

VOTE 14

GAUTENG PROVINCIAL TREASURY

| | |
|---------------------------------------|-----------------------------|
| To be appropriated by vote in 2016/17 | R607 394 000 |
| Responsible MEC | MEC for Finance |
| Administering Department | Gauteng Provincial Treasury |
| Accounting Officer | Head of Department |

1. OVERVIEW

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.

Strategic goals

The strategic objectives for the department are:

- To promote better planning and budgeting synergy across all spheres of government in the province;
- To ensure balanced budgeting and sustainable funding for legislative mandates and strategic priorities of the province;
- To ensure approved financial resources are spent efficiently, effectively and economically across the province;
- To support all departments, entities and municipalities to achieve unqualified audits;
- To promote accountable and transparent financial governance in the province; and
- To ensure statutory obligations are met and that decision-makers facilitate appropriate interventions.

Core functions and responsibilities

The functions or powers of the Gauteng Provincial Treasury (GPT) are described in both the Public Finance Management Act (PFMA), 1999 and the Municipal Finance Management Act, 2003 (Act No 56 of 2003). These can be summarized as follows:

- To manage the budget allocation for the Gauteng Provincial Government (GPG);
- To ensure the instilling of fiscal discipline and corporate governance in the Province;
- To ensure proper cash management;
- To ensure the effective and efficient utilization of resources (that is, value for money and compliance with all relevant legislations);
- To develop, implement and monitor compliance with corporate governance norms and standards relating to provincial and local governments; and
- To ensure adequate financial accountability.

Overview of the main services

The mandate of the Gauteng Provincial Treasury is to promote good governance by providing stewardship on all financial

matters in the province and to ensure that provincial budgets and budgetary processes promote transparency, accountability and the effective financial management of GPG.

The role of GPT is to ensure that strategies are funded through projects and other initiatives that are aligned to the provincial priorities and the principles of Batho Pele. The department aims to eliminate irregular and fruitless expenditure and allocate resources in line with the Gauteng Provincial Ten-Pillar Programme.

The key focus areas over the MTEF are to explore alternative funding sources and other own revenue streams to supplement the fiscus; improve planning synergies between the different spheres of government in order to ensure efficiency in the planning and budgeting processes to ensure that the limited fiscus is spent on provincial priorities; eliminating wastage of resources and enhance transparency and accountability by enhancing investigations through the introduction of business intelligent tools that have digital forensics capabilities to detect and prevent fraud; and also monitor contract management in the province to ensure that services are rendered timeously and in a cost effective manner.

The provincial ten-pillar programme of transformation, modernisation and re-industrialisation will continue to be one of guiding framework for resource allocation in the province. The GPT will strive to improve efficiency in the government machinery and processes through interventions such as cash management and in-year-monitoring processes in order to improve operational efficiencies and the quality and credibility of data; stabilization of the GPG wage bill and improvement on the delivery on infrastructure projects in order to stimulate economic growth and contribute towards job creation.

The department will also continue to lead the reform of the public procurement system, with the open tender process being rolled out to more projects in all departments. The 30 day payment of suppliers is an important provincial priority and the 2016/17 financial year will unfold during a time when there is a huge improvement in the payment of government service providers. The introduction of an e-invoicing system has resulted in the majority of provincial departments paying over 90% of their invoices within the 30 day period, with the average number of days from invoice receipt to payment date in the province being less than 20 days.

National Development Plan

The National Development Plan (NDP) envisions a South Africa where everyone feels free; where everyone embraces their full potential, a country where opportunity is determined not by birth, but by ability, education and hard work. The realisation of such a society will require transformation of the economy and focused efforts to build the country's capabilities. The main challenge has been unevenness in capacity that leads to uneven performance in local, provincial and national government.

Part of building the country's capabilities includes the work described in Chapter 13 of the NDP where it is indicated that there is a need to build the capability of the state to play a developmental and transformative role.

In alignment with the need to build a capable state, the department has aligned its objectives with the provincial transformation, modernisation and re-industrialisation programme. The department supports this strategic provincial programme through the pillar relating to the transformation of the state and governance. This pillar is aligned to Chapter 13 of the NDP.

Under this pillar, the department aims to develop systems and interventions to ensure effective financial management in the province. Parts of the interventions in this regard are providing support to departments and municipalities to achieve unqualified audits, elimination of wastage and monitoring of cost containment in the province. Another important aspect of measures the department has undertaken in this regard is ensuring that government plans and budgets are synergised to ensure that local and provincial departments achieve alignment of plans.

External activities and events relevant to budget decisions

The global and South African economic situation impacts on the national revenue that is shared amongst the different spheres of government. The prevailing unfavourable economic situation limits the revenue allocated to the province and a further allocation of budgets to provincial departments. Particularly over the 2016 MTEF, the national government implemented the budget cuts on all government budgets to stabilize the national debt situation. This necessitated the implementation of budget cuts on the baselines of provincial departments accordingly.

Act, rules and regulations

- Division of Revenue Act (DORA), 2008;
- Treasury Regulations 2005 and Delegations;
- Prevention and Combating of Corrupt Activities Act, 2004;
- Municipal Finance Management Act, 2004;
- Broad-Based Black Economic Empowerment Act, 2003;
- The Tender Board Repeal Act, 2002;

- Unemployment Insurance Contributions Act, 4 of 2002
- Preferential Procurement Policy Framework Act, 2000;
- Promotion of Access to Information Act, 2000 (Act 2 of 2000);
- Municipality Systems Act (2000) and Development Facilitation Act(1995);
- Promotion of Administrative Justice Act, 2000;
- Public Finance Management Act, 1999;
- Employment Equity Act, 1998;
- Skills Development Act, 1998 (Act 97 of 1998)
- Basic Conditions of Employment Act, 1997;
- Intergovernmental Fiscal Relations Act, 1997 (Act 97 of 1997);
- Public Service Laws Amendment Act, 1997;
- Government Employees Pension Law 21 of 1996.
- The National Archives Act, 1996;
- Borrowing Powers of Provincial Government Act, 1996 (Act 48 of 1996);
- The Constitution of the Republic of South Africa, 1996;
- Labour Relations Act, 1995;
- Occupational Health and Safety Act, 1995; and
- Public Service Act, 1994 Regulations and Delegations.

2. REVIEW OF THE CURRENT FINANCIAL YEAR (2014/15)

The generic structure which was adopted by the GPT in the 2014/15 financial year is currently being implemented. The new structure has seen the migration of Gauteng Audit Services (GAS), Forensic Services and Procurement Services from the former Gauteng Department of Finance to the Gauteng Provincial Treasury. Part of the focus during this financial year is to strengthen the capacity of GAS to achieve its objectives and be in a position to impact positively the Gauteng Provincial Government through the improvement of the risk control environment in the province. In this regard, recruitment processes have been initiated to fill vacant posts in the Programme. The department is currently repositioning the Forensic Services to be a proactive fraud and corruption combating unit that focuses on prevention and detection.

The department continued to support the three provincial TMR pillars for which it is responsible in 2015/16. Progress made is stated below.

Pillar 1: Radical economic transformation

The department is leveraging public procurement to promote economic transformation. In this regard, the GPT aims to expand the GPG procurement from township enterprises and to increase the number of suppliers registered on the GPG supplier database through the supplier development initiatives to.

The department played a key role in the implementation of the Township Economy Revitalisation Strategy. In this regard, the province procured goods and services valued no less than R620 million from the township enterprises which translates to 6 percent of GPG procurement spend in 2015/16. The drive to increase the number of township enterprises registered on the GPG supplier database resulted in registration of a minimum of 3 646 during the year under review. The GPT has played an active supporting role to Gauteng Department of Economic Development in driving the radical economic transformation of township enterprises and re-industrialisation of the Gauteng province by ensuring that township enterprises, co-operatives and SMMEs registered on the government service provider database are compliant with the regulatory requirements to enable them to do business with government. This has been done through the GPT providing training sessions on “How to tender for government business”. Part of ensuring expansion of procurement to township enterprises is to ensure that these businesses are able to be sustainable in their operations by ensuring that they are paid within 30 days. The department has maintained a 100% performance in this regard so far this financial year and continues to monitor the performance of the other departments.

GPG Pillar 4: Transformation of State and Governance

The department supports the GPG transformation of state and governance pillar through ensuring that there is sustainable funding of TMR priorities and the department implements interventions to improve on effective financial management in the province.

Regarding interventions to improve financial management, the province recorded an improved audit outcome in respect 2014/15 financial year audit that was concluded in 2015/16. The highlight of the audit outcome includes unqualified audit report in 13 provincial departments and in 14 out of 15 entities. The GPT's interventions such as the financial statements review, risk management and follow-ups on previous audit findings contributed to this achievement.

The drive to sustain funding of provincial priorities is supported by the implementation of the provincial revenue enhancement strategy. The strategy aims at improving the collection of provincial own revenue to supplement the national funding received by the province. In this regard, the province recorded a minimum of 16 percent over-collection versus the 2015/16 target.

To deal with incidents of fraud and corruption, the department initiated processes to enhance transparency and accountability by improving fraud and corruption prevention and detection capabilities for the province. The SAP upgrade that is underway will assist the department to monitor contract management. With regard to transparent tender processes, the successful piloting of the open tender process in the previous financial year paved a way for improving transparency of government procurement. The province has identified and the projects with value exceeding R50 million that will be procured through the open tender process.

The department is in the process of enhancing investigations through the introduction of business intelligent tools that have digital forensics capabilities to detect and prevent fraud and also monitor contract management in the province to ensure that services are rendered timeously and in a cost effective manner. All officials with financial and procurement duties are vetted.

Through the Municipal Financial Hands-On Support Programme (MFHSP) the department has continued to support municipalities to improve financial management and to monitor implementation of audit findings to ensure better audit outcomes for municipalities.

GPG Pillar 5: Modernisation of the Public Service

Strengthening financial management in the province is one of the GPT's key focus areas. In support of this pillar, the department is involved in the automation of systems and back-office digitisation and transformation to improve service delivery. The department has built institutional capacity and enhanced transparency in government accounting and procurement processes as measures to combat corruption and fraud. Progress made so far includes the upgrade of SAP to monitor contract management.

3. OUTLOOK FOR THE COMING FINANCIAL YEAR (2016/17)

The department will continue to support the implementation of the provincial TMR programme in 2016/17. It will also contribute the priority areas of the Gauteng City-Region.

The department will contribute indirectly towards eight priority areas that are critical in institutionalizing the Gauteng City Region (GCR). It will also contribute directly towards these four areas:

- Revitalising and mainstreaming of the township economy and development of SMMEs and cooperatives through active industrial incentives and transformative procurement policy that promotes the growth of township-based manufacturing and services;
- Investing massively in catalytic infrastructure to facilitate spatial transformation across the five development corridors of the GCR – public transport, energy, water sanitation, broadband and open green spaces;
- Intervening through different programmes to address the challenging situation of youth unemployment; and
- Advocating an Accountable and Clean government through the implementation of the Open Tender System as well as building an active citizenry by engaging communities during the Ntirhisano Programme and Service Delivery War Room initiatives.

