

VOTE 13

DEPARTMENT OF FINANCE

R thousand	2014/15			
	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	1 422 223	1 437 764		15 541
<i>of which:</i>				
Current payments	1 397 042	1 070 988	(326 054)	
Transfers and subsidies	2 089	2 089		
Payments for capital assets	23 092	364 650		341 558
Payment for financial assets		37		37
Executive authority	MEC for Finance			
Accounting officer	Head of Department			

1. Vision and mission

Vision

"A Connected Gauteng Citizenry for a Better Tomorrow"

Mission

To provide innovative Information and Communication Technology (ICT) solutions that connects citizens to economic opportunities and service delivery through":

- High speed broadband network connecting government, community centres and economic zones;
- Digitization of back office support for enhanced service delivery;
- Coordination of ICT norms and standards in order to streamline ICT support services in the province;
- Open, efficient and transparent government through strengthening the internal controls and regulatory environment in the province; and
- Support radical economic transformation by contributing to the improvement of the township economy.

2. Changes to programme purpose and objectives

The changes to the programme purposes and objectives are reflected in the 2014/15 revised Annual Performance Plan.

3. Summary of Adjusted Estimates of Departmental Expenditure 2014/15

TABLE 13.1: DEPARTMENT OF FINANCE

Programme	Main Appropriation	2014/15 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/ unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
1. Administration	348 447				(110 020)				(110 020)	238 427
2. Gauteng Audit										
Services	64 604			339	(3 974)				(3 635)	60 969
3. ICT Shared Services	829 958			15 202	128 802				144 004	973 962
4. Business Process										
Services	179 214				(14 808)				(14 808)	164 406
Total for programmes	1 422 223			15 541					15 541	1 437 764

Economic classification	Main Appropriation	2014/15 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/ unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
Current payments	1 397 042			7 915	(333 969)				(326 054)	1 070 988
Compensation of employees	557 272				(90 664)				(90 664)	466 608
Goods and services	839 770			7 915	(243 305)				(235 390)	604 380
Interest and rent on land										
Transfers and subsidies	2 089									2 089
Provinces and municipalities										
Departmental agencies and accounts	1 589									1 589
Higher education institutions										
Foreign governments and international organisations										
Public corporations and private enterprises										
Non-profit institutions										
Households	500									500
Payments for capital assets	23 092			7 626	333 932				341 558	364 650
Buildings and other fixed structures										
Machinery and equipment	1 200			7 626	270 975				278 601	279 801
Heritage assets										
Specialised military assets										
Biological assets										
Land and sub-soil assets										
Software and other intangible assets	21 892				62 957				62 957	84 849
Payments for financial assets					37				37	37
Total economic classification	1 422 223			15 541					15 541	1 437 764

The main appropriation increases from R1.422 billion to R1.438 billion during the adjustment process due to approved rollover of R15.5 million from the 2013/14 financial year to the 2014/15 financial year. The rollover is approved for the continuation of the following projects:

- Gauteng Broadband Network (GBN) - R7.6 million;
- Capital project of replacing switches of the computer server used in the department's LAN - R7.6 million; and
- Completion of three-year GAS SAP Audit rolling plan - R339 000.

The department reallocates unutilized R90.6 million from compensation of employees to fund the rollout and implementation of the GBN project. These unutilized funds result from the department's decision not to fill the funded posts while a study was undertaken to reposition the GDF in line with its mandate. The resultant excess funds in compensation of employees are therefore reallocated to a high priority provincial project, GBN, to promote service delivery efficiencies and connectivity of provincial government offices, facilities and community centres.

