

VOTE 14

GAUTENG PROVINCIAL TREASURY

R thousand	2016/17			
	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated				
of which:	607 394	641 552		34 158
Current payments	552 102	524 608	(27 494)	
Transfers and subsidies	52 888	112 540		59 652
Payments for capital assets	2 404	4 404		2 000
Payment for financial assets				
Executive authority	MEC for Finance			
Accounting officer	Head of Department			

1. Vision and Mission

Vision

To provide strategic leadership in financial and fiscal matters to ensure sustainable and inclusive social and economic development of the people of Gauteng so that all may enjoy value for money services of the highest quality

Mission

We are an activist Treasury that enables and promotes quality service delivery for the citizens of Gauteng through:

- Sustainable financing and funding that ensures developmentally focused allocation of resources and innovative revenue generation;
- Efficient cash management that ensures sustainable liquidity levels in the province;
- Effective financial management and reporting that ensures responsible stewardship and transparent resource utilization and expenditure; and
- A well-structured governance framework that ensures accountability, transparency and fiscal discipline in line with statutory obligations.

2. Changes to programme purpose, objective and measures

No changes.

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

TABLE 14.1: GAUTENG PROVINCIAL TREASURY

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 thousands										
1. Administration	121 342				2 000				2 000	123 342
2. Sustainable Fiscal										
3. Resource Management	149 645				(10 000)			35 000	25 000	174 645
4. Financial Governance	128 028	(842)			5 350				4 508	132 536
5. Provincial Supply Chain Management	91 537				4 100				4 100	95 637
6. Municipal Financial Governance	36 303				1 550				1 550	37 853
7. Gauteng Audit Services	80 539				(3 000)				(3 000)	77 539
Total for programmes	607 394	(842)						35 000	34 158	641 552

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 thousands										
Current payments	552 102	(842)			(26 652)				(27 494)	524 608
Compensation of employees	453 361	(842)			(34 052)				(34 894)	418 467
Salaries & wages	385 698	(842)			(29 140)				(29 982)	355 716
Social contribution	67 663				(4 912)				(4 912)	62 751
Goods and services	98 741				7 400				7 400	106 141
Interest and rent on land										
Transfers and subsidies	52 888				24 652			35 000	59 652	112 540
Departmental agencies and accounts	52 650				23 955			35 000	58 955	111 605
Public corporations and private enterprises										
Non-profit institutions										
Households	238				697				697	935
Payments for capital assets	2 404				2 000				2 000	4 404
Buildings and other fixed structures										
Machinery and equipment	2 404				2 000				2 000	4 404
Software and other intangible assets										
Payments for financial assets										
Total economic classification	607 394	(842)						35 000	34 158	641 552

The main appropriation increases by R34.1 million from R607.3 million to R641.5 million during the adjustment budget process. The department suspends an amount of R842 000 to the Department of e-Government in respect of three employees who migrated to the invoice scanning function under Document Management Centre (DMC).

An additional funding of R35 million is received by Gauteng Infrastructure Funding Agency (GIFA) to provide a capital amount for the Project Preparation Facility (PPF) from which the feasibility studies for infrastructure projects are funded. This will contribute towards providing alternative funding for government programmes and projects.

The department redirects an unutilized amount of R34 million from funded vacant posts emanating from delays in the approval of organisational structure. These funds are reallocated to fund goods and services amounting to R7.4 million; capital assets amounting to R2 million; and transfers and subsidies amounting to R24.6 million. The increase in transfers and subsidies includes R15 million allocated to GIFA to augment funding for the PPF and R8.9 million for a new transfer to the the South African Supplier Diversity Council (SASDC). The aim of the partnership with SASDC is for SMME development and industrial growth within Gauteng Province, with an aim of enhancing Township Economy Revitalization programme and strategy, which will promote access to markets for township based businesses. R697 000 is allocated to cater for injury on duty claims and leave gratuity payments to employees exiting the public sector.