Pillar 1: Radical Economic Transformation

GPT will continue to support provincial initiatives in driving the radical economic transformation of the provincial economy including the township economy and re-industrialisation of the province by ensuring that township enterprises, co-operatives and SMMEs are registered on the government service provider database and are compliant with the regulatory requirements in order for them to do business with the government.

The department will in 2016/17 implement measures to improve the market share for the local content and township enterprises. This will be achieved through monitoring on SAP of the spending on designated sectors and identification of suppliers for development into designated economic sectors.

The department will support Township Economic Revitalisation (TER) through:

- Monitoring and evaluation of Phase 1 GPG procurement;
- Implementation of Phase 2 Procurement Strategy; and
- Reviewing the process on transversal contract.

Phase 1 of the TER focused on increasing procurement from township enterprises, increasing awareness of market access for township enterprises and growing the GPG supplier database through targeted drives for the registration of new township suppliers. The department is in the process of developing Phase 2 of the procurement strategy in support of township economies. Through phase 2, preferential procurement will be emphasised where sectoral and product targets are set for township enterprises. The department will implement supplier development initiatives and promote incubation of developing suppliers to ensure that they become sustainable. Private sector participation will be encouraged to provide enterprise development, skills transfer and access to funding and strategic collaborations in implementing government projects.

Pillar 4: Transformation of state and governance

In order to ensure continued efficiency in planning and budgeting processes, GPT will ensure that the available limited resources are spent on provincial priorities in line with the TMR programme and the wastage of resources is eliminated. Furthermore, the department will continue to improve planning and spending synergy between provincial and local government as well as with state enterprises that are engaged in significant capital projects in the Province. To achieve this synergy in government planning and programmes, the GPT will continue to work with the Gauteng Planning Division, the Department of Cooperative Governance and Traditional Affairs and local municipalities to develop an integrated planning framework to inform resource allocation and efficiency as well as process improvement.

The department has made strides in the improvement of financial management in the province and will continue to provide structural training to provincial departments, entities and local municipalities. The audit outcomes from the 2015/16 financial year will have been assessed and improvement plans put in place. A tracking system will be implemented in order to ensure implementation of recommendations by the Auditor-General (AG) and thus reduce recurring audit findings.

The department will work with municipalities to turn around their financial distress through revenue enhancement, prioritisation of payment to local municipalities and review of municipal procedures for credit and debt control to support and guide improvement.

Pillar 5: Modernization of the public service

Strengthening financial management in the province is one of the GPT's key focus areas. This is important in ensuring that resources are used to support provincial priorities, thereby optimizing service delivery. The department will build institutional capacity and enhance transparency in government accounting and procurement processes as measures to combat corruption and fraud.

The department will continue with the SAIPA Learnership Programme and Work Experience Placement Programme where interns will be given an opportunity to learn practical work skills and therefore contribute to the Tshepo 500 000 Programme.

4. REPRIORITISATION

GPT performed the reprioritisation exercise to identify savings that will be utilised to fund spending plan over MTEF. The baselines for goods and services in core programmes were reprioritised. Savings were realised through identifying more cost effective ways of service delivery and reducing funds allocated for non-core items and computer services projects.

The identified savings were redirected to fund the rollout the infrastructure capacity building for provincial departments and municipalities, the development of GPG Procurement Hub to facilitate the open tender process and probity audits on all tenders above R50 million. The overall service delivery will not be negatively affected by the budget reprioritisation.

5. PROCUREMENT

The major procure plans funded in the 2016 MTEF budget are stated below.

Infrastructure Delivery Management System

The GPT will roll out the Infrastructure Delivery Management System in the Province. The rollout entails the provision of training and technical support to infrastructure departments to build capacity for planning and implementing infrastructure projects in the province.

Capacitation of the Provincial Forensic Audits Unit

In line with the provision of the Gauteng Province Anti-Corruption strategy the Provincial Forensic Audit is mandated to investigate all fraud and corruption impacting or having the potential to impact on Gauteng Provincial Government. The appointment of service provider will assist the department to swiftly attend to allegations of fraud and corruption.

Management System for use by the Provincial Forensic Audits

It is a requisite of this mandate therefore that the Gauteng Provincial Government must have a single repository on matters related to fraud and corruption and that this repository (in the form of a Case management System) is hosted by the Provincial Forensic Audit at the GPT.

Automated Fraud Detection system

The system will enable the GPT a seamless querying ability across the numerous operational database on interest both Gauteng Provincial and National Government as well privately owned.

6. REVENUE AND FINANCING

6.1 Summary of receipts

TABLE 14.1: SUMMARY OF RECEIPTS: GAUTENG PROVINCIAL TREASURY

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates | | |
|-----------------------|----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2012/13 | 2013/14 | 2014/15 | 2015/16 | | | 2016/17 | 2017/18 | 2018/19 |
| Equitable share | 346 475 | 429 905 | 482 881 | 584 362 | 609 271 | 609 271 | 607 394 | 633 536 | 671 944 |
| Conditional grants | | | | | | | | | |
| Total receipts | 346 475 | 429 905 | 482 881 | 584 362 | 609 271 | 609 271 | 607 394 | 633 536 | 671 944 |

The Provincial Treasury is funded through equitable share. Funds allocated to the Provincial Treasury during the period under review cater for personnel requirements, printing of GPT publications, provision of support to departments and municipalities, infrastructure capacity building programme, transfers to the Gauteng Funding Agency, Health Intervention Programme, Identification Verification System rollout project, Operation Clean Audit and the transfer of functions from the former Department of Finance.

A trend of funding during the period under review indicates that the establishment of the Gauteng Fund in 2012/13 increased the allocations to the GPT in that financial year. The allocations increased further when the GPT received funding for the Health Intervention Programme in 2013/14. Funding for this intervention programme continued until 2014/15.

The realignment of functions in the province to improve efficiency in the service delivery began in 2014/15 in which functions were transferred between the GPT and the former Department of Finance. The function shift continued in 2015/16 and resulted in the GPT receiving more functions, namely: Gauteng Audit Services, Provincial Forensic Audit Services and transversal procurement. The GPT also established the Provincial Supply Chain Management function in 2015/16 which increased the budget allocation.

The new GPT configuration and the planned intervention such as core programmes capacity building programmes, business intelligence projects will see the allocations increase from R607.4 million to R671.9 million over the 2016 MTEF period.

6.2 Departmental receipts

TABLE 14.2: DEPARTMENTAL RECEIPTS: GAUTENG PROVINCIAL TREASURY

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates | | |
|---|----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2012/13 | 2013/14 | 2014/15 | 2015/16 | | | 2016/17 | 2017/18 | 2018/19 |
| Tax receipts | | | | | | | | | |
| Casino taxes | | | | | | | | | |
| Horse racing taxes | | | | | | | | | |
| Liquor licences | | | | | | | | | |
| Motor vehicle licences | | | | | | | | | |
| Sales of goods and services other than capital assets | 175 | 235 | 338 | 222 | 595 | 632 | 1 000 | 1 050 | 1 111 |
| Transfers received | | | | | | | | | |
| Fines, penalties and forfeits | | | | | | | | | |
| Interest, dividends and rent on land | 187 570 | 247 283 | 481 451 | 88 000 | 400 000 | 445 334 | 150 000 | 200 000 | 250 000 |
| Sales of capital assets | | | | | | | | | |
| Transactions in financial assets and liabilities | 66 | 375 | 477 | 395 | 395 | 425 | 415 | 436 | 461 |
| Total departmental receipts | 187 811 | 247 893 | 482 266 | 88 617 | 400 990 | 446 361 | 151 415 | 201 486 | 251 572 |

The GPT major source of revenue for the GPT is the interest earned on favourable cash balances. The interest revenue is supplemented by parking fees charged to staff members and by recovery of debts from the previous years.

The interest revenue forms 99 percent of the total revenue collected in each financial year. The interest revenue increases from R187.6 million in 2012/13 to R481.4 million in 2014/15. The upward trend in the interest income collection continues in 2015/16. As a result, the budget for this revenue increases to R400 million during the adjustment budget process. The interest revenue budget is set conservatively given that an increased spending in the province would reduce the cash balances and result in lower interest revenue earned. For this reason, the budget increases from R88 million in 2015/16 to R150 million in 2016/17 and to R250 million in 2018/19.

The other revenue sources, particularly the parking fees, increase gradually from R175 000 to R311 000 between 2012/13 and 2014/15. As the staff complement increased in 2015/16 after a transfer of functions from the former Gauteng Department of Finance, the amount collected from this revenue source increased significantly such that the budget was adjusted from R222 000 to R595 000. The budget is set to increase further to over R1 million over the MTEF.

7. PAYMENT SUMMARY

7.1. Key assumptions

The 2016 Medium Term Expenditure Framework (MTEF) budget is informed by the Gauteng Provincial Treasury's Strategic Plan, Annual Performance Plan, the provincial outcomes and the Gauteng Provincial Government's programme of action (POA). Provision for annual salary adjustments are made as follows: 7.2 percent in 2016/17; 6.8 percent in 2017/18; 5.8 percent in 2018/19. Provision has also been made for notch progression, performance bonuses, increase on housing allowances and employer's medical aid contributions

7.2 Programme summary

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

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation 2015/16 | Revised estimate | Medium-term estimates | | |
|---|----------------|----------------|----------------|--------------------|-----------------------------------|------------------|-----------------------|----------------|----------------|
| | 2012/13 | 2013/14 | 2014/15 | | | | 2016/17 | 2017/18 | 2018/19 |
| 1. Administration | 59 768 | 79 876 | 92 037 | 111 528 | 120 853 | 120 853 | 121 342 | 127 198 | 134 575 |
| 2. Sustainable Fiscal Resource Management | 100 757 | 109 128 | 139 420 | 183 781 | 194 500 | 194 500 | 149 645 | 157 729 | 168 540 |
| 3. Financial Governance | 54 318 | 102 359 | 110 501 | 98 608 | 128 478 | 128 478 | 128 028 | 134 928 | 142 754 |
| 4. Supply Chain Management | 65 002 | 58 311 | 59 200 | 86 592 | 58 907 | 58 907 | 91 537 | 94 379 | 99 853 |
| 5. Municipal Financial Governance | 17 958 | 27 526 | 28 525 | 30 097 | 32 777 | 32 777 | 36 303 | 35 872 | 37 952 |
| 6. Gauteng Audit Services | 48 672 | 52 705 | 53 198 | 73 756 | 73 756 | 73 756 | 80 539 | 83 430 | 88 269 |
| Total payments and estimates | 346 475 | 429 905 | 482 881 | 584 362 | 609 271 | 609 271 | 607 394 | 633 536 | 671 944 |

