

# VOTE 13

## DEPARTMENT OF e-GOVERNMENT

R thousand	2016/17			
	Main appropriation	Adjusted appropriation	Decrease	Increase
<b>Amount to be appropriated</b>	<b>1 216 132</b>	<b>1 263 186</b>		<b>47 054</b>
<b>of which:</b>				
Current payments	1 191 308	1 211 630		20 322
Transfers and subsidies	550	23 350		22 800
Payments for capital assets	24 274	28 206		3 932
Payment for financial assets				
<b>Executive authority</b>	<b>MEC for e-Government</b>			
<b>Accounting officer</b>	<b>Head of Department</b>			

### 1. Vision and Mission

#### Vision

A Connected Gauteng City-Region that leverages technology to provide quality services to citizens.

#### Mission

To realize the intent of a connected government through:

- Provision of relevant technologies, standards and governance;
- Creation of an environment of collaboration between key stakeholders; and
- Facilitation of the evolution of the Gauteng City-Region (GCR) service delivery.

### 2. Changes to programme purpose, objective and measures

No changes.

### 3. Summary of Adjusted Estimates of Departmental Expenditure 2016/17

TABLE 13.1: DEPARTMENT OF E-GOVERNMENT

Programmes	Main Appropriation	2016/17 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	225 760	(149)		10 600	(41 392)				(30 941)	194 819
2. Policy Planning, Strategy Development and Support Services	413 618				90 295				90 295	503 913
3. Solutions, Systems and Operations	552 220	(1 375)		1 978	(33 962)			36 000	2 641	554 861
4. Regulations, Compliance and Public Relations	24 534				(14 941)				(14 941)	9 593
<b>Total for programmes</b>	<b>1 216 132</b>	<b>(1 524)</b>		<b>12 578</b>				<b>36 000</b>	<b>47 054</b>	<b>1 263 186</b>

  

Economic classification	Main Appropriation	2016/17 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										
<b>Current payments</b>	<b>1 191 308</b>	<b>(1 524)</b>		<b>12 578</b>	<b>( 26 732)</b>			<b>36 000</b>	<b>20 322</b>	<b>1 211 630</b>
Compensation of employees	503 991	(1 053)			(178 393)				(179 446)	324 545
Salaries & wages	452 623	(1 053)			(158 416)				(159 469)	293 154
Social contribution	51 368				(19 977)				(19 977)	31 391
<b>Goods and services</b>	<b>687 317</b>	<b>(471)</b>		<b>12 578</b>	<b>151 661</b>			<b>36 000</b>	<b>199 768</b>	<b>887 085</b>
Interest and rent on land										
<b>Transfers and subsidies</b>	<b>550</b>				<b>22 800</b>				<b>22 800</b>	<b>23 350</b>
Provinces and municipalities										
Departmental agencies and accounts										
Higher education institutions					22 800				22 800	22 800
Foreign governments and international organisations										
Public corporations and private enterprises										
Non-profit institutions										
Households	550									550
<b>Payments for capital assets</b>	<b>24 274</b>				<b>3 932</b>				<b>3 932</b>	<b>28 206</b>
Buildings and other fixed structures										
Machinery and equipment	7 874				20 332				20 332	28 206
Heritage assets										
Specialised military assets										
Biological assets										
Land and sub-soil assets										

Economic classification	Main Appropriation	2016/17 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		
<b>R thousand</b>										
Software and other intangible assets	16 400				(16 400)				(16 400)	
Payments for financial assets										
<b>Total economic classification</b>	<b>1 216 132</b>	<b>( 1 524)</b>		<b>12 578</b>				<b>36 000</b>	<b>47 054</b>	<b>1 263 186</b>

The 2016/17 main appropriation increases by an amount of R47 million from R1.2 billion to an adjusted appropriation of R1.3 billion. This increase is a net effect of the approved rollover amounting to R12.6 million and R2.3 million that is being suspended to the Office of the Premier to provide for personnel costs and operational costs for the Employee Wellness and Health Programme function that migrated with effect from 1<sup>st</sup> October 2016 and R842 000 received from GPT for compensation of employees budget relating to three employees under the Document Management Centre that are being transferred back to the department. The department receives an additional amount of R36 million to fund a budget shortfall for Microsoft licenses caused by the variance between the exchange spot rate and the rate at which respective departments had based their provisions for the licenses.