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

Programme 1: Administration

TABLE 14.2: PROGRAMME 1: ADMINISTRATION

Sub-programme	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. Office of the MEC	8 270									8 270
2. Office of the HOD	16 789				600				600	17 389
3. Corporate Management	70 936				(162)				(162)	70 774
4. Financial Management Services (CFO)	25 347				1 562				1 562	26 909
Total for programme	121 342				2 000				2 000	123 342

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										
Current payments	120 100				(65)				(65)	120 035
Compensation of employees	78 862				(65)				(65)	78 797
Salaries & wages	63 680				(65)				(65)	63 615
Social contribution	15 182									15 182
Goods and services	41 238									41 238
Interest and rent on land										
Rent on land										
Transfers and subsidies	238				65				65	303
Provinces and municipalities										
Departmental agencies and accounts										
Higher education institutions										
Foreign governments and international organisations										
Public corporations and private enterprises										
Non-profit institutions										
Households	238				65				65	303
Payments for capital assets	1 004				2 000				2 000	3 004
Buildings and other fixed structures										
Machinery and equipment	1 004				2 000				2 000	3 004
Heritage assets										
Specialised military 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		
R thousand										
Biological assets										
Land and sub-soil assets										
Software and other intangible assets										
Payments for financial assets										
Total economic classification	121 342				2 000				2 000	123 342

TABLE 14.3: DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 1: ADMINISTRATION

Economic classification	Motivation	From	Motivation	To
Current payments		(4 925)		4 860
Compensation of employees	Alignment of salaries and wages with social contributions within the budget for compensation of employees	(65)		
Goods and services	Funds became available due to lower than expected expenditure relating to municipal costs caused by sharing costs with the Department of e-Government. The department also implemented cost cutting strategies on non-core items	(4 860)	Provision for operational requirements such as operational leases, travel and subsistence, payment of legal costs incurred by the department, fleet services and Microsoft licenses	4 860
Interest and rent on land				
Transfers and subsidies				65
Departmental agencies and accounts				
Public corporations and private enterprises				
Non-profit institutions				
Households			Payment of leave gratuity for former employees and claims for injury on duty	65
Payments for capital assets				2 000
Buildings and other fixed structures				
Machinery and equipment			Purchase of laptops for new employees	2 000
Software and other intangible assets				
Payments for financial assets				
Total economic classification		(4 925)		6 925

Virements and shifts

The programme receives an amount of R2 million from Programme 2: Sustainable Fiscal Resource Management to procure new laptops and desktops for employees. An amount of R4.8 million is attributed to GPT currently sharing the building with the Department of E-Government which results in the reduction in municipal costs and is attributed to the implementation of cost cutting strategies under non-core items such as communication, venues and facilities and advertising. These funds are directed to operational expenses such as operating leases, computer services, legal services and fleet services.

An amount of R65 000 is shifted from compensation of employees to increase transfers to households to make provision for leave gratuity payments.

Programme 2: Sustainable Fiscal Resource Management

TABLE 14.4: PROGRAMME 2: SUSTAINABLE FISCAL RESOURCE MANAGEMENT

Sub-programme	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. Programme Support/Office of DDG	59 166				14 779			35 000	49 779	108 945
2. Budget Management	21 483				(4 750)				(4 750)	16 733
3. Economic & Fiscal Policy Oversight	12 058				(990)				(990)	11 068
4. Infrastructure Management	27 734				(20 539)				(20 539)	7 195
5. Financial & Asset & Liability Management	12 040				(2 500)				(2 500)	9 540
6. Public Finance	17 164				4 000				4 000	21 164
Total for programme	149 645				(10 000)			35 000	25 000	174 645

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										
Current payments	95 595				(25 032)				(25 032)	70 563
Compensation of employees	71 629				(10 032)				(10 032)	61 597
Salaries & wages	61 165				(6 870)				(6 870)	54 295
Social contributions	10 464				(3 162)				(3 162)	7 302
Goods and services	23 966				(15 000)				(15 000)	8 966
Interest and rent on land										
Transfers and subsidies	52 650				15 032			35 000	50 032	102 682
Departmental agencies and accounts	52 650				15 000			35 000	50 000	102 650
Public corporations and private enterprises										
Non-profit institutions										
Households					32				32	32
Payments for capital assets	1 400									1 400
Buildings and other fixed structures										
Machinery and equipment	1 400									1 400
Software and other intangible assets										
Payments for financial assets										
Total economic classification	149 645				(10 000)			35 000	25 000	174 645

