overall analysis of compliance within the province and challenges thereof.

The GPT will also continue to enforce and monitor the implementation of the PFMA, Treasury Regulations (TR) and relevant frameworks and policies in place in the province to enhance understanding of basic principles of the Act and relevant policies. It will continue to facilitate and monitor appropriate establishment of GPG public and trading entities to ensure full compliance with the provisions of the enabling legislation, policies and

frameworks in place. In the 2013/14 financial year, the GPT will conduct a review of all the GPG public and trading entities to ensure alignment of functions to government priorities, and effective and efficient delivery on mandates. There will be continuous monitoring and reporting on governance arrangements within the GPG public entities to ensure that appropriate oversight structures are in place and function optimally.

Supply Chain Management

The Supply Chain Management (SCM) team will continue to provide support to municipalities and provincial departments to facilitate implementation and compliance in the province. Key focus areas will be, amongst others, monitoring implementation of policies, rules and regulations; monitoring compliance with procurement plans; monitoring 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 to ensure that there are fair procurement practices in the province.

Financial Business Systems

GPT, through its Financial Systems Directorate, will continue to implement and roll out standardized financial management systems in the province. The main focus areas will be:

- Provision of training and workshops to create awareness about the changes in the SCOA;
- Roll out of the Basic Accounting System (BAS) automation financial reporting to all GPG departments. This project will assist in providing data analysis that will support broad policy making decisions, and make decisions better and more quickly.
- Automation of the budget upload to improve budget effectiveness;
- Automation of the current process of asset verification by obtaining a SAP tool that will synchronize data with minimum human intervention, improve turnaround time in asset verification and improve accuracy.
- Implementation of a GPG training database that will improve financial system users capacity.

To ensure that all financial systems are utilized optimally, financial systems processes will be re-engineered to address challenges experienced with transversal system interfaces.

Local Government Financial Services

The Local Government Financial Services Unit is a single point of command for the implementation and monitoring of the Municipal Finance Management Act and for providing oversight of and support to municipalities on sustainable resource management and on financial governance matters. The key focus areas for the 2013/14 MTREF time frame 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 resolving debt owed between organs of state; providing technical support in the implementation of GRAP standards; and strengthening the capacity of municipal internal audit units, asset management units and audit committees towards achieving Operation Clean Audit 2014.

Key focus areas for the 2013/14 financial year in the Local Government Financial Services Unit include strengthening asset management through the establishment of an assets management forum, proper alignment of asset management strategies and Infrastructure Development Plans (IDP) and the budgeting processes; enhancing research methodologies and monitoring tools to support the monitoring and evaluation framework for monitoring implementation and compliance with the Municipal Financial Management Act; revising the current framework on informal and formal interventions; developing a framework for the Gauteng Municipal Emergency Fund; strengthening the support initiative to municipalities in conjunction with the Department of Local Government and Traditional Affairs and the Department of Housing; and exploring other supplementary initiatives.

Statutory Deductions

As part of its oversight role on payroll, the Statutory Deductions Unit will deploy the Identity Verification Solution (IVS) to the rest of the departments in GPG. It is anticipated that by the end of March 2014 all GPG employees will have been verified and processes implemented to verify the new employees against the Home Affairs database. Successful deployment of IVS will not only ensure cost savings but will assist the province to eliminate ghost employees and enhance internal controls. In addition, the Unit will automate a payroll certification process which will ensure timely review of the people paid on a monthly basis by the relevant managers.

GPT will continue to monitor and support departments in reducing in-flow of employee debts on a monthly basis by conducting process reviews and reporting on termination timelines. The team will be enforcing compliance in relation to timeous and accurate appointment of staff across GPG and eliminate late payment of third party

creditors and prevent penalties associated with late payments and the administrative burden of preparing employee tax reconciliations.

Financial Assets and Liabilities

During the 2013/14 financial year, Provincial Accounting Services will continue to strengthen cash management practices to improve liquidity and build cash reserves. To ensure compliance to DORA on proper usage of appropriated funds, conditional grants, infrastructure funds and transfers to municipalities and NGOs will continue to be ring-fenced.

Quality controls of the preparation of the provincial revenue fund financial statements will be improved so as to enhance the quality of the financial statements and achieve a clean audit outcome.

The automation of the cash management processes will be implemented to streamline processes and facilitate easy transfer of funds to departments. The IRE module in SAP will be implemented to the rest of the GPG departments to automate, and reduce the cost of, processing of cash receipts and deposits.

The Unit will pilot the implementation of cash/smart boxes in one GPG department dealing with cash receipts and deposits. This project will enhance GPG's initiative to operate in a cashless environment and to mitigate the risks associated with handling cash, as well as improving cash collections at revenue collecting GPG departments.

Accounting Services

Provincial Accounting Services (PAS) is the coordinating unit for the achievement of OPCA. The key focus for 2013/14 is to maintain the clean audits already achieved and improve the audit outcomes for the other departments and entities. OPCA is a project with no end-date and the purpose of its interventions is to ensure continuous financial excellence and proper use of government resources for the attainment of service delivery.

PAS will continue to strengthen the measures already implemented, including:

- Quarterly review of financial statements: improve the quality of the performance management information to ensure clean audits on predetermined objectives. Measures will be implemented to pilot the preparation of monthly financial statements by departments.
- Ensuring that departments implement the action plans developed to address the financial audit findings relating to the 2012/2013 audits;
- Ensuring that departments correct all misallocations on the financial system and clear suspense accounts before the financial year end. Plans are underway to inculcate the practice of clearing most suspense accounts at the end of each accounting period.
- Assisting CFOs to improve financial management and control in general;
- Assisting departments to increase financial management maturity, as measured in terms of the Financial Management Capability Maturity Model (FMCMM) developed by the National Treasury.
- Ensure that all departments have updated policies and approved procedure manuals on inventory management.

4. REPRIORITISATION

The GPT reprioritized the budget baselines to fund its spending plan over the MTEF. The baselines for goods and services in core programmes and programme support functions were reprioritized to identify savings. Savings emanated from rationalizing spending and from identifying more cost effective ways of service delivery. Operating expenditure such as telecommunication, bank charges and printing cost are among the sources of savings. The Department's publications such as the provincial budgets and economic and/or socio-economic analyses are printed in small quantities and distributed electronically to a larger audience. Overall service delivery will not be adversely affected by the budget reprioritisation given that the effect of more innovative ways of service delivery should offset the budget cuts.

5. RECEIPTS AND FINANCING

5.1 Summary of receipts

TABLE 14.1: SUMMARY OF RECEIPTS: GAUTENG PROVINCIAL TREASURY

R thousand	Outcome			Main appropriation	Adjusted appropriation 2012/13	Revised estimate	Medium-term estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Equitable share	198 343	208 312	253 396	428 934	265 310	265 310	320 292	371 366	399 576
Conditional grants	4 410	4 734							
Total receipts	202 753	213 046	253 396	428 934	265 310	265 310	320 292	371 366	399 576

The Department is funded through equitable share. Funds allocated to the Department during the period under review catered for personnel requirements, printing of GPT publications, provision of support to departments and municipalities, the infrastructure capacity building programme and the Department's entity 'Gauteng Fund'. Reallocation of unused budget for the infrastructure capacity building programme to the Provincial Revenue Fund reduced the allocation to R265 million in 2012/13.