7.3 Summary of economic classification

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

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation 2015/16 | Revised estimate | Medium-term estimates | | |
|---|----------------|----------------|----------------|--------------------|-----------------------------------|------------------|-----------------------|----------------|----------------|
| | 2012/13 | 2013/14 | 2014/15 | | | | 2016/17 | 2017/18 | 2018/19 |
| Current payments | 294 558 | 375 064 | 402 551 | 513 184 | 481 973 | 481 831 | 552 102 | 575 449 | 610 488 |
| Compensation of employees | 257 114 | 291 210 | 332 918 | 417 813 | 391 434 | 391 292 | 453 362 | 471 808 | 500 836 |
| Goods and services | 37 444 | 83 854 | 69 633 | 95 371 | 90 539 | 90 539 | 98 741 | 103 642 | 109 653 |
| Interest and rent on land | | | | | | | | | |
| Transfers and subsidies to: | 50 244 | 51 119 | 76 944 | 70 225 | 120 604 | 120 746 | 52 888 | 55 533 | 58 754 |
| Provinces and municipalities | | | | | | | | | |
| Departmental agencies and accounts | 50 000 | 50 000 | 75 000 | 70 000 | 120 000 | 120 000 | 52 650 | 55 283 | 58 489 |
| Higher education institutions | | | | | | | | | |
| Foreign governments and international organisations | | | | | | | | | |
| Public corporations and private enterprises | | | | | | | | | |
| Non-profit institutions | | | | | | | | | |

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates | | |
|--------------------------------------|----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2012/13 | 2013/14 | 2014/15 | | | | 2016/17 | 2017/18 | 2018/19 |
| Households | 244 | 1 119 | 1 944 | 225 | 604 | 746 | 238 | 250 | 265 |
| Payments for capital assets | 1 573 | 3 718 | 3 262 | 953 | 6 694 | 6 694 | 2 404 | 2 554 | 2 702 |
| Buildings and other fixed structures | | | | | | | | | |
| Machinery and equipment | 1 559 | 3 557 | 2 970 | 953 | 6 694 | 6 694 | 2 404 | 2 554 | 2 702 |
| Heritage Assets | | | | | | | | | |
| Specialised military assets | | | | | | | | | |
| Biological assets | | | | | | | | | |
| Land and sub-soil assets | | | | | | | | | |
| Software and other intangible assets | 14 | 161 | 292 | | | | | | |
| Payments for financial assets | 100 | 4 | 124 | | | | | | |
| Total economic classification | 346 475 | 429 905 | 482 881 | 584 362 | 609 271 | 609 271 | 607 394 | 633 536 | 671 944 |

In the 2015/16 financial year, the GPT was reconfigured to align to the generic structure prescribed for Provincial Treasuries. The department has created new specialized and focused programmes, also taking over functions that from the former Gauteng Department of Finance. This has impacted both the outcomes and the 2016/17 MTEF period which are inclusive of the adopted functions.

Spending increased from R429.9 million in 2013/14 to R482.8 million in 2014/15. The increased spending and in allocation was due to the Health intervention programme during 2013/14 and 2014/15 financial years. The allocation further increased from R584.4 million main appropriation to R609.3 million adjusted appropriation in the 2015/16 financial year. In 2016 MTEF period the allocation increases further to R607.4 million peaking at R671.9 million in the 2018/19 outer year.

Compensation of employees increased during the period under review, particularly between financial years 2013/14 and 2014/15 where the outcome had been R291.2 million in the 2013/14 financial year, R375 million in the 2014/15 financial year and the budget further increased to R417.8 million in the 2015/16 financial year. This was due to higher than expected salary adjustment and also the cost to re-establish GPT as a stand-alone department. The budget continues to grow in the 2016 MTEF period, R453.4 million in 2016/17 to R471.8 million in 2017/18 and R500.8 million in 2018/19 which corresponds with the departmental plans to fully implement the approved structure and to align the GPT as closely as possible with the uniform budget structure. Provision for notch progression and annual performance bonuses has been made.

Goods and services expenditure amounted to R83.8 million in 2013/14 financial year, the main appropriation increased to R70 million in 2014/15, the increase is inclusive of the R30 million allocations to the Health Intervention project. The allocation decreased by R34 million to R95.4 million in the 2015/16 financial year, this mainly due to the end of the Health Intervention Project

Over the MTEF the department is funding various key projects, such as the establishment of the Procurement Hub for facilitation of the Open Tender Process, Independent Assurance Providers for the Open Tender Process, Infrastructure Delivery Performance Management, and Forensic Audit Information Systems. The department will continue to strengthen their initiatives in support of the Operation Clean Audit such as the Municipal Advisor hands on support programme and various trainings on GRAP and Modified Cash Standard to GPG Departments and entities. The 2016 MTEF period goods and services estimate indicates the amount of R98.7 million in 2016/17, R103.6 million in 2017/18 and R109.7 million in 2018/19.

The Gauteng Fund Agency has been re-established as a government component of the Gauteng Provincial Treasury and will be known as the Gauteng Infrastructure Funding Agency. The Transfers and Subsidies to the Agency over the MTEF period are as follows R53 million in 2016/17 financial year, R55 million in 2017/18 financial year and R58 million in the 2018/19 financial year.

The Payment for Capital assets is mainly to fund tools of trade for the officials to perform their functions efficiently and effectively. The resourcing is based on a structured IT equipment refresh process which is informed by the economic useful life of the various IT assets and warranties. The allocation over the MTEF period will be as follows R2.4 million in the 2016/17; R2.6 million for 2017/18 and R2.7 million for the 2018/19 financial year.

7.4 Infrastructure payments

N/A

7.4.1 Departmental Infrastructure payments

N/A

7.4.2 Departmental Public – Private Partnerships (PPP) projects

N/A

7.5 Transfers**7.5.1 Transfers to public entities**

N/A

7.5.2 Transfers to other entities**14.5: SUMMARY OF DEPARTMENTAL TRANSFERS TO DEPARTMENTAL AGENCIES**

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates | | |
|---------------------------------------|---------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|---------------|---------------|
| | 2012/13 | 2013/14 | 2014/15 | 2015/16 | | | 2016/17 | 2017/18 | 2018/19 |
| Gauteng Infrastructure Funding Agency | 50 000 | 50 000 | 75 000 | 70 000 | 70 000 | 70 000 | 52 650 | 55 283 | 58 489 |
| Total departmental transfers | 50 000 | 50 000 | 75 000 | 70 000 | 70 000 | 70 000 | 52 650 | 55 283 | 58 489 |

During the 2014/15 financial year, the budget for Gauteng Infrastructure Funding Agency increased from R50 million to R75 million due to the re-establishment of the agency and the provision for the project preparation facility. Over the MTEF, the allocation for GIFA increases from R52.6 million to R58.5 million to ensure a sustainable pipeline of strategic infrastructure projects that are catalysts for socio-economic development in the province.

7.5.3. Transfers to local government

N/A

8. PROGRAMME DESCRIPTION**PROGRAMME 1: ADMINISTRATION****Programme purpose**

The programme aims to provide effective leadership, management and administrative support to the Treasury Programmes as well as the Member of the Executive Council and the Head of Treasury. This is done in fulfilment of the mission and mandate of the Treasury.

Programme objectives

To ensure statutory obligations are met and that decision makers facilitate appropriate interventions.

TABLE 14.6: SUMMARY OF PAYMENTS AND ESTIMATES: ADMINISTRATION

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates | | |
|--|---------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2012/13 | 2013/14 | 2014/15 | 2015/16 | | | 2016/17 | 2017/18 | 2018/19 |
| 1. Office of the MEC | 6 385 | 7 033 | 6 470 | 7 719 | 7 671 | 7 217 | 8 269 | 8 677 | 9 180 |
| 2. Office of the HOD | 6 607 | 10 314 | 14 692 | 15 523 | 15 452 | 16 316 | 16 790 | 17 514 | 18 530 |
| 3. Corporate Management | 29 891 | 41 855 | 52 534 | 64 241 | 68 497 | 68 316 | 70 936 | 74 425 | 78 742 |
| 4. Financial Management Services (CFO) | 16 885 | 20 674 | 18 341 | 24 045 | 29 233 | 29 004 | 25 347 | 26 582 | 28 124 |
| Total payments and estimates | 59 768 | 79 876 | 92 037 | 111 528 | 120 853 | 120 853 | 121 342 | 127 197 | 134 575 |

TABLE 14.7: SUMMARY OF PAYMENTS BY ESTIMATES BY ECONOMIC CLASSIFICATION: ADMINISTRATION

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates | | |
|---------------------------|---------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2012/13 | 2013/14 | 2014/15 | 2015/16 | | | 2016/17 | 2017/18 | 2018/19 |
| Current payments | 58 195 | 77 006 | 88 524 | 110 350 | 113 854 | 113 854 | 120 101 | 125 894 | 133 196 |
| Compensation of employees | 32 629 | 44 926 | 62 021 | 73 160 | 73 080 | 73 080 | 78 863 | 82 619 | 87 411 |
| Goods and services | 25 566 | 32 080 | 26 503 | 37 190 | 40 774 | 40 774 | 41 238 | 43 275 | 45 785 |

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates | | |
|--------------------------------------|---------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2012/13 | 2013/14 | 2014/15 | 2015/16 | | | 2016/17 | 2017/18 | 2018/19 |
| Interest and rent on land | | | | | | | | | |
| Transfers and subsidies to: | | 75 | 1 499 | 225 | 305 | 305 | 238 | 250 | 265 |
| Provinces and municipalities | | | | | | | | | |
| Non-profit institutions | | | | | | | | | |
| Households | | 75 | 1 499 | 225 | 305 | 305 | 238 | 250 | 265 |
| Payments for capital assets | 1 573 | 2 795 | 2 006 | 953 | 6 694 | 6 694 | 1 004 | 1 054 | 1 115 |
| Buildings and other fixed structures | | | | | | | | | |
| Machinery and equipment | 1 559 | 2 774 | 1 731 | 953 | 6 694 | 6 694 | 1 004 | 1 054 | 1 115 |
| Heritage Assets | | | | | | | | | |
| Software and other intangible assets | 14 | 21 | 275 | | | | | | |
| Payments for financial assets | | | 8 | | | | | | |
| Total economic classification | 59 768 | 79 876 | 92 037 | 111 528 | 120 853 | 120 853 | 121 342 | 127 198 | 134 575 |

The expenditure for Administration increased from R59.8 million in 2012/13 to R79.9 million in 2013/14. The expenditure further increase to R92million in the 2014/15 financial year. The main appropriation increased to R111.5 million which is a R19.4million increase when compared to the previous year expenditure. Over the MTEF period the allocation continues to increase from R121.3 million in the 2016/17 financial year to R134.6 million in 2018/19 financial year.

The growth in Administration is indicative of the departments increase in size where the full structure makes a provision for 1091 officials and the migrated function from e-Government. This means administration needed to increase its capacity to support the growth in the number of officials and functions.

The main costs drivers in good services are utilities, external audit, lease payments, communication and property payments. The department also has various project earmarked and catered for under goods and services, the hosting of network servers externally, IT equipment refreshing programme, Corporate Performance and Evaluation information systems, Disaster recovery site establishment.