TABLE 14.5: DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 2: SUSTAINABLE FISCAL RESOURCE MANAGEMENT

Economic classification	Motivation	From	Motivation	To
Current payments		(29 283)		4 251
Compensation of employees	Unused funds result from the organizational structure that is not yet approved by the DPSA	(14 032)	Funds from COE redirected to critical posts within the departmental programmes as per the current departmental structure	4 000

Economic classification	Motivation	From	Motivation	To
Goods and services	Requirements of the provincial infrastructure function reviewed and streamlined. Unutilized funds being reprioritised	(15 251)	Provision for the printing of government gazettes in respect of provincial budget	251
Interest and rent on land				
Transfers and subsidies				15 032
Provinces and municipalities			Funds directed to the Project Preparation Facility under GIFA, which conducts feasibility studies on infrastructure projects	15 000
Departmental agencies and accounts				
Public corporations and private enterprises				
Non-profit institutions			Funds required to pay leave gratuity and injury on duty claims	32
Households				
Payments for capital assets				
Buildings and other fixed structures				
Machinery and equipment				
Land and sub-soil assets				
Software and other intangible assets				
Payments for financial assets				
Total economic classification		(29 283)		19 283

Virements and shifts

From unutilized funds for vacant posts, R10 million is reallocated to other programmes within the department. Unspent funds result from the new organisational structure not being implemented whilst awaiting approval from the DPSA.

Within the programme, R4 million is reallocated from unutilized personnel budget for vacant posts to fund critical posts and personnel requirements of business units. A balance of R32 000 from unutilized personnel budget is reallocated towards transfers to households to provide for the payment of leave gratuity and injury on duty claims.

The streamlining of the provincial infrastructure function availed funds that could be reallocated for prioritized interventions to improve service delivery. Therefore, R15 million from the provincial infrastructure function under goods and services is reallocated to increase the capital amount required for the Project Preparation Facility within GIFA. In line with provincial cost containment measures, there is a reduction in the use of hired venues and departmental catering that has availed R251 000 from the budget for goods and services; this amount is reallocated towards the printing of GPG publications such as the provincial budget books and economic reviews.

Additional provincial funding: R35 million

Additional funding of R35 million is allocated to GIFA to build up a capital amount for the Project Preparation Facility, the PPF conducts feasibility studies for infrastructure projects. There has been a rising demand in feasibility studies based on increased number of projects submitted for PPF funding. Feasibility studies cost between R5 million and R15 million per project and it is envisaged that this facility will become self-sustaining as feasibility costs spent will be recovered when projects reach financial close.

Programme 3: Financial Governance

TABLE 14.6: PROGRAMME 3: FINANCIAL GOVERNANCE

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. Programme Support/ Office of the DDG	4 315				(751)				(751)	3 564
2. Provincial Accounting Services	53 597				(4 395)				(4 395)	49 202
3. Provincial Forensic Audits	23 171				3 500				3 500	26 671

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										
4. Transversal Internal Audit and Risk Management	16 797				-				-	16 797
5. Compliance	6 948				3 008				3 008	9 956
6. Financial Information Management Systems	23 200				3 988				3 146	26 346
Total for programme	128 028				5 350				4 508	132 536

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										
Current payments	128 028	(842)			5 180				4 338	132 366
Compensation of employees	116 097	(842)			(170)				(1 012)	115 085
Salaries & wages	98 888	(842)			1 580				738	99 626
Social contributions	17 209				(1 750)				(1 750)	15 459
Goods and services	11 931				5 350				5 350	17 281
Interest and rent on land										
Transfers and subsidies					170				170	170
Departmental agencies and accounts										
Public corporations and private enterprises										
Non-profit institutions										
Households					170				170	170
Payments for capital assets										
Buildings and other fixed structures										
Machinery and equipment										
Software and other intangible assets										
Payments for financial assets										
Total economic classification	128 028	(842)			5 350				4 508	132 536

TABLE 14.7: DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 3: FINANCIAL GOVERNANCE

Economic classification	Motivation	From	Motivation	To
Current payments		(42 181)		47 361
Compensation of employees	Funds for unfilled posts due to the unapproved structure	(41 411)	Funds from COE redirected to critical posts within the programme as per the current departmental structure	41 241
Goods and services	Lower spending on advertising; and higher use of government venues to lower the costs	(770)	Provision for software licences and travelling costs as per the department's continuous stakeholder engagements	6 120
Interest and rent on land				
Transfers and subsidies				170
Departmental agencies and accounts				
Public corporations and private enterprises				
Non-profit institutions				