An amount of R12.5 million in unspent funds is rolled over from the 2015/16 financial year for the completion and settlement of the following projects that could not be completed in the previous financial year:

- R1.9 million: SAP functional upgrade;
- R750 000: installation of security booths at 75 Fox Street building;
- R1.3 million: security scanners at 75 Fox Street building; and
- R8.5 million: refurbishment of 75 Fox Street building.

The department obtained the treasury approval to reallocate unspent R171.3 million for vacant posts to provide funding for additional sites as part of the GPG's broadband network rollout project and funding for DAV Centre operations; audit of ICT functions within the province; application monitoring software; fully managed data centre resources and software licenses. These funds will contribute towards the department's mandate to continue transforming how GPG manages its infrastructure in order to support the delivery of programmes and services to citizens and implementing the adopted GCR-wide e-Government strategy.

#### 4. Details of Adjustments to Estimates of Departmental Expenditure 2016/17

##### Programme 1: Administration

TABLE 13.2: PROGRAMME ADMINISTRATION

Sub programmes	Main Appropriation	2016/17 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		
<b>R thousand</b>										
1. Office of the HOD	7 859				(698)				( 698)	7 161
2. Risk Management	6 267				(2 673)				(2 673)	3 594
3. Office of the CFO	56 979	(19)			(5 358)				(5 377)	51 602
4. Corporate Services	154 655	(130)		10 600	(32 663)				(22 193)	132 462
<b>Total for programme</b>	<b>225 760</b>	<b>(149)</b>		<b>10 600</b>	<b>(41 392)</b>				<b>(30 941)</b>	<b>194 819</b>

Economic classification	Main Appropriation	2016/17 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		
<b>R thousand</b>										
<b>Current payments</b>	<b>224 770</b>	<b>(149)</b>		<b>10 600</b>	<b>(43 640)</b>				<b>(33 189)</b>	<b>191 581</b>
Compensation of employees	145 481				(41 353)				(41 353)	104 128
Salaries & wages	129 738				(39 753)				(39 753)	89 985
Social contribution	15 743				(1 600)				(1 600)	14 143
Goods and services	79 289	(149)		10 600	(2 287)				8 164	87 453
Interest and rent on land										
Rent on land										
<b>Transfers and subsidies</b>	<b>550</b>				<b>(39)</b>				<b>(39)</b>	<b>511</b>
Provinces and municipalities										
Departmental agencies and accounts										
Higher education institutions										
Foreign governments and international organisations										
Public corporations and private enterprises										
Non-profit institutions										
Households	550				(39)				(39)	511
<b>Payments for capital assets</b>	<b>440</b>				<b>2 287</b>				<b>2 287</b>	<b>2 727</b>
Buildings and other fixed structures										
Machinery and equipment	440				2 287				2 287	2 727
Heritage assets										
Specialised military assets										
Biological assets										
Land and sub-soil assets										
Software and other intangible assets										
<b>Payments for financial assets</b>										
<b>Total economic classification</b>	<b>225 760</b>	<b>(149)</b>		<b>10 600</b>	<b>(41 392)</b>				<b>(30 941)</b>	<b>194 819</b>

TABLE 13.3: DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(59 680)</b>		<b>16 040</b>
Compensation of employees	Underspending on compensation of employees is due to non-approval of the structure, funds reprioritised for the provision for GBN increased scope and increased sites to connect.	(49 079)	Adjustment of salaries and wages with social contributions within compensation of employee's budget in line with the current structure.	7 726
Goods and services		(10 601)	Provision for maintenance and repairs for security access; SMS Competency Assessments and Qualifications verification and Robotic training	8 314
Interest and rent on land				