4. Summary of Adjustments to Estimates of Departmental Expenditure 2014/15

Programme 1: Administration

TABLE 13.2: PROGRAMME 1: ADMINISTRATION

Economic classification	Main Appropriation	2014/15 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
1. Office Of The Hod	8 236				(1 621)				(1 621)	6 615
2. Forensic Services	17 156				(2 071)				(2 071)	15 085
3. Risk Management	3 237				(234)				(234)	3 003
4. Office Of The Cfo	118 054				(79 456)				(79 456)	38 598
5. Corporate Services	201 764				(26 638)				(26 638)	175 126
Total for programme	348 447				(110 020)				(110 020)	238 427

Economic classification	Main Appropriation	2014/15 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
Current payments	346 157				(110 961)				(110 961)	235 196
Compensation of employees	185 222				(39 704)				(39 704)	145 518
Goods and services	160 936				(71 257)				(71 257)	89 679
Interest and rent on land										
Transfers and subsidies	2 089				(107)				(107)	1 982
Provinces and municipalities										
Departmental agencies and accounts	1 589									1 589
Higher education institutions										
Foreign governments and international organisations										
Public corporations and private enterprises										
Non-profit institutions										
Households	500				(107)				(107)	393
Payments for capital assets	200				1 011				1 011	1 211

Economic classification	Main Appropriation	2014/15 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
Buildings and other fixed structures	200				1 002				1 002	1 202
Machinery and equipment										
Heritage assets										
Specialised military assets										
Biological assets										
Land and sub-soil assets										
Software and other intangible assets					9				9	9
Payments for financial assets					37				37	37
Total economic classification	348 447				(110 020)				(110 020)	238 427

TABLE 13.3: DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 1: ADMINISTRATION

Economic classification	Motivation	From	Motivation	To
Current payments		(124 560)		13 599
Compensation of employees	Unspent funds are caused by delays in filling posts while a study to assess GDF's capacity requirement as per new was in progress.	(40 144)	Alignment of budget to expenditure within the programme	440
Goods and services	Funds are reprioritised towards critical operating areas within the department.	(84 416)	Funds for training needs, property payments and refurbishment projects as well as the establishment of walk-in centre	13 159
Interest and rent on land				
Transfers and subsidies		(128)		21
Provinces and municipalities				
Departmental agencies and accounts				
Higher education institutions				
Foreign governments and international organisations				
Public corporations and private enterprises				
Non-profit institutions				
Households	Defraying household expenditure in other programmes	(128)	Payment of leave gratuity to former employees and injury on duty claims	21
Payments for capital assets				1 011
Buildings and other fixed structures				
Machinery and equipment			Purchase of office equipment including recording system, alarm system and bulk scanners	1 002
Heritage assets				
Specialised military assets				
Biological assets				
Land and sub-soil assets				
Software and other intangible assets			Funding for forensic imaging software	9
Payments for financial assets			Bad debts written off	37
Total economic classification		(124 688)		14 668

Virements and shifts

A net amount of R39.7 million is reallocated from compensation of employees to Programme 3: ICT Shared Services. The surplus amount in personnel budget results from the department's decision to appoint personnel after completing the process of aligning the organizational structure with the department's revised mandate.

The reprioritization of goods and services baselines to identify funds to be reallocated towards key priorities resulted in the availability of R84.4 million, of which R13.2 million is reallocated within the programme to establish a walk-in centre at the 77 Fox Street building for providing face-to-face service to public; to refurbish the 75 Fox Street building; to cater for training needs; to purchase office electronic equipment and computer

(forensic imaging) software to enhance electronic data security; and to write off bad debts. The balance of funds is reallocated to other programmes.

After an assessment of expenditure requirements for the remainder of the financial year, R128 000 is identified as available funds to be reprioritized from transfers to households. Of this amount, R21 000 is earmarked to pay leave gratuity to former employees and claims for injury on duty; the balance of funds is reallocated for the spending needs in other programmes.

Overall, R110 million is reallocated from the Administration Programme to other three programmes in the department.

Programme 2: Gauteng Audit Services

TABLE 13.4: PROGRAMME 2: GAUTENG AUDIT SERVICES

Sub- programme R thousand	Main Appropriation	2014/15 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/ unavoidable	Additional Funding: National	Additional Funding: Provincial		
1. Gas Programme Support	4 134			339	91				430	4 564
2. Risk & Compl Audit Servclis 12	15 564				(671)				(671)	14 893
3. Risk & Compl Audit Ser Clus 345	21 432				(1 366)				(1 366)	20 066
4. Performance And Computer Audit	17 884				(1 973)				(1 973)	15 911
5. Audit Centre Of Excellence	5 590				(55)				(55)	5 535
Total for programme	64 604			339	(3 974)				(3 635)	60 969