Economic classification	Motivation	From	Motivation	To
Households			Funds directed to the payment of leave gratuity and injury on duty claims	170
Payments for capital assets				
Buildings and other fixed structures				
Machinery and equipment				
Software and other intangible assets				
Payments for financial assets				
Total economic classification		(42 181)		47 531

Suspension: R842 000

An amount of R842 000 is suspended to the Department of e-Government for three employees who migrated to the invoice scanning function under the Document Management Centre. The realignment of functions aims to improve efficiency in service delivery.

Virements and shifts

The programme receives R5.3 million from Programme 2 to provide for the provincial forensic assignments undertaken to improve transparency and accountability in the use of public resources; training on annual financial statements to improve financial reporting; and software licences for an electronic system that automates the provincial reporting process. Unutilized funds in goods and services results from the implementation of cost-saving measures on advertising and promoting the use of government venues to lower the expenditure.

An amount of R170 000 is reallocated from compensation of employees to transfers to households to provide for leave gratuity payments, injury on duty claims and severance packages.

Programme 4: Provincial Supply Chain Management

TABLE 14.8: PROGRAMME 4: PROVINCIAL SUPPLY CHAIN MANAGEMENT

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 thousands										
1. Programme Support/ Office of the DDG	20 047				8 000				8 000	28 047
2.SCM Policy, Norms & Standards	10 000				(3 900)				(3 900)	6 100
3.Governance, Compliance, Monitoring & Evaluation	4 836									4 836
4.SCM Client Support	31 025									31 025
5.Strategic Procurement	7 868									7 868
6.Transversal Contract Management	17 761									17 761
Total for programme	91 537				4 100				4 100	95 637

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										
Current payments	91 537				(5 220)				(5 220)	86 317
Compensation of employees	77 013				(13 220)				(13 220)	63 793
Salaries & wages	66 240				(13 220)				(13 220)	53 020
Social contributions	10 773									10 773
Goods and services	14 524				8 000				8 000	22 524
Interest and rent on land										

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										
Transfers and subsidies					9 320				9 320	9 320
Departmental agencies and accounts					8 955				8 955	8 955
Public corporations and private enterprises										
Non-profit institutions										
Households					365				365	365
Payments for capital assets										
Buildings and other fixed structures										
Machinery and equipment										
Software and other intangible assets										
Payments for financial assets										
Total economic classification	91 537				4 100				4 100	95 637

TABLE 14.9: DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 4: PROVINCIAL SUPPLY CHAIN MANAGEMENT

Economic classification	Motivation	From	Motivation	To
Current payments		(13 276)		8 056
Compensation of employees	Underspending on compensation of employees is due to non-approval of the structure	(13 220)		
Goods and services	Cost-saving applied on operating payments under the support function within the programme	(56)	Funds shifted to fund probity audits on tenders above R50 million and the hosting of the Open Tender Seminar	8 056
Interest and rent on land				
Transfers and subsidies				9 320
Departmental agencies and accounts			Transfer to SASDC to facilitate SMME development and industrial growth for the province with the aim of enhancing Township Economy Revitalization	8 955
Public corporations and private enterprises				
Non-profit institutions				
Households			Funds redirected from personnel to fund leave gratuity payments for employees that exit the department	365
Payments for capital assets				
Buildings and other fixed structures				
Machinery and equipment				
Software and other intangible assets				
Payments for financial assets				
Total economic classification		(13 276)		17 376

Virements and shifts

The programme receives an amount of R4.1 million from Programme 2 and Programme 6: Gauteng Audit Services in order to fund the Open Tender Seminar which aims to restore public confidence in the procurement processes of the provincial government.

The department shifts a total amount of R13.3 million within the programme in order to fund probity audits for open tenders valued above R50 million, advertising campaign for the Open Tender Seminar and a new transfer to the South African Supplier Diversity Council to support and develop the SMMEs within Gauteng Province.

Included in the total amount is R365 000 reallocated from compensation of employees to household transfers to pay for leave gratuity and severance packages to officials who resigned from the public sector.