Economic classification	Motivation	From	Motivation	To
<b>Transfers and subsidies</b>		<b>(137)</b>		<b>98</b>
Provinces and municipalities Departmental agencies and accounts Higher education institutions Foreign governments and international organisations Public corporations and private enterprises Non-profit institutions Households	Centralised budget for transfers to households is reallocated to where the expenditure is incurred.	(137)	Payments of leave gratuity for former employees and claims for injury on duty	98
<b>Payments for capital assets</b>				<b>2 287</b>
Buildings and other fixed structures Machinery and equipment    Heritage assets Specialized military assets Biological assets Land and sub-soil assets Software and other intangible assets			Purchase of office equipment, furniture and audio visual equipment initially not budgeted for, and stand-alone printers for managers; hydro-coolers.	2 287
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(59 817)</b>		<b>18 425</b>

**Function shift: R149 000**

An amount of R149 000 under goods and services is suspended to the Office of the Premier to cater for bursaries, cell phones, parking fees and stationery for the Employee Wellness and Health Programme function that migrated with effect from 1<sup>st</sup> October 2016.

**Provincial roll-overs: R10.6 million**

An amount of R10.6 million is rolled over for the following incomplete projects that commenced in the 2015/16 financial year:

- Installation of security booths at 75 Fox Street building - R750 000;
- Installation of security scanners at 75 Fox Street building - R1.3 million; and
- Refurbishment of Imbumba House - R8.5 million.

**Virements and shifts**

An unutilized R41.3 million for funded vacant posts is reallocated to Programme 2: Policy Planning, Strategy Development and Support Services to provide connectivity funding for additional sites as part of the GPG's broadband network rollout project. Funds are reallocated from the centralised budget for transfers to households in Internal HR to provide for leave gratuity and injury on duty expenditure in Programme 3: Solutions, Systems and Operations. Funds are reallocated from compensation of employees to fund operational requirements and the SMS competency assessment and qualification verification. An amount of R2.2 million is shifted from goods and services to cater for the procurement of office equipment.

## Programme 2: Policy Planning, Strategy Development and Support Services

TABLE 13.4 : PROGRAMME: POLICY PLANNING, STRATEGY DEVELOPMENT AND SUPPORT SERVICES

Sub programmes	Main Appropriation	2016/17 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. Policy planning programme support	1 797				(1 797)				(1 797)	
2. ICT Architecture	32 290				(25 876)				(25 876)	6 414
3. Program management	16 708				(8 802)				(8 802)	7 906
4. Innovation platforms	13 332				(10 831)				(10 831)	2 501
5. BN connectivity	349 491				137 601				137 601	487 092
<b>Total for programme</b>	<b>413 618</b>				<b>90 295</b>				<b>90 295</b>	<b>503 913</b>

Economic classification	Main Appropriation	2016/17 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										
<b>Current payments</b>	<b>398 618</b>				<b>89 079</b>				<b>89 079</b>	<b>487 697</b>
<b>Compensation of employees</b>	70 192				(46 464)				(46 464)	23 728
Salaries & wages	65 252				(43 338)				(43 338)	21 914
Social contribution	4 940				(3 126)				(3 126)	1 814
Goods and services	328 426				135 543				135 543	463 969
<b>Interest and rent on land</b>										
Rent on land										
<b>Transfers and subsidies</b>										
Provinces and municipalities										
Departmental agencies and accounts										
Higher education institutions										
Foreign governments and international organisations										
Public corporations and private enterprises										
Non-profit institutions										
Households										
<b>Payments for capital assets</b>	<b>15 000</b>				<b>1 216</b>				<b>1 216</b>	<b>16 216</b>
Buildings and other fixed structures										
Machinery and equipment					16 216				16 216	16 216
Heritage assets										
Specialised military assets										
Biological assets										