Compensation of employee spending increases from R32.6 million in 2012/13 financial year; R44.9 million in 2013/14 and R62 million in 2014/15. Over the MTEF period the personnel budget increases from R83 million in 2016/17 to 87 million in 2018/19. This increase is due to the establishment of capacity to support the growth in the department in terms of personnel and functions, other contributions to the increase include the annual cost of living salary increases, notch progressions and personnel related costs such as performance bonus and service bonus.

Over the MTEF, spending for payments for capital assets is expected to stay within the baseline at average allocation of R1 million per financial year. The estimated allocation being R1 million for 2016/17; 2017/18, 2018/19 financial years respectively.

PROGRAMME 1: ADMINISTRATION

SERVICE DELIVERY MEASURES: ADMINISTRATION

| Performance Measures | Estimated Annual Targets | | |
|--|---|---|---|
| | 2016/17 | 2017/18 | 2018/19 |
| Unqualified audit opinion with no other matters | Unqualified audit opinion with no other matters | Unqualified audit opinion with no other matters | Unqualified audit opinion with no other matters |
| % of external audit report recommendations implemented before next audit cycle | 100% | 100% | 100% |
| % of supplier payments paid within 30 days after receipt of final and correct invoice | 100% | 100% | 100% |
| % compliance with regulatory and legislated reporting requirements as per the compliance dashboard | 100% | 100% | 100% |

PROGRAMME 2: SUSTAINABLE FISCAL RESOURCES MANAGEMENT**Programme purpose**

To ensure the effective and efficient administration of fiscal resources in provincial institutions

Programme Objectives:

- To promote better planning, budgeting and resourcing synergy across all spheres of government in the province;
- To ensure government programmes are adequately resourced within the tight fiscal envelope; and
- To ensure approved financial resources are spent efficiently, effectively and economically across the province.

TABLE 14.8: SUMMARY OF PAYMENTS AND ESTIMATES: SUSTAINABLE FISCAL RESOURCES MANAGEMENT

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates | | |
|---|----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2012/13 | 2013/14 | 2014/15 | 2015/16 | | | 2016/17 | 2017/18 | 2018/19 |
| 1. Programme Support/ Office of the DDG | 52 867 | 55 911 | 79 280 | 102 810 | 125 480 | 125 480 | 59 166 | 62 123 | 65 726 |
| 2. Budget Management | 10 959 | 12 406 | 13 355 | 22 127 | 14 446 | 15 090 | 21 483 | 22 570 | 23 879 |
| 3. Economic and Fiscal Policy Oversight | 7 610 | 8 058 | 9 383 | 11 193 | 11 693 | 11 572 | 12 058 | 12 651 | 13 385 |
| 4. Infrastructure Management | 2 984 | 3 114 | 3 288 | 8 159 | 11 389 | 10 479 | 27 734 | 29 905 | 31 640 |
| 5. Financial Asset and Liabilities Management | 15 416 | 16 962 | 18 836 | 21 846 | 13 846 | 13 967 | 12 040 | 12 425 | 13 146 |
| 6. Public Finance | 10 921 | 12 677 | 15 278 | 17 646 | 17 646 | 17 912 | 17 164 | 18 054 | 20 764 |
| Total payments and estimates | 100 757 | 109 128 | 139 420 | 183 781 | 194 500 | 194 500 | 149 645 | 157 729 | 168 540 |

TABLE 14.9: SUMMARY OF PAYMENTS AND ESTIMATES: SUSTAINABLE RESOURCES MANAGEMENT

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates | | |
|--------------------------------------|----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2012/13 | 2013/14 | 2014/15 | 2015/16 | | | 2016/17 | 2017/18 | 2018/19 |
| Current payments | 50 727 | 59 088 | 64 270 | 113 781 | 74 420 | 74 299 | 95 595 | 100 946 | 108 464 |
| Compensation of employees | 47 986 | 53 562 | 59 773 | 80 381 | 63 120 | 62 999 | 71 629 | 75 392 | 81 427 |
| Goods and services | 2 741 | 5 526 | 4 497 | 33 400 | 11 300 | 11 300 | 23 966 | 25 555 | 27 037 |
| Interest and rent on land | | | | | | | | | |
| Transfers and subsidies to: | 50 030 | 50 040 | 75 150 | 70 000 | 120 080 | 120 201 | 52 650 | 55 283 | 58 489 |
| Provinces and municipalities | | | | | | | | | |
| Departmental agencies and accounts | 50 000 | 50 000 | 75 000 | 70 000 | 120 000 | 120 000 | 52 650 | 55 283 | 58 489 |
| Non-profit institutions | | | | | | | | | |
| Households | 30 | 40 | 150 | | 80 | 201 | | | |
| Payments for capital assets | | | | | | | 1 400 | 1 500 | 1 587 |
| Buildings and other fixed structures | | | | | | | | | |
| Machinery and equipment | | | | | | | 1 400 | 1 500 | 1 587 |
| Software and other intangible assets | | | | | | | | | |
| Payments for financial assets | | | | | | | | | |
| Total economic classification | 100 757 | 109 128 | 139 420 | 183 781 | 194 500 | 194 500 | 149 645 | 157 729 | 168 540 |

In the 2015/16 financial year the Sustainable Fiscal Resource Management Programme was one of the programmes affected by the re-configuration of the GPT. The programme received Financial Asset and Liability Management and Infrastructure Management as new functions and is also expected to provide specialized capacity in the areas of Data Management and Public Private Partnerships.

The spending for Sustainable Fiscal Resource Management increased from R100.7 million in 2012/13 financial year to R109.1 million in the 2013/2014 financial year. In the MTEF period the allocation is as follows; R149.6 million in the 2016/17 financial year, R157.7 million in the 2017/18 financial year and R168.5 million in the 2018/19 financial year. Spending focus over MTEF period will be on catering for the additional capacity in infrastructure management.

Compensation of employees increased from R48 million in 2012/13 financial year to R53.6 million in 2013/14 financial year. It further increased from R59.7 million in the 2014/15 financial year to R80.4 million in the 2015/16 financial year. In the MTEF period the allocation is as follows; R71.6 million in the 2016/17 financial year, R75.4 million in the 2017/18 financial year and R81.4 million in the 2018/19 financial year. The increase in the budget will cater for the additional capacity in infrastructure management, data management and public private partnerships.

Goods and services expenditure was at R2.7 million for 2012/13. There was an increase of R3 million in expenditure to R5.5 million in the 2013/14 financial year and 2014/15 financial year the goods and services expenditure was R29.4 million. In the MTEF period the allocation is as follows; R24 million in the 2016/17 financial year, R25.6 million in the 2017/18 financial year and R27 million in the 2018/19 financial year. The main cost drivers under this programme are capacity building projects, Infrastructure delivery management system in the province, system development projects as well as the printing of provincial publications such as PERO, SERO, MTBPS, and EPRE.

Transfers and subsidies to Gauteng Infrastructure Funding Agency (GIFA) over the MTEF is at R52.7 million for the 2016/17 financial year, it further increases to R58.5 million in 2018/19.

Over the MTEF period the programme introduce the payment for capital assets amounting to R1.4 million 2016/17, R1.5 million for 2017/18 and R1.6 million for 2018/19.

PROGRAMME 2: SUSTAINABLE FISCAL RESOURCES MANAGEMENT

SERVICE DELIVERY MEASURE: SUSTAINABLE FISCAL RESOURCES MANAGEMENT

| Performance Measures | Estimated Annual Targets | | |
|---|--|--|--|
| | 2016/17 | 2017/18 | 2018/19 |
| BUDGET MANAGEMENT | | | |
| Number of engagements conducted with GPG departments on the alignment of budgets to Provincial Plan | 14 MTEC sessions held and key MTEC resolutions prepared | 14 MTEC sessions held and key MTEC resolutions prepared | 14 MTEC sessions held and key MTEC resolutions prepared |
| | 15 Budget Fora held | 15 Budget Fora held | 15 Budget Fora held |
| Number of budgets tabled according to the prescribed timeframes | 1 credible MTEF budget that resources the 10 pillars tabled | 1 credible MTEF budget that resources the 10 pillars tabled | 1 credible MTEF budget that resources the 10 pillars tabled |
| | 1 credible Adjustment budget that resources the 10 pillars tabled | 1 credible Adjustment budget that resources the 10 pillars tabled | 1 credible Adjustment budget that resources the 10 pillars tabled |
| Number of strategic projects resourced from the fiscus (game changers) | 2 | 2 | 2 |
| % variance between projections and actuals | Actual transfer payments should not exceed the quarterly projections by 7% | Actual transfer payments should not exceed the quarterly projections by 5% | Actual transfer payments should not exceed the quarterly projections by 5% |
| Roll out automated IYM | Automated IYM rolled out to departments | N/A | N/A |

| Performance measures | Estimated Annual Targets | | |
|--|--------------------------|----------------------|----------------------|
| | 2016/17 | 2017/18 | 2018/19 |
| Economic & Fiscal Policy Oversight | | | |
| Average % increase in own revenue collection | 10% | 12% | 12% |
| Publish the SERO at Legislature according to the prescribed timeframes | SERO published in Q4 | SERO published in Q4 | SERO published in Q4 |
| Table MTBPS at Legislature according to the prescribed timeframes | MTBPS tabled in Q3 | MTBPS tabled in Q3 | MTBPS tabled in Q3 |

| Performance measures | Estimated Annual Targets | | |
|---|---|---|---|
| | 2016/17 | 2017/18 | 2018/19 |
| Infrastructure Management | | | |
| Number of budgets tabled according to the prescribed timeframes | 1 budget for infrastructure table as per the provincial budget timeline | 1 budget for infrastructure table as per the provincial budget timeline | 1 budget for infrastructure table as per the provincial budget timeline |
| % spent on infrastructure allocation | 95% | 95% | 95% |
| Number of local municipalities with provincial infrastructure plans aligned to the Gauteng Infrastructure Master Plan | 2 | 2 | 2 |

| Performance measures | Estimated Annual Targets | | |
|--|--|--|--|
| | 2016/17 | 2017/18 | 2018/19 |
| Develop draft guideline for infrastructure projects | Conduct legislative compliance on draft guideline for infrastructure projects | Contract management guideline for infrastructure projects approved | Contract management guideline for infrastructure projects implemented |
| Number of procurement processes for infrastructure tenders completed by Q4 of the preceding year | All procurement processes for infrastructure tenders completed by Q4 of the preceding year | All procurement processes for infrastructure tenders completed by Q4 of the preceding year | All procurement processes for infrastructure tenders completed by Q4 of the preceding year |

| Performance measures | Estimated Annual Targets | | |
|---|--|--|--|
| | 2016/17 | 2017/18 | 2018/19 |
| Financial Asset Management | | | |
| Provincial Revenue Fund | | | |
| Unqualified audit opinion with no other matters for the Provincial Revenue Fund | Unqualified audit opinion with no other matters maintained | Unqualified audit opinion with no other matters maintained | Unqualified audit opinion with no other matters maintained |

| Performance measures | Estimated Annual Targets | | |
|---|--|--|--|
| | 2016/17 | 2017/18 | 2018/19 |
| Financial Asset Management | | | |
| Cash Management | | | |
| Monthly cash-outflow for departments doesn't exceed the provincial revenue streams | Ensure disbursement for departments should not exceed appropriated funds | Ensure disbursement for departments should not exceed appropriated funds | Ensure disbursement for departments should not exceed appropriated funds |
| Number of departments with ring-fenced funds for compensation of employees, conditional grants, critical services, municipalities and infrastructure (provincial equitable share) | All | All | All |

| Performance measures | Estimated Annual Targets | | |
|---|--|--|--|
| | 2016/17 | 2017/18 | 2018/19 |
| Public Finance | | | |
| Number of budget bilaterals conducted | 1 | 1 | 1 |
| Number of annual budget assessments for identified key programmes / departments conducted | DED budget assessed | 3 entities budgets assessed | 3 entities budgets assessed |
| % of GPG wage bill against budget | 60% | 60% | 60% |
| % spent on conditional grants allocation | 95% | 98% | 99% |
| Develop a value for money framework | VFM framework implemented in 3 departments | VFM framework implemented in 4 departments | VFM framework implemented in 4 departments |
| % reduction of non-core line item budgets per annum | 10% | 10% | 10% |

PROGRAMME 3: FINANCIAL GOVERNANCE

Programme purpose

The programme aims to promote accountability through substantive reflection of financial activities as well as compliance with financial norms and standards in PFMA compliant institutions.