Allocations increase from R320 million to R399 million over the 2013 MTEF to fund GPT's interventions to restore the provincial health system in 2013/14, GPT's core programmes capacity building and business systems in 2014/15 and 2015/16, and personnel requirements based on the organisational structure approved in 2012/13.

5.2 Departmental receipts

TABLE 14.2: DEPARTMENTAL RECEIPTS: GAUTENG PROVINCIAL TREASURY

R thousand	Outcome			Main appropriation	Adjusted appropriation 2012/13	Revised estimate	Medium-term estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Tax receipts									
Casino taxes									
Horse racing taxes									
Liquor licences									
Motor vehicle licences									
Sales of goods and services other than capital assets						128	205	211	222
Transfers received									
Fines, penalties and forfeits									
Interest, dividends and rent on land	54 162	37 044	164 758	55 000	150 000	158 376	60 000	63 060	66 150
Sales of capital assets									
Transactions in financial assets and liabilities						37			
Total departmental receipts	54 162	37 044	164 758	55 000	150 000	158 541	60 205	63 271	66 372

The revenue source for the Department is 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.

A decrease from R54 million to R37 million in interest revenue in 2010/11 was caused, firstly, by the economic downturn which reduced amounts available for investment; and, secondly, by increased spending of provincial departments which depleted the provincial reserves.

Interest revenue increased to R164 million in 2011/12 because the province implemented stricter cash flow management methods that maintained positive cash balances. These methods included ring fencing funds allocated for infrastructure programmes and conditional grants so that they were spent only for their purposes.

The budget for interest revenue increased from R55 million to R150 million during the 2012/13 adjustment budget process. Interest revenue totaling R101 million collected by the mid-financial year exceeded the budget. The trend indicated that total revenue collection would exceed the budget by the end of financial year; hence the budget adjustment. Continued implementation of stricter cash flow management methods resulted in positive cash balances from which the higher interest revenue was earned.

The budget for interest revenue is set at R60 million per annum over the MTEF period. GPT forecasts the interest revenue using a conservative approach because the province's conditional grant allocations will reduce over the MTEF. This is projected to reduce positive cash balances from which the interest revenue will be earned. However, the province will continue to implement strict cash flow management methods over the MTEF.

6. PAYMENT SUMMARY

6.1 Key assumptions

the 2013 MTEF budget is informed by the GPT's Strategic Plan and Annual Performance Plan, the provincial outcomes and the GPG's Programme of Action (POA). Provision for annual salary adjustments is as follows: 6.3 per cent in 2013/14; 5.9 per cent in 2014/15; 4.6 per cent in 2015/16. Provision is also made for notch progression and performance bonuses.

6.2 Programme summary

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2012/13	Revised estimate	Medium-term estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
1. Administration	61 085	55 722	47 417	69 095	65 922	53 812	72 601	95 764	100 018
2. Sustainable Resource Management	70 719	78 539	83 893	245 600	109 522	106 587	102 631	154 438	166 033
3. Financial Governance	19 186	35 583	33 748	53 637	47 579	43 807	89 540	61 691	66 220
4. Provincial Accounting Services	58 842	39 584	39 426	60 602	42 287	43 544	55 520	59 473	67 305
Total payments and estimates	209 832	209 428	204 484	428 934	265 310	247 750	320 292	371 366	399 576

Total expenditure reduced from R209.8 million in 2009/10 to R204 million in 2011/12 and increased to R265.3 million in 2012/13. The main reason for the trend was that GPT 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 2010/11 and 2011/12.

The total budget decreases from R429 million in 2012/13 to R399 million in 2015/16. Provision was made to fund the costs of increasing GPT's capacity to deliver on its growing mandate. Given the decision to lease instead of purchasing these items, the budget for office equipment was reallocated to goods and services.

6.3 Summary of economic classification

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2012/13	Revised estimate	Medium-term estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Current payments	168 752	154 467	151 595	377 088	211 892	194 307	268 986	320 455	348 623
Compensation of employees	113 798	126 878	126 663	180 264	149 165	145 924	188 365	243 469	264 328
Goods and services	54 954	27 589	24 867	196 824	62 727	48 383	80 621	76 986	84 295
Interest and rent on land			65						
Transfers and subsidies to	40 001	51 522	50 027	50 000	50 072	50 081	50 000	50 000	50 000
Provincial and local governments									
Departmental agencies and accounts	40 001	51 500	50 000	50 000	50 000	50 000	50 000	50 000	50 000

R thousand	Outcome			Main appropriation	Adjusted appropriation 2012/13	Revised estimate	Medium-term estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Higher education institutions									
Foreign governments and international organisations									
Public corporations and private enterprises									
Non-profit institutions									
Households		22	27		72	81			
Payments for capital assets	1 068	44	2 426	1 846	3 346	3 346	1 306	911	953
Buildings and other fixed structures									
Machinery and equipment	920	44	2 426	1 846	3 346	3 346	1 306	911	953
Heritage Assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets	148								
Payments for financial assets	11	3 395	436			16			
Total economic classification	209 832	209 428	204 484	428 934	265 310	247 750	320 292	371 366	399 576

Note: The financial data in the table above includes function shifts to and from other departments

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 of 18 per cent from R126 million to R145 million particularly between 2011/12 and 2012/13 respectively; this increase provides for annual salary adjustments, filling of critical vacant posts, notch progression and annual performance bonuses. The departmental structure has been approved; hence the increase in compensation of employees.

The decision to postpone the development of planned electronic systems in 2009/10 while GPT 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. An amount of R30 million is allocated for GPT's intervention programme to improve the provincial health system in 2013/14. During 2014/15 and 2015/16, funds have been allocated for the development of user-friendly system that will enable departments to improve their reporting mechanisms.

The purchase of computer equipment for GPT after its split from the former Department of Finance is allocated R1.8 million in 2012/13, R1.3 million in 2013/14 and R911 000 in 2014/15. A policy decision of the former Department of Finance favoured leasing rather than purchasing office computers. GPT therefore had to purchase new office equipment for its operations after the de-merger.

6.4 Infrastructure payments

6.4.1 Departmental infrastructure payments

N/A

6.4.2 Departmental Public Private Partnership (PPP) projects

N/A

6.5 Transfers

6.5.1 Transfers to public entities

N/A

6.5.2 Transfers to other entities

N/A

6.5.3 Transfers to local government

N/A

7. 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 GPT. 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.

Programme objectives

- 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;
- Facilitate, monitor and drive the overall departmental strategy and planning processes to ensure achievement of GPT's mandate and intended impact on the provincial priorities;
- Provide effective strategic and operational support to the MEC;
- Ensure the effective and efficient management of the Administration programme; and
- To ensure a high performance culture that encompasses the Treasury's values.