Economic classification	Main Appropriation	2016/17 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		
<b>R thousand</b>										
Land and sub-soil assets										
Software and other intangible assets	15 000				(15 000)				(15 000)	
<b>Payments for financial assets</b>										
<b>Total economic classification</b>	<b>413 618</b>				<b>90 295</b>				<b>90 295</b>	<b>503 913</b>

**TABLE 13.5: DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 2: POLICY PLANNING, STRATEGY DEVELOPMENT AND SUPP. SERVICE**

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(49 749)</b>		<b>138 828</b>
Compensation of employees	Underspending on compensation of employees is due to non-approval of the structure, funds reprioritized for the provision for GBN increased scope and increased sites to connect	(47 783)	Adjustment of salaries and wages with social contributions within compensation of employee's budget in line with the current structure.	1 319
Goods and services		(1 966)	Provision for increased scope of GBN project. The department increased the connectivity sites from the number of sites originally budgeted for	137 509
Interest and rent on land				
<b>Transfers and subsidies</b>				
Provinces and municipalities				
Departmental agencies and accounts				
Higher education institutions				
Foreign governments and international organisations				
Public corporations and private enterprises				
Non-profit institutions				
Households				
<b>Payments for capital assets</b>		<b>(15 000)</b>		<b>16 216</b>
Buildings and other fixed structures				
Machinery and equipment			Provision for GBN capital expenditure such as fibre links and capital equipment for the sites	16 216
Heritage assets				
Specialised military assets				
Biological assets				
Land and sub-soil assets				
Software and other intangible assets	Realignment of the GBN budget in line with invoices. The budget is for software but spending relates to capital items such as fibre links	(15 000)		
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(64 749)</b>		<b>155 044</b>

#### Virements and shifts

The programme receives a combined amount of R90.2 million from Programme 1; Programme 3; and Programme 4: Regulations Compliance and Public Relations. Of this amount, R89.5 million is connectivity funding for additional sites as part of the GPG's broadband network rollout project and capital expenditure such as fibre links. The initial GBN project was scoped for providing connectivity to 400 sites but the scope increased to cover all 3000 sites by 2019 and therefore the target for the current year is increased.

**Programme 3: Solutions, Systems and Operations****TABLE 13. 6: PROGRAMME 3: SOLUTIONS, SYSTEMS AND OPERATIONS**

Sub programmes	Main Appropriation	2016/17 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		
<b>R thousand</b>										
1. Programme support: Operations	2 058				(509)				(509)	1 549
2. Operations Management	256 038	(6)			1 267			36 000	37 261	293 299
3. Applications	123 436			1 978	(10 215)				(8 237)	115 199
4. Infrastructure Management	43 629				(11 207)				(11 207)	32 422
5. Business Automation Processes	127 059	(1 369)			(13 298)				(14 667)	112 392
<b>Total for programme</b>	<b>552 220</b>	<b>(1 375)</b>		<b>1 978</b>	<b>(33 962)</b>			<b>36 000</b>	<b>2 641</b>	<b>554 861</b>

Economic classification	Main Appropriation	2016/17 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		
<b>R thousand</b>										
<b>Current payments</b>	<b>543 386</b>	<b>(1 375)</b>		<b>1 978</b>	<b>(57 230)</b>			<b>36 000</b>	<b>( 20 627)</b>	<b>522 759</b>
Compensation of employees	263 784	(1 053)			(68 636)				(69 689)	194 095
Salaries & wages	234 679	(1 053)			(54 591)				(55 644)	179 035
Social contribution	29 105				(14 045)				(14 045)	15 060
Goods and services	279 602	( 322)		1 978	11 406			36 000	49 062	328 664
Interest and rent on land										
<b>Transfers and subsidies</b>					<b>22 839</b>				<b>22 839</b>	<b>22 839</b>
Provinces and municipalities										
Departmental agencies and accounts										
Higher education institutions					22 800				22 800	22 800
Foreign governments and international organisations										
Public corporations and private enterprises										
Non-profit institutions										
Households					39				39	39
<b>Payments for capital assets</b>	<b>8 834</b>				<b>429</b>				<b>429</b>	<b>9 263</b>
Buildings and other fixed structures										
Machinery and equipment	7 434				1 829				1 829	9 263
Heritage assets										
Specialised military assets										
Biological assets										