Programme Objectives

- To reduce fraud and corruption and promote clean government across the province; and
- To support all departments, entities and municipalities to achieve unqualified audits.

TABLE 14.10: SUMMARY OF PAYMENTS AND ESTIMATES: FINANCIAL GOVERNANCE

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates | | |
|---|---------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2012/13 | 2013/14 | 2014/15 | 2015/16 | | | 2016/17 | 2017/18 | 2018/19 |
| 1. Programme Support/ Office of the DDG | 1 746 | 28 986 | 32 613 | 3 464 | 15 851 | 15 762 | 4 315 | 4 619 | 4 887 |
| 2. Provincial Accounting Services | 26 105 | 30 896 | 30 992 | 37 147 | 37 277 | 38 632 | 53 597 | 56 870 | 60 168 |
| 3. Provincial Forensic Audits | 10 177 | 14 341 | 14 848 | 19 194 | 23 094 | 21 965 | 23 171 | 25 394 | 26 867 |
| 4. Transversal Internal Audit and Risk Management | 7 587 | 10 377 | 11 822 | 14 704 | 14 691 | 14 614 | 16 797 | 17 597 | 18 618 |
| 5. Compliance | 3 300 | 6 075 | 12 564 | 13 699 | 15 633 | 15 634 | 6 949 | 7 296 | 7 719 |
| 6. Financial Information Management Systems | 5 403 | 11 684 | 7 662 | 10 400 | 21 932 | 21 871 | 23 200 | 23 152 | 24 495 |
| Total payments and estimates | 54 318 | 102 359 | 110 501 | 98 608 | 128 478 | 128 478 | 128 028 | 134 928 | 142 754 |

TABLE 14.11: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: FINANCIAL GOVERNANCE

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates | | |
|--------------------------------------|---------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2012/13 | 2013/14 | 2014/15 | 2015/16 | | | 2016/17 | 2017/18 | 2018/19 |
| Current payments | 54 252 | 100 557 | 109 161 | 98 608 | 128 329 | 128 422 | 128 028 | 134 928 | 142 754 |
| Compensation of employees | 50 934 | 64 490 | 74 651 | 86 364 | 105 415 | 105 507 | 116 097 | 122 399 | 129 498 |
| Goods and services | 3 318 | 36 067 | 34 510 | 12 244 | 22 914 | 22 915 | 11 931 | 12 529 | 13 256 |
| Interest and rent on land | | | | | | | | | |
| Transfers and subsidies to: | 66 | 879 | 112 | | 149 | 56 | | | |
| Provinces and municipalities | | | | | | | | | |
| Non-profit institutions | | | | | | | | | |
| Households | 66 | 879 | 112 | | 149 | 56 | | | |
| Payments for capital assets | | 923 | 1 228 | | | | | | |
| Buildings and other fixed structures | | | | | | | | | |
| Machinery and equipment | | 783 | 1 228 | | | | | | |
| Software and other intangible assets | | 140 | | | | | | | |
| Payments for financial assets | | | | | | | | | |
| Total economic classification | 54 318 | 102 359 | 110 501 | 98 608 | 128 478 | 128 478 | 128 028 | 134 928 | 142 754 |

In the 2015/16 financial year the Financial Governance Programme was one of the programmes affected by the re-configuration of the GPT. The programme received Provincial Forensic Audit, Accounting Services and has additional capacity in the areas of Compliance and Financial Business Systems. The outcomes (historical expenditure) and 2016 MTEF is inclusive of the new functions.

Spending for Financial Governance increases from R54.3 million in 2012/13 financial year to R102.4 million in the 2013/14 and R110.5 million in the 2014/15 financial year. The main factor in the increasing trend was the R70 million allocation to the Health Intervention Project in between the 2013/14 and 2014/15 financial years. In 2015/16 financial the budget allocation is R98.6 million. For the MTEF period the financial governance allocation is R128 million in 2016/17; R134.9 million in 2017/18 financial year and R142.8 million in 2018/19 financial year. The main factors contributing to the increase in the budget over the MTEF is the allocation of additional funding for compensation of employees to increase the ongoing Accounting Services Support to the Departments and Entities, various systems development/enhancements projects as a commitment to modernizing the public service for effective service delivery; Forensic Lab establishment, Forensic Audit Information System and GRAP/ Modified Cash Standard training for department and entities.

Compensation of employee spending increases from R50.9 million in 2012/13 financial year to R64.5 million in the 2013/14 financial year. The budget increases from R74.7 million in the 2014/15 financial year to R129.5 million in the 2018/19 financial year. The increases in compensation of employees is due to filling of critical positions as per reconfiguration to align to generic structures prescribe for Provincial Treasuries and salaries settlements that been above the inflation over the period as well as notch progressions

Spending on goods and services stood at R3.3 million in 2012/13 financial years. The average increase in expenditure during the 2013/14 and 2014/15 financial years was R35.2 million; this spending reflects spending on the Municipal Hands on Support Programme. funding allocated The 2016 MTEF period sees a significant drop in the budget allocation under goods and services due to the Health Intervention project which ended in 2014/15 The allocation for the MTEF period being,

R11.9 million in 2016/17, R12.5 million in 2017/18 and R13.3 million for 2018/19. Spending focus over MTEF will be on Forensic Lab establishment, forensic audit information system, P-Card software licenses and GRAP/ Modified Cash Standard training for department and entities.

SERVICE DELIVERY MEASURES

PROGRAMME 3: FINANCIAL GOVERNANCE

| Performance Measures | Estimated Annual Targets | | |
|--|------------------------------|------------------------------|------------------------------|
| | 2016/17 | 2017/18 | 2018/19 |
| Provincial Accounting Services | | | |
| Financial Accounting | | | |
| % of audit recommendations implemented by entities and departments before the next audit cycle | 90% | 95% | 95% |
| Number of departments and public entities receiving structured targeted training for financial reporting | All departments and entities | All departments and entities | All departments and entities |
| Number of departments and entities with unqualified audit outcomes | 14 departments | All departments and entities | All departments and entities |
| | All GPG entities | | |

| Performance Measures | Estimated Annual Targets | | |
|---|--------------------------|---------|---------|
| | 2016/17 | 2017/18 | 2018/19 |
| Provincial Forensic Audits | | | |
| % of recommendations implemented from forensic investigations within the agreed timelines | 80% | 90% | 100% |
| % of recommendations implemented from detection reviews within the agreed timelines | 80% | 90% | 100% |
| % of action plans implemented from the fraud prevention plans within the agreed timelines | 80% | 90% | 100% |

| Performance Measures | Estimated Annual Targets | | |
|---|--|--|--|
| | 2016/17 | 2017/18 | 2018/19 |
| Transversal Internal Audit & Risk Management | | | |
| Develop and manage a risk profile for departments | Risk profile for all departments developed by 31 March 2017 | Update Risk profiles for all departments and develop Risk profiles for 2 municipalities by 31 March 2018 | Update Risk profiles for all departments and entities and develop Risk profile for all delegated municipalities by 31 March 2019 |
| Number of departments engaged prior to final submission of APPs to assess the risks | All (14) departments engaged prior to final submission of APP to assess the risk | All departments engaged prior to final submission of APP to assess the risk | All departments engaged prior to final submission of APP to assess the risk |
| % Implementation of action plans | 80% Implementation of action plans | 90% Implementation of action plans | 100% Implementation of action plans |

| Performance Measures | Estimated Annual Targets | | |
|--|---|---------|---------|
| | 2016/17 | 2017/18 | 2018/19 |
| Financial Information Management Systems | | | |
| Number of departments with BI tool to track and trace accruals, commitments and irregular expenditure deployed | Deploy the tool to remaining departments (10) | N/A | N/A |

PROGRAMME 4 : PROVINCIAL SUPPLY CHAIN MANAGEMENT & MOVEABLE ASSET MANAGEMENT

Programme Purpose

To promote and enforce transparency and effective Supply Chain Management in the province.

Programme objectives

- To reduce fraud and corruption and promote clean governance across the province; and
- To ensure that service providers are registered and paid timeously.