Economic classification R thousand	Main Appropriation	2014/15 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/ unavoidable	Additional Funding: National	Additional Funding: Provincial		
Current payments	64 604			339	(3 975)				(3 636)	60 968
Compensation of employees	62 037				(4 054)				(4 054)	57 983
Goods and services	2 567			339	79				418	2 985
Interest and rent on land										
Transfers and subsidies					1				1	1
Provinces and municipalities										
Departmental agencies and accounts										
Higher education institutions										
Foreign governments and international organisations										
Public corporations and private enterprises										
Non-profit institutions										
Households					1				1	1
Payments for capital assets										
Buildings and other fixed structures										

Economic classification R thousand	Main Appropriation	2014/15 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
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	64 604			339	(3 974)				(3 635)	60 969

TABLE 13.5: DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 2: GAUTENG AUDIT SERVICES

Economic classification	Motivation	From	Motivation	To
Current payments		(9 333)		5 358
Compensation of employees	Unspent funds are caused by delays in filling posts while a study to assess GDF's capacity requirement as per new was in progress.	(9 333)	Alignment of budget with operational requirements	5 279
Goods and services			Provision for payments to professional bodies	79
Interest and rent on land				
Transfers and subsidies				1
Provinces and municipalities Departmental agencies and accounts Higher education institutions Foreign governments and international organisations Public corporations and private enterprises Non-profit institutions Households			Payment of leave gratuity to former employees	1
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		(9 333)		5 359

Provincial roll overs: R339 000

Approval is granted for the rollover of R339 000 from 2013/14 financial to 2014/15 financial year to complete the three-year rolling plan in respect of SAP Audit project. This project is one of the interventions to promote open, effective and transparent governance through strengthening the internal control and regulatory environment in the province.

Virements and shifts

The reprioritization process to fund new priorities of government made R9.3 million available in compensation of employees. The unutilized funds in compensation of employees relate to funded posts that were unfilled as a result of the department's decision to suspend appointment of personnel until the completion of a process of realigning the organizational structure to support the department's revised mandate. Of this amount, R5.3 million is reallocated for personnel requirements within the programme. The balance of R4 million is reallocated to Programme 3.

The programme received R80 000 from the Administration Programme. Of this amount, R79 000 is allocated to goods and services to pay for the affiliation of the professionals in the department with the audit industry professional bodies and R1 000 is allocated in transfers to households to pay for leave gratuity to former employees.

Programme 3: ICT Shared Services

TABLE 13.6: PROGRAMME 3: ICT SHARED SERVICES

Sub-programme R thousand	Main Appropriation	2014/15 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/ unavoidable	Additional Funding: National	Additional Funding: Provincial		
1. ICT Programme Support	2 222				(419)				(419)	1 803
2. Applications	525 568			15 202	99 794				114 996	640 564
3. ICT Infrastructure	275 371				30 554				30 554	305 925
4. Business Alignment	26 797				(1 127)				(1 127)	25 670
Total for programme	829 958			15 202	128 802				144 004	973 962

Economic classification R thousand	Main Appropriation	2014/15 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/ unavoidable	Additional Funding: National	Additional Funding: Provincial		
Current payments	807 066			7 576	(204 111)				(196 535)	610 531
Compensation of employees	133 232				(31 267)				(31 267)	101 965
Goods and services	673 834			7 576	(172 844)				(165 268)	508 566
Interest and rent on land										
Transfers and subsidies					90				90	90
Provinces and municipalities										
Departmental agencies and accounts										
Higher education institutions										
Foreign governments and international organisations										
Public corporations and private enterprises										
Non-profit institutions										
Households					90				90	90
Payments for capital assets	22 892			7 626	332 823				340 449	363 341
Buildings and other fixed structures										
Machinery and equipment	1 000			7 626	269 973				277 599	278 599
Heritage assets										
Specialised military assets										
Biological assets										
Land and sub-soil assets										

Economic classification	Main Appropriation	2014/15 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
Software and other intangible assets	21 892				62 850				62 850	84 742
Payments for financial assets										
Total economic classification	829 958			15 202	128 802				144 004	973 962

TABLE13.7:DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 3: ICT SHARED SERVICES