Economic classification	Main Appropriation	2016/17 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		
<b>R thousand</b>										
Land and sub-soil assets										
Software and other intangible assets	1 400				(1 400)				(1 400)	
Payments for financial assets										
<b>Total economic classification</b>	<b>552 220</b>	<b>(1 375)</b>		<b>1 978</b>	<b>(33 962)</b>			<b>36 000</b>	<b>2 641</b>	<b>554 861</b>

**TABLE 13.7: DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 3: SOLUTIONS, SYSTEMS AND OPERATIONS**

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(140 106)</b>		<b>82 876</b>
Compensation of employees	Unused funds are as a result of the department's organizational structure that was not approved by DPSA in time for implementation in the current financial year.	(83 215)	Adjustment of salaries and wages with social contributions within compensation of employee's budget in line with the current structure.	14 579
Goods and services	Reallocating the DAV centre budget under contractors to operating lease for non-infrastructure items, i.e. hosting of the second internet access point and reprioritization to fund GBN sites.	(56 891)	Provision for priority projects such as Website redesign and e-mail as service	68 297
Interest and rent on land				
<b>Transfers and subsidies</b>				<b>22 839</b>
Provinces and municipalities				
Departmental agencies and accounts				
Higher education institutions			Provision for transfers and subsidies for DAV centre to support e-government services	22 800
Foreign governments and international organisations				
Public corporations and private enterprises				
Non-profit institutions				
Households			Payments of leave gratuity for former employees and claims for injury on duty	39
<b>Payments for capital assets</b>		<b>(1 400)</b>		<b>1 829</b>
Buildings and other fixed structures				
Machinery and equipment			Purchase of E-Government buses for Ntirhisano programme that offer Wi-Fi services; and procurement of air conditioners.	1 829
Heritage assets				
Specialised military assets				
Biological assets				
Land and sub-soil assets				
Software and other intangible assets	Fire wall upgrade expenditure has been reduced to reprioritize purchase of e-Government buses relating to the Ntirhisano programme.	(1 400)		
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(141 506)</b>		<b>107 544</b>

**Function shift: R1.3 million**

The migration of the EHWP function to the Office of the Premier as from 1<sup>st</sup> October 2016 results in the reallocation of R2. 2 million to the Office of the Premier to fund the operational requirements of the migrated function.

An amount of R842 000 is received from the Gauteng Provincial Treasury for three employees (from Document Management Centre) who were transferred, together with their budget, to the Provincial Treasury in 2015/16 and a decision was taken later to return them to e-Government.

**Provincial roll-overs: R1. 9 million**

An amount of R1.9 million is allocated as a rollover in order to provide funding for the completion of the SAP functional upgrades and enhancement to include SAP E-tendering systems, SAP Treasury and Risk solution, SAP supplier self-services and SAP vendor rotation.

**Virements and shifts**

The programme reallocates R69 million from compensation of employee's budget to fund spending pressures within and the balance of R33.9 million is re-allocated to cater for priority projects under programme 2: Policy Planning, Strategy Development and support Services. Furthermore funds are shifted to cater for priority projects under goods and services for the website redesign and e-mail as a service project.

R22.8 million is transferred to Wits University, Tshimologong Precinct, for the operation and management of the DAV centre that will evaluate and pilot ICT projects for the GPG before the rollout of such ICT projects in the province.

An amount of R39 000 is reallocated from the centralised budget for transfers to households in Human Capital Management to provide for leave gratuity and injury on duty expenditure and R1.4 million is reallocated to provide for the Ntirhisano buses.