TABLE 14.12: SUMMARY OF PAYMENTS AND ESTIMATES: PROVINCIAL SUPPLY CHAIN MANAGEMENT

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates | | |
|---|---------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|---------------|---------------|
| | 2012/13 | 2013/14 | 2014/15 | 2015/16 | | | 2016/17 | 2017/18 | 2018/19 |
| 1. Programme Support/ Office of the DDG | 2 303 | 2 347 | 3 159 | 11 490 | 12 814 | 11 867 | 20 047 | 20 822 | 22 030 |
| 2.SCM Policy, Norms and Standards | | | | 7 000 | | | 10 000 | 10 500 | 11 109 |
| 3.Governance, Compliance, Monitoring and Evaluation | | | | 3 200 | 1 200 | | 4 836 | 3 570 | 3 777 |
| 4. SCM Client Support | | | | 29 120 | 4 501 | | 31 025 | 32 576 | 34 466 |
| 5. Strategic Procurement | | | | 7 373 | | | 7 868 | 8 261 | 8 741 |
| 6.Transversal Contract Management | | | | 16 642 | | | 17 761 | 18 649 | 19 731 |
| 7. Movable Asset Management | | | | 3 000 | 4 600 | 3 203 | | | |
| 8. Procurement Services | 62 699 | 55 964 | 56 041 | 8 767 | 35 792 | 43 837 | | | |
| Total payments and estimates | 65 002 | 58 311 | 59 200 | 86 592 | 58 907 | 58 907 | 91 537 | 94 379 | 99 853 |

TABLE 14.13: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: PROVINCIAL SUPPLY CHAIN MANAGEMENT

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates | | |
|--------------------------------------|---------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|---------------|---------------|
| | 2012/13 | 2013/14 | 2014/15 | 2015/16 | | | 2016/17 | 2017/18 | 2018/19 |
| Current payments | 64 926 | 58 228 | 59 058 | 86 592 | 58 907 | 58 830 | 91 537 | 94 379 | 99 853 |
| Compensation of employees | 63 051 | 56 132 | 57 798 | 80 457 | 50 438 | 50 361 | 77 013 | 79 276 | 83 874 |
| Goods and services | 1 875 | 2 096 | 1 260 | 6 135 | 8 469 | 8 469 | 14 524 | 15 103 | 15 979 |
| Interest and rent on land | | | | | | | | | |
| Transfers and subsidies to: | 19 | 79 | 9 | | | 77 | | | |
| Provinces and municipalities | | | | | | | | | |
| Households | 19 | 79 | 9 | | | 77 | | | |
| Payments for capital assets | | | 17 | | | | | | |
| Buildings and other fixed structures | | | | | | | | | |
| Software and other intangible assets | | | 17 | | | | | | |
| Payments for financial assets | 57 | 4 | 116 | | | | | | |
| Total economic classification | 65 002 | 58 311 | 59 200 | 86 592 | 58 907 | 58 907 | 91 537 | 94 379 | 99 853 |

In 2015/16 financial year the Supply Chain Management was established as new programme in the Gauteng Provincial Treasury. This was part of the re-configuration of the GPT as mentioned earlier. It is made up of the former GDF Procurement Services Functions and GPT SCM oversight functions. Specialist capacity has been added in the areas of SCM governance, SCM compliance monitoring and evaluation.

The expenditure amounted to R65 million in the 2012/13 financial year; the average decrease in expenditure for the 2013/14 and 2014/15 financial years is R58.6 million. The allocation over the MTEF is as follows: R91.5 million in the 2016/17 financial year, R94.4 million in the 2017/18 financial year and R99.9 million in the 2018/19 financial year. The main contributor to the increase in the budget being the additional capacity to be added in the areas of SCM governance, SCM compliance monitoring and evaluation and the procurement of services for facilitation of the open tender process, procurement hub and procurement system content catalogue.

Compensation of Employees expenditure amounted to R63 million in the 2012/13. The expenditure decreased to R56.1 million in the 2013/14 financial year. The budget increased from R58.8 million in the 2014/15 financial year to R80.5 million in the 2015/16 financial year. The allocation over the MTEF is as follows: R77 million for the 2016/17 financial year, R79.2 million for the 2017/18 financial year and R83.9 million for the 2018/19 financial year. The main contributor to the increase in the budget being the additional capacity to be added in the areas of SCM governance, SCM compliance monitoring and evaluation.

Good and Services expenditure was R1.9 million in the 2012/13 and 2013/14 financial year. The budget in the 2014/15 financial year was R2.8 million and increased to R8.5 million 2015/16 financial year. The allocation over the MTEF is as follows; R14.5 million for the 2016/17 financial year and increases to R15.1 million in 2017/18 and R16 million 2018/19. The main focus will be services procured for facilitation of the open tender process, procurement hub and procurement system content catalogue.

PROGRAMME 4: PROVINCIAL SUPPLY CHAIN MANAGEMENT**SERVICE DELIVERY MEASURES**

| Performance Measures | Estimated Annual Targets | | |
|--|--|---|--|
| | 2016/17 | 2017/18 | 2018/19 |
| Provincial Supply Chain Management | | | |
| Implementation of the contract management guideline in the remaining Departments, Municipalities and Entities | Contract Management guideline in the remaining Departments, Municipalities and entities implemented | Monitoring & reporting performance of Contract Management | Enhance Contract management performance |
| Implementation of Open Tender process | Open Tender process implemented to all Departments, 1 Municipality & 2 Public Entities for projects >R50 million and ready to advertise in the first 3 quarters | Open Tender process implemented to 14 Departments, 2 Municipality & 7 Public Entities for projects >R50 million and ready to advertise in the first 3 quarters | Open Tender Process implemented in all departments, entities and municipalities. |
| Implement a functional procurement hub | Approved Concept document ToR / Business case for the GPG Procurement Hub (Precinct) | Establishment of the Procurement Hub | Fully functional GPG Procurement Hub launched |
| | Approved Implementation plan for the GPG Procurement Hub (Precinct) | | |
| | Conversion and Refurbishment of the GPT Auditorium into an interim adjudication venue for the GPG Procurement Hub | | |
| Implementation of SCM Compliance Framework | Approved SCM Compliance framework implemented in all departments | Implement SCM Compliance Framework in departments; 2 entities 1 municipality | Reduction of SCM Non-compliance incidents by 10% from previous financial year |
| Implement phase II and phase III of TER strategy | Implementation of the TER phase II Pillars / interventions: 1. Preferential Procurement - engagements with NT to review and amend SCM regulations for TER 2. Supplier development - facilitate supplier development and incubation 3. Strategic sourcing - develop strategic sourcing methodologies for TER 4. Private sector participation and partnerships | Implementation of the TER phase II Pillars / interventions: 1. Preferential Procurement, 2. Supplier development, 3. Strategic sourcing, 4. Private sector participation and partnerships | Impact assessment of TER strategies |
| Increase spend on registered Township suppliers | Procurement spend increased on registered Township suppliers from 12% to 18% | Procurement spend increased on registered Township suppliers from 18% to 24% | Procurement spend increased on registered Township suppliers from 24% to 30% |
| Increase % procurement spend on township suppliers in the developmental corridors | Procurement spend increased in Developmental corridors, targets: Central: 26.5% Northern: 27% Eastern: 26.5% Southern: 10% Western: 10% | Procurement spend increased in Developmental Corridors, targets: Central: 28.1% Northern: 28.6% Eastern: 28.1% Southern: 10.3% Western: 10.2% | Procurement spend increased in Developmental Corridors, targets: Central: 29.8% Northern: 30.3% Eastern: 29.8% Southern: 10.6% Western: 10.5% |
| Increase the number of Township suppliers in the GPG centralized database | Increase the number of Gauteng Township suppliers in the centralized database from 5000 to 6000 | Increase the number of Gauteng Township suppliers in the centralized database from 6000 to 7000 | Increase the number of Gauteng Township suppliers in the centralized database from 7000 to 8000 |
| Increase the number of Township suppliers in the Southern and Western corridors (Sedibeng & West Rand regions) | Increase the number of Township suppliers in the Southern and Western corridors (Sedibeng & West Rand regions) from 800 to 1200 | Increase the number of Township suppliers in the Southern and Western corridors (Sedibeng & West Rand regions) from 1200 to 1500 | Increase the number of Township suppliers in the Southern and Western corridors (Sedibeng & West Rand regions) from 1500 to 1650 |

PROGRAMME 5 : MUNICIPAL FINANCIAL GOVERNANCE**Programme Purpose**

The programme aims to ensure effective and efficient management in Municipalities and Municipal Entities and coordinate the provisioning of capacity building.

Programme Objectives

- To support all municipalities to achieve unqualified audits; and
- To ensure responsiveness of Municipal IDPs to the inclusion and implementation of the TMR.

TABLE 14.14: SUMMARY OF PAYMENTS AND ESTIMATES BY SUB-PROGRAMME: MUNICIPAL FINANCIAL GOVERNANCE

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates | | |
|--|---------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|---------------|---------------|
| | 2012/13 | 2013/14 | 2014/15 | 2015/16 | | | 2016/17 | 2017/18 | 2018/19 |
| 1. Programme Support/ Office of the DDG | 17 958 | 27 526 | 28 525 | 2 899 | 32 777 | 32 777 | 5 374 | 5 543 | 5 864 |
| 2. Local Government Financial Services | | | | 10 879 | | | 12 305 | 12 133 | 12 837 |
| 3. Municipal Accounting and Asset Management | | | | 10 879 | | | 12 249 | 12 127 | 12 830 |
| 4. Municipal Compliance and Financial Management Support | | | | 5 440 | | | 6 375 | 6 069 | 6 421 |
| Total payments and estimates | 17 958 | 27 526 | 28 525 | 30 097 | 32 777 | 32 777 | 36 303 | 35 872 | 37 952 |

TABLE 14.15: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: MUNICIPAL FINANCIAL GOVERNANCE

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates | | |
|--------------------------------------|---------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|---------------|---------------|
| | 2012/13 | 2013/14 | 2014/15 | 2015/16 | | | 2016/17 | 2017/18 | 2018/19 |
| Current payments | 17 946 | 27 526 | 28 387 | 30 097 | 32 777 | 32 753 | 36 303 | 35 872 | 37 952 |
| Compensation of employees | 17 309 | 20 061 | 27 681 | 29 298 | 31 298 | 31 275 | 35 129 | 34 639 | 36 648 |
| Goods and services | 637 | 7 465 | 706 | 799 | 1 479 | 1 478 | 1 173 | 1 232 | 1 304 |
| Interest and rent on land | | | | | | | | | |
| Transfers and subsidies to: | 12 | | 96 | | | 24 | | | |
| Provinces and municipalities | | | | | | | | | |
| Non-profit institutions | | | | | | | | | |
| Households | 12 | | 138 | | | 24 | | | |
| Payments for capital assets | | | | | | | | | |
| Buildings and other fixed structures | | | | | | | | | |
| Software and other intangible assets | | | | | | | | | |
| Payments for financial assets | | | | | | | | | |
| Total economic classification | 17 958 | 27 526 | 28 525 | 30 097 | 32 777 | 32 777 | 36 303 | 35 872 | 37 952 |

In the 2015/16 financial year the Municipal Finance Governance was established as new programme in the Gauteng Provincial Treasury. This was also one of the programmes created after re-configuration of the GPT as mentioned earlier. This function existed in GPT as Local Government Financial Services.

The expenditure for Municipal Finance Governance was R18 million in the 2012/13 financial year, increased to R27.5 million in the 2013/14 financial year and increased to R28.5 million in the 2014/15 financial year. The increase in allocation was mainly to fund the Municipal Hands on Support Programme in the designated municipalities. Spending for the 2015/16 financial year is R32.8 million. The allocation for the programme over the MTEF period is as follows: R36.3million in 2016/17 financial year, R35.9 million in the 2017/18 financial year and R38 million in 2018/19 financial year.

Expenditure on compensation of employees amounted R17.3 million in 2012/13 financial year and increased to R20.1 million by the 2013/14 financial year with a further increase to R27.5 million in the 2014/15 financial year. The budget for the 2015/16 financial amounts to R31.3 million. The increase in allocation between 2014/15 – 2015/16 was mainly to fund the Municipal Advisor Programme. The allocation over the MTEF period is as follows: R35.1 million in the 2016/17 financial year, R34.7 million in the 2017/18 financial year and R36.7 million in the 2018/19 financial year. The gradual increase in allocation caters for the repositioning of the function as a stand-alone specialized function and annual cost of living adjustment, notch progression and performance bonus.