Also included in the total amount is R8.9 million that is allocated for a new transfer to the the South African Supplier Diversity Council. The aim of the partnership with SASDC is the SMME development and industrial growth within Gauteng Province in line with the Township Economy Revitalization programme and strategy, which will promote access to markets for township based businesses. Mechanisms include facilitating the development of sustainable enterprises through incubators and other forms of interventions; and developing a pool of sustainable Black Owned (BO), Black Woman Owned (BWO) and local suppliers within South Africa.

Programme 5: Municipal Financial Governance

TABLE 14.10: PROGRAMME 5: MUNICIPAL FINANCIAL GOVERNANCE

Sub-programme	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. Program Support/ Office of the DDG	5 374				32 479				32 479	37 853
2. Local Government Financial Services	12 305				(12 305)				(12 305)	
3. Municipal Accounting and Asset Management	12 249				(12 249)				(12 249)	
4. Municipal Compliance and Financial Management Support	6 375				(6 375)				(6 375)	
Total for programme	36 303				1 550				1 550	37 853

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										
Current payments	36 303				1 500				1 500	37 803
Compensation of employees	35 130				(4 050)				(4 050)	31 080
Salaries & wages	30 021				(4 050)				(4 050)	25 971
Social contributions	5 109									5 109
Goods and services	1 173				5 550				5 550	6 723
Interest and rent on land										
Transfers and subsidies					50				50	50
Departmental agencies and accounts										
Public corporations and private enterprises										
Non-profit institutions										
Households					50				50	50
Payments for capital assets										
Buildings and other fixed structures										
Machinery and equipment										
Software and other intangible assets										
Payments for financial assets										
Total economic classification	36 303				1 550				1 550	37 853

TABLE 14.11: DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 5: MUNICIPAL FINANCIAL GOVERNANCE

Economic classification	Motivation	From	Motivation	To
Current payments		(31 114)		32 614
Compensation of employees	Available budget resulting from vacant posts due to the department's unapproved structure	(30 979)	COE budget restructuring due to the departments unapproved personnel structure.	26 929
Goods and services	Reallocation of funds identified after a review of licence fees	(135)	Funds directed to the departments critical funding areas i.e. legal support for litigation cases in Emfuleni Local Municipality and the data cleansing project	5 685
Interest and rent on land				
Transfers and subsidies				50
Departmental agencies and accounts				
Public corporations and private enterprises				
Non-profit institutions				
Households			Payment of leave gratuity and injury on duty claims	50
Payments for capital assets				
Buildings and other fixed structures				
Machinery and equipment				
Software and other intangible assets				
Payments for financial assets				
Total economic classification		(31 114)		32 664

Virements and shifts

The programme receives a total amount of R1.5 million from Programme 2 to fund legal support interventions in Emfuleni Local Municipality. Funds shift within the programme includes realignment of budget for compensation of employees with current operational requirements. R5.6 million is shifted for the data cleansing project which is meant for the detection of unconfirmed government properties and the verification of accounts information which will assist in the reduction of municipal debt. R50 000 is shifted from compensation of employees to household transfers to pay leave gratuity and injury on duty claims.

Programme 6: Gauteng Audit Services

TABLE 14.12: PROGRAMME 6: GAUTENG AUDIT SERVICES

Sub-Programme	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. Programme Support/ Office of the DDG	7 981				3 280				3 280	11 261
2. Risk and Compliance Audit Services (Cluster 1,2,3)	25 378				(3 780)				(3 780)	21 598
3. Risk and Compliance Audit Services (Cluster 4,5,6)	25 487									25 487
4. Performance and Computer Audit Services	21 693				(2 772)				(2 772)	18 921
5. Financial Audit and Risk Compliance					272				272	272
Total for Programme	80 539				(3 000)				(3 000)	77 539

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										
Current payments	80 539				(3 015)				(3 015)	77 524
Compensation of employees	74 630				(6 515)				(6 515)	68 115
Salaries & wages	65 704				(6 515)				(6 515)	59 189
Social contributions	8 926									8 926
Goods and services	5 909				3 500				3 500	9 409
Interest and rent on land										
Transfers and subsidies					15				15	15
Departmental agencies and accounts										
Public corporations and private enterprises										
Non-profit institutions										
Households					15				15	15
Payments for capital assets										
Buildings and other fixed structures										
Machinery and equipment										
Software and other intangible assets										
Payments for financial assets										
Total economic classification	80 539				(3 000)				(3 000)	77 539