**Additional provincial funding : R36 million**

The department receives an additional amount of R36 million to fund a budget shortfall for Microsoft licenses caused by the variance between the exchange spot rate and the rate at which respective departments had based their provisions for the licenses.

**Programme 4: Regulations, Compliance and Public Relations**

TABLE 13.8: PROGRAMME: REGULATIONS, COMPLIANCE AND PUBLIC RELATIONS

Sub programmes	Main Appropriation	2016/17 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		
<b>R thousand</b>										
1. Programme Support: Regulations	1 784				(1 784)				(1 784)	
2. Regulations And Compliance	11 375				(11 375)				(11 375)	
3. Public Relations And Oversight	11 375				(1 782)				(1 782)	9 593
<b>Total for programme</b>	<b>24 534</b>				<b>(14 941)</b>				<b>(14 941)</b>	<b>9 593</b>

  

Economic classification	Main Appropriation	2016/17 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		
<b>R thousand</b>										
<b>Current payments</b>	<b>24 534</b>				<b>(14 941)</b>				<b>(14 941)</b>	<b>9 593</b>
Compensation of employees	24 534				(21 940)				(21 940)	2 594
Goods and services					6 999				6 999	6 999
Interest and rent on land										
Interest (Incl. interest on finance leases)										
Rent on land										
<b>Transfers and subsidies</b>										
Provinces and municipalities										

Economic classification	Main Appropriation	2016/17 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		
<b>R thousand</b>										
Departmental agencies and accounts										
Higher education institutions										
Foreign governments and international organisations										
Public corporations and private enterprises										
Non-profit institutions										
Households										
<b>Payments for capital assets</b>										
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										
<b>Payments for financial assets</b>										
<b>Total economic classification</b>	<b>24 534</b>				<b>(14 941)</b>				<b>(14 941)</b>	<b>9 593</b>

TABLE 13.9: DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 4: REGULATIONS, COMPLIANCE AND PUBLIC RELATIONS

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(21 940)</b>		<b>6 999</b>
Compensation of employees	Unused funds are as a result of the department's organizational structure that was not approved by DPSC in time for implementation in the current financial year.	(21 940)		
Goods and services			Provision of subscription to research and advisory professionals	6 999
Interest and rent on land				
<b>Transfers and subsidies</b>				
Provinces and municipalities				
Departmental agencies and accounts				
Higher education institutions				
Foreign governments and international organisations				
Public corporations and private enterprises				
Non-profit institutions				
Households				
<b>Payments for capital assets</b>				
Buildings and other fixed structures				
Machinery and equipment				
Heritage assets				
Specialised military assets				
Biological assets				

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		(21 940)		<b>6 999</b>
Land and sub-soil assets				
Software and other intangible assets				
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		(21 940)		<b>6 999</b>

### Virements and shifts

After providing R7 million for expenditure relating to subscription to research and advisory professionals in the programme, the balance amounting to R14.9 million from the funds for vacant posts is reallocated to Programme 2 to be used for increasing the number of sites to be provided with connectivity and for providing e-services connectivity of tablets and Wi-Fi connectivity through Ntirhisano buses.