Goods and services expenditure amounted to R637 000 in the 2012/13 financial year and the budget increased to R7.5 million in 2013/14. This was to fund various interventions at municipalities. The allocation for goods and services for the programme over the MTEF is as follows: R1.2 million in the 2016/17, R1.2 million in 2017/18 and R1.3 million in the 2018/19

financial year. The main cost drivers in the programme include the printing of gazettes, travel expenditure to municipalities, software licenses, training and development.

PROGRAMME 5: MUNICIPAL FINANCIAL GOVERNANCE

SERVICE DELIVERY MEASURES

| Performance Measures | Estimated Annual Targets | | |
|--|---|--|--|
| | 2016/17 | 2017/18 | 2018/19 |
| MUNICIPAL FINANCIAL GOVERNANCE | | | |
| Number of local municipalities with draft budget assessments conducted to check alignment to IDP's | 8 | 8 | 8 |
| Number of local municipalities final budget assessments conducted | 8 | 8 | 8 |
| Number of local municipalities with unqualified audit opinions for the financial year under review | Maintain all unqualified audit outcomes for the financial year under review 70% of audit recommendations on AFS and Accounting standards implemented by local municipalities before the next audit cycle | All local municipalities with unqualified audit outcomes for the financial year under review 95% of audit recommendations on AFS and Accounting standards implemented by local municipalities before the next audit cycle | All local municipalities with unqualified audit outcomes for the financial year under review 95% of audit recommendations on AFS and Accounting standards implemented by local municipalities before the next audit cycle |
| % reduction of provincial government debt | 30% | 50% | 100% |
| % utilisation of funds in line with the conditions framework gazetted and transferred to municipalities | 75% | 80% | 90% |
| % Implementation of Municipal Financial Hands-On Support Programme (MFHSP) 2 Support Plan with key focus on municipal budgets, financial management and audit support develop targets for implementation cycle | 80% | 90% | 100% |
| Conduct Municipal Fiscal Responsiveness assessment | Municipal Fiscal Responsiveness assessment conducted | Municipal Fiscal Responsiveness assessment conducted | Municipal Fiscal Responsiveness assessment conducted |

PROGRAMME 6 : GAUTENG AUDIT SERVICES

Programme purpose:

To enhance transparency, good governance and a clean government through strengthening the internal control and regulatory environment in the province

Programme objectives

To support all departments, entities and municipalities to achieve clean audits.

TABLE 14.16: SUMMARY OF PAYMENTS AND ESTIMATES: GAUTENG AUDIT SERVICES

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates | | |
|--|---------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|---------------|---------------|
| | 2012/13 | 2013/14 | 2014/15 | | | | 2016/17 | 2017/18 | 2018/19 |
| 1. Programme Support/ Office of the DDG | 2 269 | 1 910 | 3 768 | 7 302 | 7 174 | 7 390 | 7 980 | 7 890 | 8 348 |
| 2. Risk and Compliance Audit Services (Cluster 1; 2 & 3) | 17 398 | 15 136 | 14 194 | 16 881 | 16 904 | 16 969 | 25 377 | 26 446 | 27 980 |
| 3. Risk and Compliance Audit Services (Cluster 4; 5 & 6) | 11 638 | 16 569 | 17 824 | 23 375 | 23 375 | 23 394 | 25 487 | 26 559 | 28 099 |
| 4. Performance and Computer Audit Services | 13 438 | 14 204 | 12 913 | 19 815 | 19 920 | 19 901 | 21 693 | 22 535 | 23 842 |
| 5. Audit Centre of Excellence | 3 929 | 4 886 | 4 499 | 6 383 | 6 383 | 6 102 | – | – | – |
| Total payments and estimates | 48 672 | 52 705 | 53 198 | 73 756 | 73 756 | 73 756 | 80 539 | 83 430 | 88 269 |

TABLE 14.17: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: GAUTENG AUDIT SERVICES

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates | | |
|---------------------------|---------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|---------------|---------------|
| | 2012/13 | 2013/14 | 2014/15 | | | | 2016/17 | 2017/18 | 2018/19 |
| Current payments | 48 512 | 52 659 | 50 994 | 73 756 | 73 686 | 73 673 | 80 539 | 83 430 | 88 269 |
| Compensation of employees | 45 205 | 52 039 | 50 994 | 68 153 | 68 083 | 68 070 | 74 630 | 77 483 | 81 977 |
| Goods and services | 3 307 | 620 | 2 157 | 5 603 | 5 603 | 5 603 | 5 909 | 5 947 | 6 292 |
| Interest and rent on land | | | | | | | | | |

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates | | |
|--------------------------------------|---------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|---------------|---------------|
| | 2012/13 | 2013/14 | 2014/15 | | | | 2016/17 | 2017/18 | 2018/19 |
| Transfers and subsidies to: | 117 | 46 | 36 | | 70 | 83 | | | |
| Provinces and municipalities | | | | | | | | | |
| Households | 117 | 46 | 36 | | 70 | 83 | | | |
| Payments for capital assets | | | 11 | | | | | | |
| Buildings and other fixed structures | | | | | | | | | |
| Machinery and equipment | | | | | | | | | |
| Software and other intangible assets | | | 11 | | | | | | |
| Payments for financial assets | 43 | | | | | | | | |
| Total economic classification | 48 672 | 52 705 | 53 198 | 73 756 | 73 756 | 73 756 | 80 539 | 83 430 | 88 269 |

In the 2015/16 financial year the Gauteng Audit Services was migrated as a function from e-Government to GPT. Thus it is a new programme in the GPT. This was also part of the re-configuration of the GPT as mentioned earlier.

Inclusive in the historical expenditure from 2012/13-2014-15 are the figures that are inclusive of the GAS function which migrated from the former Gauteng Department of Finance now known as e-Government to GPT. More than 95 percent of the GAS budget lies under compensation of employees. Due to the scarce skills in the audit industry in general, priority has been directed toward ensuring the adequate capacitation of the Programme in order to execute its provincial obligations, primary of which is to contribute towards the achievement of clean audits in the Province. Whilst the Programme has historically relied on external audit services, the decision to desist from the use of consultants resulted in the shifting of funds away from goods and services into compensation to enable the Programme to be sufficiently capacitated in this regard.

The GAS compensation budget increases from R45 million in 2012/13 to R82 million in 2018/19. The trend is consistent with the need to fully capacitate the Programme by filling critical vacant posts. Although the effort to fill vacant posts in the Programme was accelerated in 2012/13, resulting in the decrease in vacancy rate in the programme, the competition with the private sector for the scarce audit skills has resulted in a regression. Of the total staff establishment of 138 posts, 104 posts were active as of 1 July 2014, with the number of vacancies doubling from 17 to 34 posts. The programme is actively recruiting in the audit market and adopting various strategies to attract and retain audit talent.

Goods and services under this programme consist mainly of provisions for specialised audits which are sourced externally leading to the use of consultants. The goods and services budget increases from R3 million in 2012/13 to just R6 million in 2018/19. This pattern is in keeping with both the departmental decision to move away from the use of consultants, and give priority to building sufficient capacity within in order to execute the Programme's audit functions in the province.

PROGRAMME 6: GAUTENG AUDIT SERVICES

SERVICE DELIVERY MEASURES

| Performance Measures | Estimated Annual Targets | | |
|--|--------------------------|---------|---------|
| | 2016/17 | 2017/18 | 2018/19 |
| % implementation of internal audit plans (risk based) | 90% | 90% | 90% |
| % implementation of internal audit recommendations by depts. and entities through monitoring and assistance by GAS | 65% | 75% | 90% |
| % of AG significant findings (Findings causing audit qualification) followed-up by Internal Audit | 100% | 100% | 100% |

9. OTHER PROGRAMME INFORMATION

TABLE 14.18 PERSONNEL NUMBERS AND COSTS: GAUTENG PROVINCIAL TREASURY

| Personnel numbers | As at 31 March 2013 | As at 31 March 2014 | As at 31 March 2015 | As at 31 March 2016 | As at 31 March 2017 | As at 31 March 2018 | As at 31 March 2019 |
|---|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| 1. Administration | 120 | 175 | 226 | 192 | 241 | 241 | 264 |
| 2. Sustainable Fiscal Resource Management | 69 | 72 | 80 | 86 | 88 | 88 | 111 |

| Personnel numbers | As at 31 March 2013 | As at 31 March 2014 | As at 31 March 2015 | As at 31 March 2016 | As at 31 March 2017 | As at 31 March 2018 | As at 31 March 2019 |
|--|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|------------------------|
| 3. Financial Governance | 92 | 101 | 258 | 233 | 255 | 255 | 278 |
| 4. Supply Chain Management | | | | 136 | 130 | 130 | 153 |
| 5. Municipal Financial Governance | | | | 51 | 72 | 72 | 72 |
| 6. Gauteng Audit Services | 109 | 135 | 103 | 98 | 166 | 166 | 190 |
| Total provincial personnel numbers | 390 | 483 | 667 | 796 | 952 | 952 | 1 068 |
| Total provincial personnel cost (R thousand) | 257 114 | 291 210 | 332 919 | 391 292 | 453 362 | 471 808 | 500 836 |
| Unit cost (R thousand) | 659 | 603 | 499 | 492 | 476 | 496 | 469 |