Economic classification	Motivation	From	Motivation	To
Current payments		(479 538)		275 427
Compensation of employees	Unspent funds are caused by delays in filling posts while a study to assess GDF's capacity requirement as per new was in progress.	(34 503)	Alignment of budget with operational requirements	3 236
Goods and services	Funds reprioritised towards critical operating areas and the realignment between the operational and capital requirements within the GBN project.	(445 035)	Provision for Gauteng Broad band project and other critical projects	272 191
Interest and rent on land				
Transfers and subsidies				90
Provinces and municipalities				
Departmental agencies and accounts				
Higher education institutions				
Foreign governments and international organisations				
Public corporations and private enterprises				
Non-profit institutions				
Households			Payment of leave gratuity to former employees and injury on duty claims	90
Payments for capital assets		(21 892)		354 715
Buildings and other fixed structures			Funds for automation projects and Gauteng Broadband Network project	269 973
Machinery and equipment				
Heritage assets				
Specialised military assets				
Biological assets				
Land and sub-soil assets				
Software and other intangible assets	Realignment of funds for software	(21 892)	Provision for software required for Automation projects and Gauteng Broadband Network project	84 742
Payments for financial assets				
Total economic classification		(501 430)		630 232

Provincial Rollovers: R15.2 million

The approved R15.2 million rollovers from the 2013/14 financial year to the 2014/15 financial year is to continue the implementation of capital projects. The rollovers comprise R7.6 million for the GBN project and R7.6 million for the replacement of switches of the computer server used in the department's LAN.

Virements and shifts

Overall, the department reprioritized the budget baselines in favour of this programme to fund the automation projects and the GBN project that support mainly the provincial pillars relating to radical economic transformation, modernization of the public service and modernization of the economy.

The reprioritization process made R34.5 million available under compensation of employees. The surplus amount in personnel budget results from the department's decision to appoint personnel after completing the process of aligning the organizational structure with the department's revised mandate. Of this amount, R3.2 million is reallocated for personnel requirements within the programme. The balance is reallocated to augment funds for implementing the GBN project. The programme reallocates the GBN project funds from goods and services to machinery and equipment to finance the purchase of capital assets for the GBN project and other digitisation

initiatives that aim to automatize the government's internal processes and systems in line with the pillar that supports transformation of public service and those that aim to automate systems that support the interactions with suppliers and the public and the department's pillar that supports radical economic transformation.

The key project, GBN, also receives R104.8 million from other programmes. This amount comprises R90.6 million that is reallocated from compensation of employees and R14.2 million that is reallocated from goods and services.

The digitization/ automation projects that support the mainly the modernization of the economy and public service pillars receive R55 million from the Administration Programme and these funds are allocated in goods and services. An amount of R84.7 million has been made available to fund the software requirements of the electronic systems within the programme.

Payment of leave gratuity to former employees and claims for injury on duty is funded from R90 000 that is reallocated from the Administration Programme.

Programme 4: Business Process Services

TABLE 13.8: PROGRAMME 4: BUSINESS PROCESS SERVICES

Sub-programme	Main Appropriation	2014/15 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/ unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
1. Human Resources	113 688				(7 097)				(7 097)	106 591
2. Procurement Services	65 526				(7 711)				(7 711)	57 815
Total for programme	179 214				(14 808)				(14 808)	164 406

Economic classification	Main Appropriation	2014/15 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/ unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
Current payments	179 214				(14 922)				(14 922)	164 292
Compensation of employees	176 781				(15 639)				(15 639)	161 142
Goods and services	2 433				717				717	3 150
Transfers and subsidies					16				16	16
Provinces and municipalities										
Departmental agencies and accounts										
Higher education institutions										
Foreign governments and international organisations										
Public corporations and private enterprises										
Non-profit institutions										
Households					16				16	16
Payments for capital assets					98				98	98
Buildings and other fixed structures										
Machinery and equipment										
Heritage assets										

Economic classification	Main Appropriation	2014/15 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
Specialised military assets										
Biological assets										
Land and sub-soil assets										
Software and other intangible assets					98				98	98
Payments for financial assets										
Thefts & Losses										
Total economic classification	179 214				(14 808)				(14 808)	164 406

TABLE 13.9: DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 4: BUSINESS PROCESS