## 5. Expenditure 2015/16 and preliminary expenditure 2016/17

TABLE 13.10: EXPENDITURE 2015/16 AND PRELIMINARY EXPENDITURE 16/17

Department	2015/16				2016/17		
	Expenditure Outcome				Preliminary expenditure		
	Adjusted appropriation	April 2015 - September 2015	April 2015 - March 2016	April 2015 - March 2016 as a % of adjusted appropriation	Adjusted appropriation	April 2016-September 2016	% change 15/16-16/17 Apr-Sept
<b>R thousand</b>							
1. Administration	179 912	71 752	156 024	87%	194 819	76 467	7%
2. Policy Planning, Strategy Development and Support Service	382 462	204 792	476 082	125%	503 913	185 870	(9%)
3. Solutions, Systems and Operations	616 429	279 164	523 947	85%	554 861	233 851	(16%)
4. Regulations, Compliance and Public Relations					9 593	189	
<b>Total for programs</b>	<b>1 178 803</b>	<b>555 708</b>	<b>1 156 053</b>	<b>98%</b>	<b>1 263 186</b>	<b>496 377</b>	<b>(11%)</b>
<b>Current payments</b>	<b>1 022 905</b>	<b>452 992</b>	<b>779 757</b>	<b>76%</b>	<b>1 211 631</b>	<b>478 737</b>	<b>15%</b>
Compensation of employees	301 464	139 541	271 830	90%	324 546	155 458	11%
Goods and Services	721 441	313 451	507 927	70%	887 085	323 279	3%
Interest and rent on land							
<b>Transfers and subsidies</b>	<b>525</b>	<b>444</b>	<b>23 498</b>	<b>4476%</b>	<b>23 350</b>	<b>190</b>	<b>(57%)</b>
Provinces and municipalities							
Departmental agencies and accounts							
Universities and technikons			22 800				
Foreign governments & international organisations							
Public corporations & private enterprises							
Non-profit institutions							
Households	525	444	698	133%	23 350	190	(57%)
<b>Payments for capital assets</b>	<b>155 373</b>	<b>102 272</b>	<b>352 457</b>	<b>227%</b>	<b>28 205</b>	<b>17 448</b>	<b>(83%)</b>
Buildings and other fixed structures							
Machinery and equipment	47 869	2 272	250 431	661%		17 448	668%
Heritage assets							
Specialised military assets							
Biological assets							

Land and sub-soil assets							
Software and other intangible assets	107 504	100 000	102 026	87%	28 205		
Payments for financial assets			341			2	
<b>Total economic classification</b>	<b>1 178 803</b>	<b>555 709</b>	<b>1 156 053</b>	<b>98%</b>	<b>1 263 186</b>	<b>496 377</b>	<b>(11%)</b>

### Expenditure trends for 2015/16

The department's total expenditure for the 2015/16 financial year amounted to R1.1 billion against the total budget of R1.2 billion, an underspending of R22.7 million was realised, mainly due to certain projects that were initiated but not completed by the end of 2015/16 financial year, namely, the refurbishment of 75 Fox Street, the conversion of the canteen into office space and the SAP functional upgrade.

### Expenditure trends for the first half of 2016/17

The adjusted appropriation for the 2015/16 financial year amounted to R1.1 billion in comparison to R1.3 billion in 2016/17 financial year. The main cost drivers in 2015/16 were GBN, software licences for Sita services, GPG information security maintenance, internet charges, utilities, property payments and data services. At financial year-end an amount of R22.7 million was not spent mainly due to funded vacant post and incompleteness of SAP functional upgrade, ground floor security booth at 75 Fox Street building, security scanners and refurbishment of Imbumba House projects.

The total expenditure for the department amounts to R555.7 million in the first six months of 2015/16 financial year in comparison to an amount of R496.3 million that is spent in the same period in 2016/17 financial year, which is 11 percent lower. The main factor being the once-off payment for software licences that was made in 2015/16 (SAP ERP licences agreement (UDD))

### Expenditure trends for the first half of 2016/17

#### Programme 1: Administration

Spending amounts to R76 million in the first half of 2016/17, compared to R71 million spent in 2015/16 during the same period. The main drivers for the expenditure during the period under review in Programme 1 are the payments for performance bonuses and notch progression for qualifying officials, including expenditure arising from the commencement of the refurbishment of 75 Fox Street building project during the second quarter.

#### Programme 2: Policy Planning, Strategy Development and Support Service

The aggregate expenditure incurred during the first half of 2016/17 amounts to R185 million, which is 10 percent lower than the R205 million expenditure outlay during the corresponding period in 2015/16. This variance is caused by the expenditure incurred in respect of the capital acquisitions relating to the rollout of the Gauteng Broadband Network project.