TABLE 14.5: SUMMARY OF PAYMENTS AND ESTIMATES: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation 2012/13	Revised estimate	Medium-term estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
1. Office of the MEC	3 404	6 013	6 715	6 114	6 556	6 684	6 665	8 388	7 284
2. Office of the HOD (Strategic Management)		2 679	2 376	8 590	9 785	6 560	8 444	16 120	9 210
3. Corporate Services	40 221	35 445	24 901	28 261	27 068	19 297	34 525	46 841	61 320
4. Financial Management (Office of the CFO)	17 460	11 585	13 425	26 130	22 513	21 271	22 967	24 415	22 204
Total payments and estimates	61 085	55 722	47 417	69 095	65 922	53 812	72 601	95 764	100 018

TABLE 14.6: SUMMARY OF PROVINCIAL PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Current payments	60 135	52 276	44 633	67 249	62 576	50 466	71 295	94 853	99 065
Compensation of employees	33 490	34 139	26 539	38 580	33 532	32 573	41 022	62 363	65 624
Goods and services	26 645	18 137	18 029	28 669	29 044	17 893	30 273	32 490	33 441
Interest and rent on land			65						
Transfers and subsidies to:	7	22							
Provincial and local governments									
Departmental agencies and accounts									
Higher education institutions									
Foreign governments and international organisations									
Public corporations and private enterprises									

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Non-profit institutions									
Households		7	22						
Payments for capital assets	939	44	2 426	1 846	3 346	3 346	1 306	911	953
Buildings and other fixed structures									
Machinery and equipment	791	44	2 426	1 846	3 346	3 346	1 306	911	953
Heritage Assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets	148								
Payments for financial assets	11	3 395	336						
Total economic classification	61 085	55 722	47 417	69 095	65 922	53 812	72 601	95 764	100 018

The Administration expenditure reduced by 22 per cent from R61 million in the 2009/10 financial year to R47 million in 2011/12. The budget increases from R72 million in the 2013/14 financial year to R100 million in the 2015/16 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 of employees increased from R33 million in the 2009/10 financial year to R34 million in the 2010/11 financial year, after GPT filled vacant posts in terms of its approved structure. Compensation of employees in the 2009/10 financial year reflects the last year of the establishment phase of GPT following its promulgation in April 2006. 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.

Expenditure on goods and services was R27 million and R18.1 million in the 2009/10 and 2010/11 financial years respectively; it subsequently reduced to R18 million in the 2010/11 financial year when the Department reprioritized funds towards 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 R47 million. Over the MTEF, the Administration budget increases at an annual average of 5 per cent from R30 million to R33 million. The main cost drivers under Administration include utilities, external audit, lease payments and travel and subsistence claims.

Payments for capital assets in the 2009/10 financial year amounted to R939 000. This expenditure was incurred for computer equipment for the growing personnel numbers. GPT replaced office computers in 2011/12 and this increased expenditure to R2.4 million. The budget for the purchase of computers reduces from R1.8 million in 2012/13 to R953 000 in 2015/16 when the programme of replacing the office equipment is complete.

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT

Programme description

The programme aims to optimise resource 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 national and provincial outcomes and that addresses equity, need and spatial development;
- Manage 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 PPPs, providing technical, financial and legal assistance to all 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 14.7: SUMMARY OF PAYMENTS AND ESTIMATES: SUSTAINABLE RESOURCE MANAGEMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2012/13	Revised estimate	Medium-term estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
1. SRM Programme Support	41 712	51 574	51 855	204 424	74 549	72 804	57 651	81 101	85 577
2. Fiscal Policy and Economic Analysis	6 717	5 081	7 925	8 642	7 660	7 740	9 293	10 072	10 028
3. Budget Management	8 738	6 806	10 006	15 846	11 906	11 650	17 019	30 897	35 208
4. Public Finance	9 640	10 799	10 587	13 970	12 085	11 463	15 579	29 098	32 375
5. Public Private Partnerships	3 912	4 279	3 520	2 718	3 322	2 930	3 089	3 270	2 845
Total payments and estimates	70 719	78 539	83 893	245 600	109 522	106 587	102 631	154 438	166 033

TABLE 14. 8: SUMMARY OF PROVINCIAL PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: SUSTAINABLE RESOURCE MANAGEMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2012/13	Revised estimate	Medium-term estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Current payments	30 719	28 539	33 793	195 600	59 518	56 584	52 631	104 438	116 033
Compensation of employees	27 081	26 756	30 305	40 484	34 839	34 247	44 959	73 389	79 864
Goods and services	3 638	1 783	3 488	155 116	24 679	22 337	7 672	31 049	36 169
Interest and rent on land									
Transfers and subsidies to:	40 000	50 000	50 000	50 000	50 004	50 003	50 000	50 000	50 000
Provincial and local government									
Departmental agencies and accounts	40 000	50 000	50 000	50 000	50 000	50 000	50 000	50 000	50 000
Higher education institutions									
Foreign governments and international organisations									
Public corporations and private enterprises									
Non-profit institutions									
Households					4	3			
Payments for capital assets									
Buildings and other fixed structures									
Machinery and equipment									

R thousand	Outcome			Main appropriation	Adjusted appropriation 2012/13	Revised estimate	Medium-term estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Heritage Assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
Payments for financial assets			100						
Total economic classification	70 719	78 539	83 893	245 600	109 522	106 587	102 631	154 438	166 033

The budget increases from R109 million in the 2012/13 financial year to R166 million in the 2015/16 financial year, average increase of 12 per cent per year in the seven-year period under review. Compensation of employees increased from R27 million to R30 million between the 2009/10 and 2011/12 financial years. This resulted from the filling of critical vacant posts, notch progressions and the higher-than-expected salary increases based on the public sector wage agreement.

Over the MTEF, compensation of employees increases from R30 million in the 2011/12 financial year to R45 million in 2013/14 as the division is capacitated to deal with current financial management challenges in the province and to monitor the anticipated increase in provincial infrastructure delivery. For the rest of the MTEF, compensation grows at an average of 7 per cent which is above the planning parameters provided, due to the allocated additional funds.

The budget for goods and services increased from R3 million in the 2009/10 financial year to R155 million in 2012/13 due to funds allocated for the infrastructure capacity building programme to improve infrastructure delivery in departments. This amount was disbursed to the different infrastructure department during the adjustment process, thus reducing the budget from R155 million to R25 million in 2012/13. The budget for goods and services in 2014/15 is R23 million higher than in the previous financial year due to funds allocated for assessment and oversight of the financial business systems in the province.