Economic classification	Motivation	From	Motivation	To
Current payments		(16 131)		1 209
Compensation of employees	Unspent funds are caused by delays in filling posts while a study to assess GDF's capacity requirement as per new was in progress.	(15 839)	Alignment of budget with operational requirements	200
Goods and services	Funds reprioritised towards critical operating areas	(292)	Provision for Vendor rotation solution	1 009
Interest and rent on land				
Transfers and subsidies				16
Provinces and municipalities				
Departmental agencies and accounts				
Higher education institutions				
Foreign governments and international organisations				
Public corporations and private enterprises				
Non-profit institutions				
Households			Payment of leave gratuity to former employees and injury on duty claims	16
Payments for capital assets				98
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			Provision for the client survey tracker	98
Payments for financial assets				
Total economic classification		(16 131)		1 323

Virements and shifts

An amount of R15.6 million is reprioritized from compensation of employees to augment funding for the GBN project in Programme 3.

To implement initiatives that support the transformation of the economy, the programme receive R831 000 from the Administration Programme. Of this amount, R249 000 is allocated for the Jobs Centre at Maponya Mall urban Thusong Centre that contribute to electronic access to public sector job opportunities. These funds are cater for the first line assistance to walk-in clients, capturing of applications on e-recruitment and other related services.

Funds received from the Administrative Programme comprise R468 000 in goods and services to cater for vendor rotation solution to provide economic opportunity to various suppliers; R98 000 in payments for capital assets to cater for the client survey tracker and the document reading enabler system; and R16 000 in transfers to households for the payment of leave gratuity to former employees and claims for injury on duty.

5. Expenditure 2013/14 and preliminary expenditure 2014/15

TABLE 13.10: EXPENDITURE 2013/14 AND PRELIMINARY EXPENDITURE 2014/15

Department	2013/14				2014/15		
	Expenditure Outcome				Preliminary expenditure		
R thousand	Adjusted appropriation	April 2013- September 2013	April 2013 - March 2014	April 2013 -March 2014 as a % of adjusted appropriation	Adjusted appropriation	April 2014-September 2014	% Change 13/14- 14/15 Apr-Sept
1. Administration	310 338	83 508	306 868	99%	238 427	96 472	16%
2. Gauteng Audit Services	58 896	24 599	52 706	89%	60 969	26 995	10%
3. ICT Shared Services	768 240	375 895	685 130	89%	973 962	326 654	(13%)
4. Business Processes Services	160 881	77 587	151 268	94%	164 406	79 036	2%
Total for programmes	1 298 355	561 589	1 195 972	92%	1 437 764	529 157	(6%)
Current payments	1 273 426	557 337	1 181 803	93%	1 070 988	523 583	(8%)
Compensation of employees	464 640	208 521	412 961	89%	466 608	219 342	5%
Goods and Services	808 786	348 816	768 842	95%	604 380	304 241	(13%)
Interest and rent on land							
Transfers and subsidies	2 671	735	1 326	50%	2 089	226	(69%)
Provinces and municipalities							
Departmental agencies and accounts	1 542				1 589		
Higher education institutions							
Foreign governments & international organisations							
Public corporations & private enterprises			5				
Non-profit institutions							
Households	1 129	735	1 321	117%	500	226	(69%)
Payments for capital assets	22 258	3 517	11 792	53%	364 650	5 269	50%
Buildings and other fixed structures							
Machinery and equipment	12 836	3 517	11 095	86%	279 801	5 269	50%
Heritage assets							
Specialised military assets							
Biological assets							
Land and sub-soil assets							
Software and other intangible assets	9 422		697	7%	84 849		
Payments for financial assets			1 051		37	79	
Total economic classification	1 298 355	561 589	1 195 972	92%	1 437 764	529 157	(6%)

Expenditure trends 2013/14

Adjusted appropriation for the 2013/14 financial year was R1.2 billion, most of which was spent on the connectivity costs, Sita services for transversal system, E-Learning, software licenses, network services and data, maintenance of the GPG information security, email management solution and utilities. The R102.3 million under spending in 2013/14 is due to funded vacant posts. Incomplete projects as at financial year-end also contributed to the reported under spending.