#### Programme 3: Solutions, Systems and Operations

Spending for the first half of the 2016/17 financial year amounts to R233 million, relative to R279 million expenditure incurred during the corresponding period in the 2015/16 financial year, which is 18 percent lower year-on-year. The renewal of SAP's UDD software licences is main cause of the variance.

#### Programme 4: Regulations, Compliance and Public Relations

This programme was created in the current financial year, spending is currently on compensation of employee's budget.

## 6. Departmental receipts

TABLE 13.11: DEPARTMENTAL RECEIPTS

Department	2015/16				2016/17		
	Audited Outcome				Actual Receipts		
	Adjusted appropriation	April 2015 - Sep 2015	April 2015 - Mar 2016	April 2015 - March 2016 as a % of adjusted appropriation	Adjusted appropriation	Apr 2016-Sep 2016	% change 15/16-16/17 Apr-Sept
<b>R thousand</b>							
<b>Tax receipts</b>							
Casino taxes							
Horse racing taxes							
Liquor licences							

Department	2015/16				2016/17		
	Audited Outcome				Actual Receipts		
R thousand	Adjusted appropriation	April 2015 - Sep 2015	April 2015 - Mar 2016	April 2015 - March 2016 as a % of adjusted appropriation	Adjusted appropriation	Apr 2016-Sep 2016	% change 15/16-16/17 Apr-Sept
Motor vehicle licences							
Sales of goods and services other than capital assets	744	333	572	77%	538	248	(26%)
Of which Health patient fees							
Transfers received							
Fines, penalties and forfeits	10	4	11	100%	11	2	(50%)
Interest, dividends and rent on land							
Sales of capital assets							
Financial transactions in assets and liabilities	160	540	1224	765%	39	6	(99%)
<b>Total</b>	<b>914</b>	<b>877</b>	<b>1 807</b>	<b>198%</b>	<b>588</b>	<b>256</b>	<b>(71%)</b>

### Revenue trends for the first half of 2016/17

The departmental revenue comprises of sale of goods and services other than capital assets namely: parking fees, commission on garnishee orders, gym fees, sale of tender documents and replacement of security cards; interest on outstanding debts; and financial transactions in assets and liabilities which includes receipts of previous years' expenditure.

The revenue estimates from previous financial year has decreased from R914 000 to R588 000 in the current financial year. The department is anticipating to collect below its 2016/17 financial year projection and is therefore adjusting the main projection to R589, 000. The reason for the 2016/17 adjustment being that the Department's revenue projections were overstated. The number of employees, on which the revenue depends, has been reducing based on the migration of functions from the Department of e-Government to other provincial departments.

Revenue collection for the current financial year as at 30 September is R256, 000 and this represents a decrease of 71 percent as compared to the 2015/16 financial year in the second quarter. Own revenue generated from sales of goods and services decreased by 26 percent from 2015/16 and 2016/17 financial years. Fines, penalties and forfeits have decreased by 50 per cent. The sales of goods and services is R248, 000 in 2016/17 compared to R333 000 in 2015/16 while fines, penalties and forfeits actual collection is R2, 000 compared to R4 000 in 2015/16. Financial transactions in assets and liabilities contribute R6 000 which is a 99 percent decrease from the 2015/16 collection.

## 7. Changes to transfers and subsidies

TABLE 13.11: DEPARTMENTAL TRANSFERS AND SUBSIDIES

R thousand	Main Appropriation	2016/17 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		
Solutions, Systems and Operations										
Higher education institutions					22 800				22 800	22 800
<b>Total</b>					<b>22 800</b>				<b>22 800</b>	<b>22 800</b>

An amount of R22.8 million is allocated for the management, maintenance and operations of the Design and Validation Centre (DAV centre) under Wits University Tshimologong Precinct that is responsible for evaluating and piloting the GPG ICT projects before the rollout of such projects in the province. The partnership is aimed at realizing ICT innovations and efficiencies.