SERVICE DELIVERY MEASURES

SUSTAINABLE RESOURCE MANAGEMENT

Performance measures	Estimated Annual Targets		
	2013/14	2014/15	2015/16
FISCAL POLICY AND ECONOMIC ANALYSIS			
Number of own revenue analysis reports (input to the Cabinet Memo)	12	12	12
Number of forums convened to provide advice on own revenue matters	4 (for large departments)	4 (for large departments)	4 (for large departments)
	2 (for small departments)	2 (for small departments)	2 (for small departments)
Published SERO, PERO and MTBPS according to the prescribed timeframes	Publish SERO in March	Publish SERO in March	Publish SERO in March
	Publish PERO in November	Publish PERO in November	Publish PERO in November
	Publish MTBPS in November	Publish MTBPS in November	Publish MTBPS in November
Conduct impact study (Policy and/or Economic aspects) according to the agreed timeframes	Complete 1 impact study by 31 March	Complete 1 impact study by 31 March	Complete 1 impact study by 31 March
Number of economic bulletins published according to the agreed timeframes	4	4	4
PRIVATE-PUBLIC PARTNERSHIP			
Number of initiatives and interventions taken towards projects	10	11	12
Turnaround time in number of days for each compliance request related to Treasury Regulation 16	10 days for 60% of requests received	10 days for 60% of requests received	10 days for 60% of requests received
BUDGET MANAGEMENT			
Number of provincial budgets tabled at the Legislature within the prescribed timeframes	1 MTEF budget tabled within 14 days after the National Budget day	1 MTEF budget tabled within 14 days after the National Budget day	1 MTEF budget tabled within 14 days after the National Budget day
	1 Adjustment budget tabled within 30 days after the National Adjustment budget day	1 Adjustment budget tabled within 30 days after the National Adjustment budget day	1 Adjustment budget tabled within 30 days after the National Adjustment budget day

Performance measures	Estimated Annual Targets		
	2013/14	2014/15	2015/16
Number of legislated provincial reports produced according to the National Treasury (NT) timeframes	12 IYM reports submitted to NT by the 22nd day of each month	12 IYM reports submitted to NT by the 22nd day of each month	12 IYM reports submitted to NT by the 22nd day of each month
	4 Quarterly Performance Reports (QPRs) submitted to NT within 30 days after the end of each quarter	4 QPRs submitted to NT within 30 days after the end of each quarter	4 QPRs submitted to NT within 30 days after the end of each quarter
PUBLIC FINANCE			
Number of quarterly sectoral expenditure and non-financial reports submitted to EXCO according to the agreed timeframes	4	4	4
Number of annual evaluation reports on conditional grants performance submitted to NT by 30th April	1	1	1
Number of consolidated MTEC reports submitted to PBC by October annually	1	1	1
Number of IRM reports prepared and submitted to NT 1 month after the end of quarter	28	28	28

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

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

TABLE 14.9: SUMMARY OF PAYMENTS AND ESTIMATES: FINANCIAL GOVERNANCE

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
1. FG Programme Support	811	517	857	1 752	1 833	1 772	31 955	5 087	4 744
2. Risk Management	7 950	11 494	8 429	12 525	10 646	10 778	12 481	12 651	12 658
3. Norms and Standards		2 642	3 505	8 152	4 591	4 097	12 312	12 486	15 470
4. Local Government Financial Services	10 425	16 885	16 532	25 202	24 508	21 683	24 991	24 381	26 511
5. Financial Business Systems		4 045	4 425	6 006	6 001	5 477	7 801	7 086	6 837
Total payments and estimates	19 186	35 583	33 748	53 637	47 579	43 807	89 540	61 691	66 220

TABLE 14.10: SUMMARY OF PROVINCIAL PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: FINANCIAL GOVERNANCE

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Current payments	19 186	34 068	33 743	53 637	47 512	43 741	89 540	68 186	66 220
Compensation of employees	15 529	28 352	30 950	44 076	39 952	36 774	51 871	53 881	57 418
Goods and services	3 657	5 716	2 793	9 561	7 560	6 967	37 669	7 810	8 802
Interest and rent on land									
Transfers and subsidies to:	1 515	5	67	66					
Provincial and local governments									

R thousand	Outcome			Main appropriation	Adjusted appropriation 2012/13	Revised estimate	Medium-term estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Departmental agencies and accounts		1 500							
Higher education institutions									
Foreign governments and international organisations									
Public corporations and private enterprises									
Non-profit institutions									
Households		15	5		67	66			
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	19 186	35 583	33 748	53 637	47 579	43 807	89 540	61 691	66 220

Compensation of employees increased by 10 per cent from R28 million in 2010/11 to R31 million in the 2011/12 financial year. The above-average increases reflect the filling of critical vacant posts, notch progressions and the higher-than-expected salary increases. Over the MTEF period, the compensation of employees increases from R51 million in 2013/14 to R57 million in the 2015/16 financial year to fund personnel required to support initiatives to improve financial management in departments and municipalities.

The budget for goods and services decreases from R9 million to R7 million in 2012/13 because funds allocated for the development of the municipal information portal project were returned to the Provincial Revenue Fund during the adjustment budget process. Treasury projected that the project would still be incomplete by the end of the 2012/13 financial year. The once-off R30 million allocated for the Treasury's intervention programme to restore the provincial health system increased the goods and services' budget to R37 million in 2013/14. Thereafter the budget reverts to R8 million and R9 million in 2014/15 and 2015/16, respectively; these amounts reflect inflation adjustment to the 2012/13 budget for goods and services.

SERVICE DELIVERY MEASURES

PROGRAMME 3: FINANCIAL GOVERNANCE

Performance measures	Estimated Annual Targets		
	2013/14	2014/15	2015/16
ENTERPRISE RISK MANAGEMENT			
Number of ERM process reviews conducted in GPG municipalities according to the prescribed timeframes	36	36	36
Number of ERM process reviews conducted in GPG departments according to the prescribed timeframes	56	56	56
Number of strategic risk assessments facilitated in GPG departments according to the prescribed timeframes	14	14	14
LOCAL GOVERNMENT RESOURCE MANAGEMENT			
Number of municipal bi-annual compliance MFMA reports produced according to the prescribed timeframes	2	2	2
Number of annual municipal budget assessment reports submitted according to the prescribed timeframes	2	2	2

Performance measures	Estimated Annual Targets		
	2013/14	2014/15	2015/16
Number of consolidated municipal budget statement gazettes published in line with the MFMA requirements	4	4	4
Number of provincial gazettes on transfer to municipalities tabled in the legislature with provincial main and adjustment budget in line with the agreed timeframes	2	2	2
Number of Local Government Finance IGR forums hosted	3	3	3
Number of reports on Local Government Finance IGR forum resolutions submitted to Cabinet and Premier's Coordinating Forum	3	3	3
Number of Annual Gauteng MFMA Circulars produced on Municipal Audit Action Plans	1	1	1
Number of municipal built environment reports submitted to NT in line with agreed timeframes	4	4	4
NORMS AND STANDARDS			
Number of PFMA compliance reports prepared and submitted to the Executive Authority: Finance (MEC) in line with agreed timeframes	4	4	4
Number of bi-annual GPG public entity PFMA performance reports prepared and submitted to the Executive Authority: Finance (MEC) in line with agreed timeframes	2	2	2
Number of annual governance arrangement reports prepared and submitted to the Executive Authority: Finance (MEC) in line with agreed timeframes	1	1	1
Number of annual performance trading entity compliance reports prepared and submitted to the HOD in line with agreed timeframes	1	1	1
SUPPLY CHAIN MANAGEMENT			
Reviewed and facilitated collection and submission of all 13 procurements plans to Provincial Treasury in line with agreed timeframes	Facilitate collection and submission of all GPG departments' procurement plans to Provincial Treasury by 30th April	Facilitate collection and submission of all GPG departments' procurement plans to Provincial Treasury by 30th April	Facilitate collection and submission of all GPG departments' procurement plans to Provincial Treasury by 30th April
Number of SCM modules training/workshop sessions conducted indelegated municipalities and departments	6	6	6
Number of monthly consolidated exception reports of payments within 30 days for GPG departments submitted to NT	12	12	12
FINANCIAL SYSTEMS			
Number of GPG users trained on transversal system according in the prescribed timeframes	250	250	250
Number of consolidated reports reflecting incorrect combinations between segments of the Standard Chart of Accounts submitted to GPG departments	4	4	4
Departments in which the SAP Asset Management modules is implemented	Health and Housing	Infrastructure Development	Infrastructure Development