The total expenditure for the department amounts to R529.1 million in the first six months of 2014/15 financial year in comparison to an amount of R561.6 million that was spent in the same period 2013/14 financial year, which translates to 6 per cent decrease. The causes of the lower spending rate include:

- Services rendered in respect of which invoices were outstanding.
- Reprioritisation of projects and initiatives to align them to the repositioning of the GDF as per revised mandate.

Expenditure trends for the first half of 2014/15

Programme 1: Administration

The programme incurred an expenditure of R83.5 million in 2013/14 compared to R96.4 million in 2014/15, which translates to 16 percent increase. The contributing factors to the relative rise in expenditure comprise:

- Compensation of employees as a result of annual salary adjustments, notch progression adjustments and payment of performance bonuses;
- Goods and services as a result of utilities invoices being received and processed timely.

Programme 2: Gauteng Audit Services

Compensation of employees are the main driver of 10 percent increase in expenditure from R24.5 million to R26.9 million in 2014/15 versus 2013/14. This increase results from payment of annual salary adjustments, notch progression adjustments and performance bonuses.

Programme 3: ICT Shared Services

The aggregate expenditure incurred in 2014/15 is R326.6 million, which is 13 percent lower than R375.8 million incurred in 2013/14 financial year.

One of the main cost drivers under the programme was the E-Learning project, for which the department incurred expenditure for maintenance and support, plus connectivity. The costs incurred for providing connectivity is the main driver of expenditure in 2014/15.

Additionally, the shift of funds from other programmes to this programme increase the adjusted appropriation relative to the expenditure.

Programme 4: Business Processes Services

The programme spent R77.5 million in the 2013/14 financial year compared to R79 million in 2014/15, which translates to 2 percent increase in expenditure for the period under review. This increase results from payment of annual salary adjustments, notch progression adjustments and performance bonuses.

6. Departmental receipts

TABLE 13.11: DEPARTMENTAL RECEIPTS

Department	2013/14				2014/15		
	Audited Outcome				Actual Receipts		
	Adjusted appropriation	April 2013 - Sep 2013	April 2013 - Mar 2014	April 2013 - March 2014 as a % of adjusted appropriation	Adjusted appropriation	Apr 2014-Sep 2014	% Change 13/14-14/15 Apr-Sept
R thousand							
Tax receipts							
Casino taxes							
Horse racing taxes							
Liquor licences							
Motor vehicle licences							

Department	2013/14				2014/15		
	Audited Outcome				Actual Receipts		
	Adjusted appropriation	April 2013 - Sep 2013	April 2013 - Mar 2014	April 2013 - March 2014 as a % of adjusted appropriation	Adjusted appropriation	Apr 2014-Sep 2014	% Change 13/14-14/15 Apr-Sept
R thousand							
Sales of goods and services other than capital assets <i>Of which Health patient fees</i>	875	489	953	109%	795	442	(10%)
Transfers received							
Fines, penalties and forfeits							
Interest, dividends and rent on land	33	11	41	124%	16	4	(64%)
Sales of capital assets							
Financial transactions in assets and liabilities	140	68	416	297%	150	266	291%
Total receipts	1 048	568	1 410	135%	961	712	25%

Revenue trends for the first half of the 2014/15 financial year

The department collected R712 000 collected during the first half of the 2014/15 financial year and this amounts is 25 percent higher than the revenue collected in the previous financial year which amounted to R568 000. As a percentage of the appropriation, the R712 000 collection in 2014/15 constitutes 74 percent of the R961 000 budget versus 54 percent of the R1 million budget collected in 2013/14.

The higher rate of collection is attributable to increased sales of tender documents, commission on insurance and garnishees and receipts of previous years' expenditure.

The departmental revenue is made up of sales of goods and services other than capital assets which comprises parking fees, commission on garnishees, gym fees, sale of tender documents and security cards, interest on outstanding debts and financial transactions in assets and liabilities (with respect to receipts of previous years' expenditure).

7. Changes to transfers and subsidies, conditional grants and infrastructure

7.1 Changes to transfers and subsidies

Not applicable

7.2. Changes to conditional grants

Not applicable.

7.3. Changes to infrastructure

Not applicable.