TABLE 14.13: DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 6: GAUTENG AUDIT SERVICES

Economic classification	Motivation	From	Motivation	To
Current payments		(7 051)		4 036
Compensation of employees	Funds from vacant posts due to the unapproved budget personnel structure	(6 887)	To fund other critical posts within the programme.	372
Goods and services	Cost-saving applied on operating payments under the support function within the programme	(164)	Funds directed to the probity audits that are conducted on tenders above R50 million and to the open tender seminar	3 664
Interest and rent on land				
Transfers and subsidies				15
Provinces and municipalities				
Departmental agencies and accounts				
Higher education institutions				
Foreign governments and international organisations				
Public corporations and private enterprises				
Non-profit institutions				
Households			Funds redirected to the payment of leave gratuity	15
Payments for capital assets				
Buildings and other fixed structures				
Machinery and equipment				
Heritage assets				
Specialised military assets				
Biological assets				
Land and sub-soil assets				
Software and other intangible assets				

Economic classification	Motivation	From	Motivation	To
Payments for financial assets				
Total economic classification		(7 051)		4 051

Virements and shifts

The programme shifts an amount of R3.6 million from compensation of employees to goods and services in order to fund the outsourcing of specialized audit services in order eliminate backlogs in the project of addressing the recommendations of the Auditor-General regarding annual audit, subscriptions to publications of professional bodies such as the Institute of Internal Audits (IIA) and the South African Institute of Chartered Accountants (SAICA). Unutilized funds for vacant posts due to the department's unapproved personnel structure are reallocated to Programme 4.

An amount of R15 000 is shifted from the budget for compensation of employees to pay leave gratuity and injury on duty claims under transfers and subsidies.

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

TABLE 14.14: EXPENDITURE 2015/16 AND PRELIMINARY EXPENDITURE 2016/17

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
R thousand							
1. Administration	120 853	48 847	106 291	88%	123 342	62 993	29%
2. Sustainable Fiscal Resource Management	194 500	99 773	183 041	94%	174 645	86 423	(13%)
3. Financial Governance	128 478	65 971	124 477	97%	132 536	66 155	0%
4. Provincial Supply Chain Management	58 907	27 115	56 456	96%	95637	27 931	3%
5. Municipal Financial Governance	32 777	14 993	29 995	92%	37853	15 913	6%
6. Gauteng Audit Services	73 756	26 997	55 724	76%	77 539	40 531	50%
Total for programmes	609 271	283 696	555 984	91%	641 552	299 946	6%

Current payments	481 973	213 125	429 839	89%	524 608	246 574	53%
Compensation of employees	391 434	182 959	365 142	93%	418 467	203 706	11%
Goods and Services	90 539	30 166	64 697	71%	106 141	42 868	42%
Interest and rent on land							
Transfers and subsidies	120 604	70 314	120 658	100%	112 540	53 261	70%
Provinces and municipalities							
Departmental agencies and accounts	120 000	70 000	120 000	100%	111 605	52 650	(25%)
Universities and technikons							
Foreign governments & international organisations							
Public corporations & private enterprises							
Non-profit institutions							
Households	604	314	658	109%	935	611	95%
Payments for capital assets	6 694	257	5 487	82%	4 404	111	(57%)
Buildings and other fixed structures							
Machinery and equipment	6 694	257	5 487	82%	4 404	111	(57%)
Heritage assets							
Specialised military assets							

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
R thousand							
Biological assets							
Land and sub-soil assets							
Software and other intangible assets							
Payments for financial assets							
Total economic classification	609 271	283 696	555 984	91%	641 552	299 946	6%

Expenditure trends for 2015/16

The adjusted budget for the 2015/16 financial year amounted to R609.3 million. This amount included personnel budget of R391.4 million; and goods and services totalling R90.5 million to provide for various key funding priorities such as printing of treasury publications, costs of utilities, training and development for GPG departments and municipalities as well as audit costs. Funds allocated for transfers totalled R120.6 million (comprising of R120 million for GIFA and R604 000 for injury on duty claims and leave gratuity payments to former officials; and payments for capital assets totalling to R6.7 million for the office equipment.