PROGRAMME 4 : PROVINCIAL ACCOUNTING SERVICES

Programme description

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 14.11: SUMMARY OF PAYMENTS AND ESTIMATES: PROVINCIAL ACCOUNTING SERVICES

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
1. PAS Programme Support	5 600	1 438	1 792	2 495	2 100	2 193	5 530	6 263	6 551
2. Financial Assets and Liabilities	32 278	14 793	15 656	17 613	16 642	15 630	19 236	20 718	20 436
3. Accounting Services	20 964	15 388	13 552	17 316	12 958	15 461	19 615	20 750	28 045
4. Accounts Receivable				13 353	225	224			
5. Statutory Deductions Management		7 965	8 426	9 825	10 362	10 036	11 139	11 742	12 273

Total payments and estimates	58 842	39 584	39 426	60 602	42 287	43 544	55 520	59 473	67 305
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TABLE 14.12: SUMMARY OF PROVINCIAL PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: PROVINCIAL ACCOUNTING SERVICES

R thousand	Outcome			Main appropriation	Adjusted appropriation 2012/13	Revised estimate	Medium-term estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Current payments	58 713	39 584	39 426	60 602	42 286	43 516	55 520	59 473	67 305
Compensation of employees	37 699	37 631	38 869	57 124	40 842	42 330	50 513	53 836	61 422
Goods and services	21 014	1 953	557	3 478	1 444	1 186	5 007	5 637	5 883
Interest and rent on land									
Transfers and subsidies to:									
					1	12			
Provincial and local									
Departmental agencies and accounts									
Higher education institutions									
Foreign governments and international organisations									
Public corporations and private enterprises									
Non-profit institutions									
Households					1	12			
Payments for capital assets	129								
Buildings and other fixed structures									
Machinery and equipment	129								
Heritage Assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
Payments for financial assets									
						16			
Total economic classification	58 842	39 584	39 426	60 602	42 287	43 544	55 520	59 473	67 305

The programme's expenditure decreased from R58 million in 2009/10 to R39 million in the 2011/12 financial year. The programme shows a further increase from R43 million in 2012/13 to R67 million in 2015/16, an annual average growth of 8 per cent. The largest portion of the programme budget is allocated to compensation of employees.

The increase in compensation of employees from R37 million in 2009/10 to R39 million in 2011/12 is due to the migration of officials from GDF to Treasury in respect of the Accounts Payment (payment run) function. The realignment of functions with the revised mandates of Treasury and of GDF resulted in the shifting of budget between these departments during the 2012/13 adjustment budget process. Treasury shifted the Accounts Receivable Unit, responsible for provincial debt management, to the GDF.

Goods and services increase from R557 000 in 2011/12 to R5.8 million in 2015/16. This is an average of 5 per cent growth over the MTEF. The biggest cost driver is provision for Operation Clean Audit, printing of provincial publications and the identity verification project.

SERVICE DELIVERY MEASURES**PROGRAMME 3: PROVINCIAL ACCOUNTING SERVICES**

Performance measures	Estimated Annual Targets		
	2013/14	2014/15	2015/16
CASH MANAGEMENT			
Funds requested to be in line with provincial revenue streams	Monthly cash requisitions do not exceed provincial revenue	Monthly cash requisitions do not exceed provincial revenue	Monthly cash requisitions do not exceed provincial revenue
REVENUE FUND MANAGEMENT			
Number of Provincial Revenue Fund financial statement compiled according to prescribed timeframes and pre-determined standards	1 Provincial Revenue Fund financial statement compiled by 30th June annually	1 Provincial Revenue Fund financial statement compiled by 30th June annually	1 Provincial Revenue Fund financial statement compiled by 30th June annually
Number of quarterly IFS reports prepared and submitted within the prescribed timeframes	4	4	4
ASSET MANAGEMENT			
Improve current Financial Management Capability Maturity Model (FMCMM) rating to a level 4 in Asset Management by 31st March 2014	Improve current FMCMM rating to a level 3 in Asset Management by 31st March 2014	Improve current FMCMM rating to a level 4 in Asset Management by 31st March 2015	Maintain FMCMM rating at level 4 in Asset Management
Valid and verifiable GPG immovable asset register	80% of the user departments will have transferred all immovable assets to the custodian department by March 2014	100% of the user departments will have transferred all immovable assets to the custodian department by March 2014	Valid and verifiable GPG immovable asset register
Ensure GPG departments have approved movable asset management policies and procedures	All departments have approved and implemented asset procedure manual	Monitor level of compliance to approved and implemented procedure manual	Monitor level of compliance to approved and implemented procedure manual
Ensure inventory management system (SAP) is configured within departments	SAP correctly configured at identified and approved institutions	SAP correctly configured at identified and approved institutions	SAP correctly configured at identified and approved institutions
Ensure inventory management controls and policies are implemented across all departments	All departments have approved and implemented inventory controls and policies	Monitor level of compliance to approved and implemented controls and approved policies	Monitor level of compliance to approved and implemented controls and approved policies
FINANCIAL ACCOUNTING			
Combined GPG annual financial statements submitted in accordance with the prescribed framework and set timelines	Combined GPG annual financial statements submitted in accordance with the prescribed framework and set timelines	Combined GPG annual financial statements submitted in accordance with the prescribed framework and set timelines	Combined GPG annual financial statements submitted in accordance with the prescribed framework and set timelines
STATUTORY DEDUCTIONS			
Verification as per rollout plan	All GPG employees verified by 31 March 2014	All GPG employees verified by 31 March 2015	All GPG employees verified by 31 March 2016
% compliance on controls maturity related to compensation	85% compliance on controls maturity related to compensation	90% compliance on controls maturity related to compensation	95% compliance on controls maturity related to compensation

8. OTHER PROGRAMME INFORMATION

8.1 Personnel numbers and cost

TABLE 14.13: PERSONNEL NUMBERS AND COSTS1: GAUTENG PROVINCIAL TREASURY

Personnel numbers	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	As at 31 March 2015	As at 31 March 2016
1. Administration	205	205	152	117	192	192	192
2. Sustainable Resource Management	76	76	95	82	89	89	89
3. Financial Governance	60	93	134	106	126	126	126
4. Provincial Accounting Services	190	193	150	138	137	137	137
Total departmental personnel numbers	531	567	531	443	544	544	544
Total departmental personnel cost (R thousand)	113 799	126 878	126 663	145 924	188 365	243 469	264 328
Unit cost (R thousand)	214	224	239	329	346	448	486

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

TABLE 14.14 SUMMARY OF DEPARTMENTAL PERSONNEL NUMBERS AND COSTS

	Outcome			Main appropriation	Adjusted appropriation 2012/13	Revised estimate	Medium-term estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Total for department									
Personnel numbers (head count)	531	567	531	531	544	544	544	544	544
Personnel cost (R thousands)	113 799	126 878	126 663	180 264	149 165	145 924	188 365	243 469	264 328
Human resources component									
Personnel numbers (head count)	63	54	55	17	26	26	26	26	26
Personnel cost (R thousands)	12 171	49 274	29 974	15 219	15 219	16 205	11 286	11 478	12 298
Head count as % of total for department	12%	10%	10%	3%	5%	5%	5%	5%	5%
Personnel cost as % of total for department	11%	39%	24%	8%	10%	11%	6%	5%	5%
Finance component									
Personnel numbers (head count)	81	70	68	37	37	37	37	37	37
Personnel cost (R thousands)	8 646	6 045	6 726	5 652	5 652	11 114	11 467	12 877	13 843
Head count as % of total for department	15%	12%	13%	7%	7%	7%	7%	7%	7%
Personnel cost as % of total for department	8%	5%	5%	3%	4%	8%	6%	5%	5%
Full time workers									
Personnel numbers (head count)	531	567	531	443	544	544	544	544	544
Personnel cost (R thousands)	113 799	126 878	126 663	180 264	149 165	145 924	188 365	243 469	264 328
Head count as % of total for department	100%	100%	100%	83%	100%	100%	100%	100%	100%
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									

	Outcome			Main appropriation	Adjusted appropriation 2012/13	Revised estimate	Medium-term estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Contract workers									
Personnel numbers (head count)			26		45	45	45	45	45
Personnel cost (R thousands)			1 670	1 670	1 670	1 756	1 850	1 952	2 059
Head count as % of total for department			5%		8%	8%	8%	8%	8%
Personnel cost as % of total for department			1%	1%	1%	1%	1%	1%	1%

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

8.2 Training

TABLE 14.15: PAYMENTS ON TRAINING: GAUTENG PROVINCIAL TREASURY

R thousand	Outcome			Main appropriation	Adjusted appropriation 2012/13	Revised estimate	Medium-term estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
1: Administration	1 973	163	2 147	2 147	2 147	2 254	2 367	2 485	2 599
of which									
Subsistence and travel	1 338		1 481	1 481	1 481				
Payments on tuition	635	163	665	665	665				
2: Sustainable Resource Management	694	.	683	683	683	463	486	510	533
of which									
Subsistence and travel	234		574	574	574				
Payments on tuition	460		110	110	110				
3: Financial Governance	277	24	273	273	273	36	38	40	42
of which									
Subsistence and travel	93		229	229	229				
Payments on tuition	184	24	44	44	44				
4: Provincial Accounting Services	416		410	410	410	936	982	1 031	1 078
of which									
Subsistence and travel	140		344	344	344				
Payments on tuition	276		65.7	65.7	65.7				
Total payments on training	6 720	374	7 026	7 026	7 026	3 689	3 873	4 067	4 252

TABLE 14.16: INFORMATION ON TRAINING: TREASURY

R thousand	Outcome			Main appropriation	Adjusted appropriation 2012/13	Revised estimate	Medium-term estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Number of staff	531	567	531	531	544	544	544	544	544
Number of personnel trained									
of which	143		239	239	239	251	200	200	200
Male	51	14	106	106	106	112	120	60	90
Female	92	22	133	133	133	140	80	140	110
Number of training opportunities									
of which									
Tertiary	106	177	101	101	101	107	373	373	373
Workshops	13	5	2	2	2	3	3	3	3
Seminars	3	5	2	2	2	3	3	3	3
Other	56	20	71	71	71	74	78	78	78

R thousand	Outcome			Main appropriation	Adjusted appropriation 2012/13	Revised estimate	Medium-term estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Number of bursaries offered	65	177	119	119	119	125	100	100	100
Number of interns appointed	17	16	22	22	22	23	40	40	40
Number of learnerships appointed	5	11	18	18	18	19	20	20	20
Number of days spent on training	94	50	104	104	104	110	115	115	115

The above tables reflect the Department's commitments on training and development of employees. The focus remains on the development of females, with the Department continuing to implement focused leadership development programmes aimed at women.

Training interventions, which include seminars and workshops, will focus on improving the generic and functional skills of employees. 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, and municipal finance. Learnerships such as business administration and 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, and will aimed at reducing the skills gap, specifically in management development and core skills areas

8.3 Reconciliation of structural changes

TABLE 14.17: RECONCILIATION OF STRUCTURAL CHANGES: GAUTENG PROVINCIAL TREASURY

Programmes for 2012/13		R thousand	Programmes for 2013/14		
Programmes	Subprogrammes		Programmes	Subprogrammes	R thousand
Administration			Administration		
	Sub-Programmes			Sub-programmes	
	Office of the MEC	6114		Office of the MEC	6665
	Office of the HOD(Strategic Management)	8590		Office of the HOD(Strategic Management)	8444
	Financial Management(CFO)	28261		Financial Management(CFO)	34525
	Corporate Services	26130		Corporate Services	22967
Sustainable Resource Management			Sustainable Resource Management		
	Sub-Programme			Sub-Programme	
	SRM Programme Support	204424		SRM Programme Support	57651
	Budget Management	8642		Budget Management	9293
	Fiscal Policy and Economic Analysis	15846		Fiscal Policy and Economic Analysis	17019
	Public Private Partnership	13970		Public Private Partnership	15579
Financial Governance			Financial Governance		
	Sub-Programme			Sub-Programmes	
	FG Programme Support	1752		FG Programme Support	31955
	Norms & Standards	12525		Norms & Standards	12481
	Local Government Financial Services	8152		Local Government Financial Services	12312
	Risk Management	25202		Risk Management	24991
	Financial Business Systems	6006		Financial Business Systems	7801
Provincial Accounting Services (Assets & Liabilities Management)			Provincial Accounting Services (Assets & Liabilities Management)		
	Sub-Programmes			Sub-Programmes	
	PAS Programme Support	2495		PAS Programme Support	5530
	Financial Assets & Liabilities	17613		Financial Assets & Liabilities	19236
	Accounting Services	17316		Accounting Services	19615
	Accounts Receivable	13353			-
	Statutory Deductions Management	9825		Statutory Deductions Management	11139

9. CROSS-CUTTING ISSUES

Cross Cutting Issue	Programme and sub-programme	Indicator/Measure	Target	Output	MTEF BUDGET		
					2013/14	2014/15	2015/16
Women	Employment Equity	Appointment of women in senior management	50%	50% female representation at SMS level	50%	50%	50%
	Skills Development and 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 GPT tenders awarded to women owned businesses	30% of the procurement budget	30%	30%
Youth	Skills Development and 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%
	Economic Empowerment	Promotion of youth owned businesses	10% of the procurement budget	10% of GPT tenders awarded to youth owned businesses	10%	10%	10%
PwDs	2% of employees should be PwDs	2% of work force should be PwDs across all levels	2% of work force should be PwDs across all levels	2% of work force should be PwDs across all levels	2%	2%	2%
	PwDs should benefit from bursaries and training programmes	2% of beneficiaries of education and training programmes should be PwDs	2% of beneficiaries of education and training programmes should be PwDs	2% of beneficiaries of education and training programmes should be PwDs	2%	2%	0,5%
	Promotion of PwD owned businesses	5% Participation of PwDs in procurement process	5%	5% of tenders awarded to companies owned by PwDs	5% of the procurement budget	5%	5%