The department spent R555.9 million (or 91 percent of the total budget) in 2015/16. This spending level comprised of 100 percent transfers made to GIFA; 82 percent spending on purchases of office equipment and computer equipment; 76 percent spending on households transfers; and 71 percent spending on goods and services.

Expenditure trends for the first half of 2016/17

Programme 1: Administration

The expenditure for the first six months of the financial year amounts to R62.9 million in 2016/17 financial year, which is 29 percent higher than R48.8 million spent in same period in the previous financial year. The main factors for the increase are payments for software licences, operating leases, legal services, audit fees, training and development.

Programme 2: Sustainable Fiscal Resource Management

The programme spent R86.4 million at the end of September 2016 compared to R99.8 million spent at the end of second quarter in 2015/16. The programme redirected R17 million to fund new priorities in line with the TMR programme.

Programme 3: Financial Governance

The aggregate expenditure for this programme remains the same for six months in this financial year compared to the same period in the previous financial year. R27.1 million was spent as at 30 September 2015 versus R27.9 million spent as at 30 September 2016. The main cost drivers for this programme include the printing of gazettes on municipal matters, software licenses and training and development.

Programme 4: Provincial Supply Chain Management

The increased number of probity audits led to 3 percent increased expenditure compared to the same period last year. Spending was R27.1 million in 2015/16 and R27.9 million in the current financial year. The department's interventions to improve transparency in government's procurement processes and to improve the participation of SMMEs in the supply of goods and services to government are the main cost drivers in the programme. Additional notable expenditure relates to the promotion of the open tender process through the Open Tender Seminar in 2016/17.

Programme 5: Municipal Financial Governance

Compared to the same period in the prior financial year, the overall expenditure for six months of the financial year is 6 percent higher (i.e. from R14.9 million 2015/16 to R15.9 million in 2016/17). The treasury's interventions to support municipalities contribute to this level of spending. Specifically in 2016/17, these interventions include the provision of legal support to Emfuleni Local Municipality.

Programme 6: Gauteng Audit Services

The aggregate expenditure for this programme increases by 50 percent during the first six months in this financial year compared to the same period in the last financial year due to an increased number of audits performed to improve the internal control environment in GPG departments. These audits include outsourced specialized audit services which address the project backlogs in annual audit plans improvement on Auditor-General's recommendations.

6. Departmental receipts

TABLE 14.15: DEPARTMENTAL RECEIPTS

Department	2015/16 Audited Outcome				2016/17 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- Sep
R thousand							
Tax receipts							
Casino taxes							
Sales of goods and services other than capital assets	595	397	555	93%	1 000	455	15%
Fines, penalties and forfeits							
Interest, dividends and rent on land	400 000	290 162	622 676	156%	480 000	268 700	(7%)
Sales of capital assets			214				
Financial transactions in assets and liabilities	395	235	451	114%	400	309	31%
Total receipts	400 900	290 794	623 896	156%	481 400	269 464	(7%)

Revenue trends for the first half of 2016/17

In the first six months of the current financial year, the department collected a total amount of R269.4 million, the amount is 7 percent less compared to the same period in the previous financial year. The increased balances of ring-fenced unspent grants since the beginning of the financial year contribute to an increase in interest revenue earned on positive cash balances. The department's revenue is adjusted to R481.4 million for the current financial year from the main budget of R151.4 million in 2016/17.

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

7.1 Changes to transfers and subsidies

TABLE 14.6: SUMMARY OF CHANGES TO TRANSFERS AND SUBSIDIES

Programme	Main Appropriation	2015/16 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										
Programme 2	52 650									102 650
Departmental agencies and accounts	52 650				15 000			35 000	50 000	102 650
Programme 4										8 955
Departmental agencies and accounts					8 955					8 955
Total changes in transfers and subsidies	52 650				23 955			35 000	25 000	111 605

Transfers and subsidies are adjusted from R52.6 million to R111.6 million because of R50 million allocated to increase transfers to GIFA to provide a capital amount for the Project Preparation Fund and because of R8.9 million new transfer to the South African Supplier Diversity Council to develop SMMs in the province.

7.2 Changes to conditional grants

Not applicable.

7.3 Change to infrastructure

Not applicable.