ANNEXURES TO ESTIMATES OF PROVINCIAL REVENUE AND EXPENDITURE

TABLE 14.18: SPECIFICATION OF RECEIPTS: GAUTENG PROVINCIAL TREASURY

R thousand	Outcome			Main	Adjusted	Revised estimate	Medium-term estimates			
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16	
Tax receipts										
Casino taxes										
Horse racing taxes										
Liquor licences										
Motor vehicle licences										
Sales of goods and services other than capital assets										
						128	205	211	222	
Sale of goods and services produced by department (excluding capital assets)							128	205	211	222
Sales by market establishments							128	179	184	194
Administrative fees							26	27	28	
Other sales										
Services rendered: health services										
Sales of scrap, waste, arms and other used current goods (excluding capital assets)										
Transfers received from:										
Other governmental units										
Universities and technikons										
Foreign governments										
International organisations										
Public corporations and private enterprises										
Households and non-profit institutions										
Fines, penalties and forfeits										
Interest, dividends and rent on land	54 162	37 044	164 758	55 000	150 000	158 376	60 000	63 060	66 150	
Interest	54 162	37 044	164 758	55 000	150 000	158 376	60 000	63 060	66 150	
Dividends										
Rent on land										
Sales of capital assets										
Land and sub-soil assets										
Other capital assets										
Transactions in financial assets and liabilities										
						37				
Total departmental receipts	54 162	37 044	164 758	55 000	150 000	158 541	60 205	63 271	66 372	

TABLE 14.20: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Current payments	60 135	52 276	44 633	67 249	62 576	50 466	71 295	94 853	99 065
Compensation of employees	33 490	34 139	26 539	38 580	33 532	32 573	41 022	62 363	65 624
Salaries and wages	29 686	30 232	23 111	34 476	30 086	29 127	36 039	54 810	57 070
Social contributions	3 804	3 907	3 428	4 104	3 446	3 446	4 983	7 553	8 554
Goods and services	26 645	18 137	18 029	28 669	29 044	17 893	30 273	32 490	33 441
Administrative fees	1 540	1 074	111		38	46	258	271	284
Advertising	2 195	1 807	210	500	1 100	540	527	552	578
Assets less than the capitalisation threshold	120	1	422		15	159	300	295	320
Audit cost: External	2 777	1 963	2 516	2 000	1 356	1 635	2 106	2 209	2 311

R thousand	Outcome			Main appropriation	Adjusted appropriation 2012/13	Revised estimate	Medium-term estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Bursaries: Employees	647	637	624	852	852	1 035	937	1 030	1 133
Catering: Departmental activities	432	68	114	600	650	595	637	669	700
Communication (G&S)	2 457	1 353	3 556	5 000	3 007	2 873	2 610	3 580	3 047
Computer services	2 099	9					1 925	2 103	2 297
Consultants and professional services: Business and advisory services	1 121	1 888	999	1 053	933	878	906	829	908
Consultants and professional services: Infrastructure and planning									
Consultants and professional services: Laboratory services									
Consultants and professional services: Legal costs	59	99	955	1 580	350		2 191	2 297	2 404
Contractors	2 025	565	177	2 520	2 329	643	2 228	2 341	2 458
Agency and support / outsourced services	883	29	18						
Entertainment	29	59	145	100	97	38	30	32	35
Fleet services (including government motor transport)		3	13		21	22	7	25	10
Housing									
Inventory: Food and food supplies	167	10	53	30	24	23	80	76	83
Inventory: Fuel, oil and gas		4	7	100	80	64	87	89	95
Inventory: Learner and teacher support material									
Inventory: Materials and supplies	43	11	29	50	56	6	53	55	58
Inventory: Medical supplies	4				100				
Inventory: Medicine									
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	191	127	8	350	313	115	350	350	366
Inventory: Stationery and printing	1 078	346	842	1 155	1 408	876	1 196	1 254	1 310
Lease payments	1 272	2 463	2 419	3 047	1 585	726	922	968	1 012
Property payments	853	3 236	3 011		2 200	1 544	2 259	2 270	2 283
Transport provided: Departmental activity	(400)								
Travel and subsistence	1 728	2 153	1 140	4 265	3 990	2 672	4 613	4 788	4 962
Training and development	3 575	163	298	852	1 302	1 103	1 250	1 375	1 510
Operating expenditure	832	22	157	2 615	2 678	224	1 879	1 927	1 979
Venues and facilities	918	47	205	2 000	4 560	2 076	2 922	3 105	3 298
Rental and hiring									
Interest and rent on land			65						
Interest			65						
Rent on land									
Transfers and subsidies tot:	7	22							
Provincial and local									
Provinces ²									
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities ³									
Municipal bank accounts									

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Municipal agencies and funds									
Departmental agencies and accounts									
Social security funds									
Provide list of entities receiving transfers ⁴									
Higher education institutions									
Foreign governments and international organisations									
Public corporations and private enterprises ⁵									
Public corporations									
Subsidies on production									
Other transfers									
Private enterprises									
Subsidies on production									
Other transfers									
Non-profit institutions									
Households		7	22						
Social benefits		7	22						
Other transfers to households									
Payments for capital assets	939	44	2 426	1 846	3 346	3 346	1 306	911	953
Buildings and other fixed structures									
Buildings and other fixed structures									
Machinery and equipment	791	44	2 426	1 846	3 346	3 346	1 306	911	953
Transport equipment									
Other machinery and equipment	791	44	2 426	1 846	3 346	3 346	1 306	911	953
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets	148								
Payments for financial assets	11	3 395	336						
Total economic classification	61 085	55 722	47 417	69 095	65 922	53 812	72 601	95 764	100 018

TABLE 14.21: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: SUSTAINABLE RESOURCE MANAGEMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Current payments	30 719	28 539	33 793	195 600	59 518	56 584	52 631	104 438	116 033
Compensation of employees	27 081	26 756	30 305	40 484	34 839	34 247	44 959	73 389	79 864
Salaries and wages	24 374	24 081	26 927	36 613	31 105	30 513	40 668	66 006	71 851
Social contributions	2 707	2 675	3 378	3 871	3 734	3 734	4 291	7 383	8 013
Goods and services	3 638	1 783	3 488	155 116	24 679	22 337	7 672	31 049	36 169
Administrative fees	683								
Advertising	504	171	326	400	400	401	421	442	462
Assets less than the capitalisation threshold	8								
Audit cost: External									

R thousand	Outcome			Main appropriation	Adjusted appropriation 2012/13	Revised estimate	Medium-term estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Bursaries: Employees		1							
Catering: Departmental activities		30							
Communication (G&S)		1							
Computer services	20							17 010	21 378
Consultants and professional services: Business and advisory services	106	267	1 626	200	700	186	261	200	279
Consultants and professional services: Infrastructure and planning									
Consultants and professional services: Laboratory services									
Consultants and professional services: Legal costs	28								
Contractors	41			150 000	20 000	20 000			
Agency and support / outsourced services	53			2 637	2 637		5 659	10 990	11 529
Entertainment	27								
Fleet services (including government motor transport)									
Housing									
Inventory: Food and food supplies									
Inventory: Fuel, oil and gas									
Inventory: Learner and teacher support material									
Inventory: Materials and supplies	6								
Inventory: Medical supplies									
Inventory: Medicine									
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	1								
Inventory: Stationery and printing	1 502	1 042	1 469	1 569	543	418	358	566	592
Lease payments									
Property payments									
Transport provided: Departmental activity									
Travel and subsistence	135	74	21		74	242	25	916	961
Training and development	34					770		100	105
Operating expenditure	162	197	46	310	325	320	948	825	863
Venues and facilities	328								
Rental and hiring									
Interest and rent on land									
Interest									
Rent on land									
Transfers and subsidies to:	40 000	50 000	50 000	50 000	50 004	50 003	50 000	50 000	50 000
Provincial and local									
Provinces ²									
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities ³									
Municipal bank accounts									
Municipal agencies and funds									

R thousand	Outcome			Main appropriation	Adjusted appropriation 2012/13	Revised estimate	Medium-term estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Departmental agencies and accounts	40 000	50 000	50 000	50 000	50 000	50 000	50 000	50 000	50 000
Social security funds	40 000	50 000	50 000	50 000	50 000	50 000	50 000	50 000	50 000
Provide list of entities receiving transfers ⁴									
Higher education institutions									
Foreign governments and international organisations									
Public corporations and private enterprises ⁵									
Public corporations									
Subsidies on production									
Other transfers									
Private enterprises									
Subsidies on production									
Other transfers									
Non-profit institutions									
Households					4	3			
Social benefits					4	3			
Other transfers to households									
Payments for capital assets									
Buildings and other fixed structures									
Buildings and other fixed structures									
Machinery and equipment									
Transport equipment									
Other machinery and equipment									
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
Payments for financial assets			100						
Total economic classification	70 719	78 539	83 893	245 600	109 522	106 587	102 631	154 438	166 033

TABLE 14.22: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: FINANCIAL GOVERNANCE

R thousand	Outcome			Main appropriation	Adjusted appropriation 2012/13	Revised estimate	Medium-term estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Current payments	19 186	34 068	33 743	53 637	47 512	43 741	89 540	61 691	66 220
Compensation of employees	15 529	28 352	30 950	44 076	39 952	36 774	51 871	53 881	57 418
Salaries and wages	13 976	25 137	27 460	39 952	35 382	32 204	46 993	48 820	51 732
Social contributions	1 553	3 215	3 490	4 124	4 570	4 570	4 878	5 061	5 686
Goods and services	3 657	5 716	2 793	9 561	7 560	6 967	37 669	7 810	8 802
Administrative fees	7								
Advertising	51		10		73	73			
Assets less than the capitalisation threshold									
Audit cost: External			(1)						
Bursaries: Employees		3							
Catering: Departmental activities	4	8							
Communication (G&S)									

R thousand	Outcome			Main appropriation	Adjusted appropriation 2012/13	Revised estimate	Medium-term estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Computer services			7		109	109	115	120	126
Consultants and professional services: Business and advisory services	2 493	5 055	2 287	6 201	6 467	6 004	35 000	7 292	8 260
Consultants and professional services: Infrastructure and planning									
Consultants and professional services: Laboratory services									
Consultants and professional services: Legal costs									
Contractors	34	109							
Agency and support / outsourced services	22								
Entertainment									
Fleet services (including government motor transport)									
Housing									
Inventory: Food and food supplies									
Inventory: Fuel, oil and gas									
Inventory: Learner and teacher support material									
Inventory: Materials and supplies	2								
Inventory: Medical supplies									
Inventory: Medicine									
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables									
Inventory: Stationery and printing	248	129	136	360	360	187	379	398	416
Lease payments									
Property payments					16				
Transport provided: Departmental activity									
Travel and subsistence	357	209	316		535	364			
Training and development		24				230	2 175		
Operating expenditure	240	83	38	3 000					
Venues and facilities	199	96							
Rental and hiring									
Interest and rent on land									
Interest									
Rent on land									
Transfers and subsidies tot:	1 515	5		67	66				
Provincial and local									
Provinces ²									
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities ³									
Municipal bank accounts									
Municipal agencies and funds									
Departmental agencies and accounts		1 500							

R thousand	Outcome			Main appropriation	Adjusted appropriation 2012/13	Revised estimate	Medium-term estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Social security funds		1 500							
Provide list of entities receiving transfers ⁴									
Higher education institutions									
Foreign governments and international organisations									
Public corporations and private enterprises ⁵									
Public corporations									
Subsidies on production									
Other transfers									
Private enterprises									
Subsidies on production									
Other transfers									
Non-profit institutions									
Households		15	5		67	66			
Social benefits		15	5		67	66			
Other transfers to households									
Payments for capital assets									
Buildings and other fixed structures									
Buildings and other fixed structures									
Machinery and equipment									
Transport equipment									
Other 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	19 186	35 583	33 748	53 637	47 579	43 807	89 540	61 691	66 220

TABLE 14.23: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: PROVINCIAL ACCOUNTING SERVICES

R thousand	Outcome			Main appropriation	Adjusted appropriation 2012/13	Revised estimate	Medium-term estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Current payments	58 713	39 584	39 426	60 602	42 286	43 516	55 520	59 473	67 305
Compensation of employees	37 699	37 631	38 869	57 124	40 842	42 330	50 513	53 836	61 422
Salaries and wages	33 901	32 816	33 660	51 417	35 719	37 207	45 362	48 505	54 739
Social contributions	3 798	4 815	5 209	5 707	5 123	5 123	5 151	5 331	6 683
Goods and services	21 014	1 953	557	3 478	1 444	1 186	5 007	5 637	5 883
Administrative fees	223			2 370					
Advertising		36							
Assets less than the capitalisation threshold	88								
Audit cost: External	342	548	516	705	1 000	895	1 150	1 210	1 262
Bursaries: Employees	105	3							
Catering: Departmental activities		1							
Communication (G&S)	97	2							
Computer services	16 866	202		385	225	224	240	200	200

R thousand	Outcome			Main appropriation	Adjusted appropriation 2012/13	Revised estimate	Medium-term estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Consultants and professional services: Business and advisory services	232	664			104	8	3 547	4 154	4 345
Consultants and professional services: Infrastructure and planning									
Consultants and professional services: Laboratory services									
Consultants and professional services: Legal costs									
Contractors	12	19							
Agency and support / outsourced services	510								
Entertainment									
Fleet services (including government motor transport)									
Housing									
Inventory: Food and food supplies	5								
Inventory: Fuel, oil and gas									
Inventory: Learner and teacher support material									
Inventory: Materials and supplies		2							
Inventory: Medical supplies									
Inventory: Medicine									
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	177			1					
Inventory: Stationery and printing	520	60	41	17			70	73	76
Lease payments	97	39							
Property payments									
Transport provided: Departmental activity	400								
Travel and subsistence	830	314			10	36			
Training and development	308								
Operating expenditure		54			105	23			
Venues and facilities	202	9							
Rental and hiring									
Interest and rent on land									
Interest									
Rent on land									
Transfers and subsidies tot:					1	12			
Provincial and local									
Provinces ²									
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities ³									
Municipal bank accounts									
Municipal agencies and funds									
Departmental agencies and accounts									
Social security funds									
Provide list of entities receiving transfers ⁴									