TABLE 14.19: SUMMARY OF DEPARTMENTAL PERSONNEL NUMBERS AND COSTS BY COMPONENT

| R thousands | Actual | | | Revised estimate | | | | Medium-term expenditure estimate | | | | Average annual growth over MTEF | | |
|---|------------|----------------|------------|------------------|------------------|--------------------------------|----------------|----------------------------------|------------------|--------------------------------|----------------|---------------------------------|-------------------|------------------|
| | 2012/13 | 2013/14 | 2014/15 | 2015/16 | | 2016/17 | | 2017/18 | | 2018/19 | | 2015/16 - 2018/19 | | |
| | | | | Filled posts | Additional posts | Personnel numbers ¹ | Costs | Personnel numbers ¹ | Costs | Personnel numbers ¹ | Costs | Personnel growth rate | Costs growth rate | % Costs of Total |
| Salary level | | | | | | | | | | | | | | |
| 1 – 6 | 32 | 8 587 | 70 | 120 | 52 | 172 | 35 543 | 175 | 39 131 | 175 | 41 331 | 0.6% | 16.9% | 9.8% |
| 7 – 10 | 209 | 47 659 | 252 | 394 | | 394 | 181 888 | 487 | 214 654 | 557 | 220 079 | 12.2% | 6.6% | 45.7% |
| 11 – 12 | 90 | 30 186 | 128 | 126 | | 126 | 76 417 | 165 | 101 911 | 211 | 95 327 | 18.8% | 7.6% | 19.8% |
| 13 – 16 | 59 | 36 785 | 67 | 104 | | 104 | 93 800 | 125 | 97 666 | 125 | 111 750 | 6.3% | 11.1% | 24.5% |
| Other | | | | | | 3 644 | | | | | | | -100.0% | 0.3% |
| Total | 390 | 123 217 | 483 | 744 | 52 | 796 | 391 292 | 952 | 453 362 | 1 068 | 500 836 | 10.3% | 8.6% | 100.0% |
| Programme | | | | | | | | | | | | | | |
| 1. Administration | 120 | 32 629 | 175 | 140 | 52 | 192 | 73 080 | 241 | 99 093 | 264 | 97 646 | 11.2% | 10.1% | 19.7% |
| 2. Sustainable Fiscal Resource Management | 69 | 47 986 | 72 | 86 | | 86 | 62 999 | 88 | 51 411 | 111 | 59 347 | 8.9% | -2.0% | 13.1% |
| 3. Financial Governance | 92 | 50 934 | 101 | 233 | | 233 | 105 507 | 255 | 110 938 | 278 | 125 538 | 6.1% | 6.0% | 25.6% |
| 4. Supply Chain Management | | 63 051 | | 136 | | 136 | 50 361 | 130 | 66 059 | 153 | 75 459 | 4.0% | 14.4% | 14.3% |
| 5. Municipal Financial Governance | | 17 309 | | 51 | | 51 | 31 275 | 72 | 38 826 | 72 | 44 170 | 12.2% | 12.2% | 8.4% |
| 6. Gauteng Audit Services | 109 | 45 205 | 135 | 98 | | 98 | 68 070 | 166 | 87 035 | 190 | 98 676 | 24.7% | 13.2% | 18.9% |
| Direct charges | | | | | | | | | | | | | | |
| Total | 390 | 257 114 | 483 | 744 | 52.0 | 796 | 391 292 | 952 | 453 362.0 | 1 068 | 500 836 | 10.3% | 8.6% | 100.0% |
| Employee dispensation classification | | | | | | | | | | | | | | |
| Public Service Act appointees not covered by OSDs | | | | | | | | | | | | | | |
| Others such as interns, EPWP, learnerships, etc | | | | 53 | | 53 | 3 542 | 55 | 3 186 | 55 | 4 073 | 1.2% | 4.8% | 100.0% |
| Total | | | | 53 | | 53 | 3 542 | 55 | 3 186 | 55 | 4 073 | 1.2% | 4.8% | 100.0% |

The human resource component of the Treasury maintains a consistent pattern throughout the period under review, in both personnel numbers and cost. The increases in cost over the period are mainly a reflection of projected compensation adjustments in keeping with the cost of living. The increases in cost over the MTEF for part-time/contract workers are mainly a reflection of projected compensation adjustments in keeping with the cost of living. The increase in personnel between 2015/16 to 2016/17 indicates the department's plans to fully capacitate in order to full fill its mandate.

9.2 Training

TABLE 14.20: PAYMENTS ON TRAINING: GAUTENG PROVINCIAL TREASURY

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates | | |
|--|--------------|--------------|--------------|--------------------|------------------------|------------------|-----------------------|--------------|--------------|
| | 2012/13 | 2013/14 | 2014/15 | | | | 2016/17 | 2017/18 | 2018/19 |
| 1. Administration | 1 119 | 3 199 | 1 337 | 560 | 560 | 1 711 | 501 | 526 | 557 |
| Subsistence and travel | | | | | | | | | |
| Payments on tuition | 1 119 | 3 199 | 1 337 | 560 | 560 | 1 711 | 501 | 526 | 557 |
| Other | | | | | | | | | |
| 2. Sustainable Fiscal Resource Management | 1 344 | 268 | 525 | 428 | 428 | 364 | 451 | 473 | 500 |
| Subsistence and travel | 574 | | | | | | | | |
| Payments on tuition | 770 | 268 | 525 | 428 | 428 | 364 | 451 | 473 | 500 |
| Other | | | | | | | | | |
| 3. Financial Governance | 1 175 | 3 776 | 1 399 | 3 090 | 3 090 | 1 885 | 3 659 | 3 872 | 4 097 |
| Subsistence and travel | 573 | | | | | | | | |
| Payments on tuition | 602 | 3 776 | 226 | 650 | 650 | 290 | 489 | 513 | 543 |
| Other | | | 1 173 | 2 440 | 2 440 | 1 595 | 3 170 | 3 359 | 3 554 |
| 4. Provincial Supply Chain and Movable Asset Management | | | 495 | 1 229 | 1229 | 929 | 1 303 | 1 369 | 1 448 |
| Subsistence and travel | | | | | | | | | |
| Payments on tuition | | | 495 | 1 229 | 1229 | 929 | 1 303 | 1 369 | 1 448 |
| Other | | | | | | | | | |
| 5. Municipal Financial Governance | | 167 | | | | | | | |
| Subsistence and travel | | | | | | | | | |
| Payments on tuition | | 167 | | | | | | | |
| Other | | | | | | | | | |
| 6. Gauteng Audit Services | | | | 682 | 682 | | 729 | 775 | 820 |
| Subsistence and travel | | | | | | | | | |
| Payments on tuition | | | | 682 | 682 | | 729 | 775 | 820 |
| Other | | | | | | | | | |
| Total payments on training | 3 638 | 7 410 | 3 756 | 5 989 | 5 989 | 4 889 | 6 643 | 7 015 | 7 422 |

TABLE 14.21: INFORMATION ON TRAINING: GAUTENG PROVINCIAL TREASURY

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates | | |
|----------------------------------|---------|---------|---------|--------------------|------------------------|------------------|-----------------------|---------|---------|
| | 2012/13 | 2013/14 | 2014/15 | | | | 2016/17 | 2017/18 | 2018/19 |
| Number of staff | | | | | | | | | |
| Number of personnel trained | 271 | 366 | 350 | 450 | 450 | 450 | 500 | 525 | 555 |
| of which | | | | | | | | | |
| Male | 115 | 148 | 140 | 160 | 160 | 160 | 180 | 189 | 200 |
| Female | 156 | 218 | 210 | 290 | 290 | 290 | 320 | 336 | 355 |
| Number of training opportunities | 271 | 333 | 490 | 600 | 600 | 600 | 710 | 746 | 789 |
| of which | | | | | | | | | |
| Tertiary | 98 | 150 | 250 | 300 | 300 | 300 | 350 | 368 | 389 |
| Workshops | 173 | 153 | 200 | 250 | 250 | 250 | 300 | 315 | 333 |

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation 2015/16 | Revised estimate | Medium-term estimates | | |
|----------------------------------|---------|---------|---------|--------------------|-----------------------------------|------------------|-----------------------|---------|---------|
| | 2012/13 | 2013/14 | 2014/15 | | | | 2016/17 | 2017/18 | 2018/19 |
| Seminars | | 30 | 40 | 50 | 50 | 50 | 60 | 63 | 67 |
| Other | | | | | | | | | |
| Number of bursaries offered | 98 | 150 | 173 | 200 | 200 | 200 | 200 | 210 | 222 |
| Number of interns appointed | 46 | 26 | 35 | 40 | 40 | 40 | 45 | 50 | 53 |
| Number of learnerships appointed | 40 | 18 | 18 | 20 | 20 | 20 | 25 | 26 | 28 |
| Number of days spent on training | | | | | | | | | |

The transformation of GPT requires a continuous and an uncompromising acquisition of the required skills. A lifelong learning is a vital mind set for a learning organisation that needs to thrive in the 21st Century moreover with essential response to the service requests of the people of Gauteng. The department recognizes that it's most important asset is its employees, and this asset will need to be managed to ensure the continued success of the department.

The department will achieve this through the implementation of meaningful skills programs, internships and learnership programs. To maintain the productivity, well-being and motivation of employees within the rapidly changing environment, GPT must underpin these changes with adequate, appropriate and supportive development and training opportunities.

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

The department is continuously committed to addressing skills shortages and scares skills, and aims to appoint at least 8 per cent of the staff establishment as interns each financial year. This exceeds the mandated 5 per cent. In implementing the above-mentioned programmes, the department is contributing towards halving poverty, creating jobs, youth development and ultimately addressing skills shortages in the country. Interns and learners are appointed additional to the staff establishment, and must therefore be budgeted for.

ANNEXURE TO ESTIMATES OF PROVINCIAL REVENUE AND EXPENDITURE

TABLE 14.22: SPECIFICATIONS OF RECEIPTS: GAUTENG PROVINCIAL TREASURY

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates | | |
|---|----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2012/13 | 2013/14 | 2014/15 | | | | 2016/17 | 2017/18 | 2018/19 |
| Tax receipts | | | | | | | | | |
| Casino taxes | | | | | | | | | |
| Motor vehicle licences | | | | | | | | | |
| Sales of goods and services other than capital assets | 175 | 235 | 338 | 222 | 595 | 632 | 1 000 | 1 050 | 1 111 |
| Sale of goods and services produced by department (excluding capital assets) | 175 | 235 | 338 | 222 | 595 | 632 | 1 000 | 1 050 | 1 111 |
| Sales by market establishments | 175 | 235 | 338 | 222 | 595 | 632 | 1 000 | 1 050 | 1 111 |
| Administrative fees | | | | | | | | | |
| Other sales | | | | | | | | | |
| <i>Of which</i> | | | | | | | | | |
| <i>Health patient fees</i> | 175 | | | | | | | | |
| <i>Other (Specify)</i> | | | | | | | | | |
| Sales of scrap, waste, arms and other used current goods (excluding capital assets) | | | | | | | | | |
| Transfers received from: | | | | | | | | | |
| Other governmental units | | | | | | | | | |
| Households and non-profit institutions | | | | | | | | | |
| Fines, penalties and forfeits | | | | | | | | | |
| Interest, dividends and rent on land | 187 570 | 247 283 | 481 451 | 88 000 | 400 000 | 445 334 | 150 000 | 200 000 | 250 000 |
| Interest | 187 570 | 247 283 | 481 045 | 88 000 | 400 000 | 445 334 | 150 000 | 200 000 | 250 000 |
| Dividends | | | | | | | | | |
| Rent on land | | | | | | | | | |
| Sales of capital assets | | | | | | | | | |
| Land and sub-soil assets | | | | | | | | | |
| Other capital assets | | | | | | | | | |
| Transactions in financial assets and liabilities | 66 | 375 | 477 | 395 | 395 | 425 | 415 | 436 | 461 |
| Total departmental receipts | 187 811 | 247 893 | 482 266 | 88 617 | 400 990 | 446 391 | 151 415 | 201 486 | 251 572 |

TABLE 14.23: PAYMENTS AND ESTIMATES BY ECONOMIC CLASIFICATION: ADMINISTRATION

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates | | |
|-----------------------------|---------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2012/13 | 2013/14 | 2014/15 | | | | 2016/17 | 2017/18 | 2018/19 |
| Current payments | 58 195 | 77 006 | 88 524 | 110 350 | 113 854 | 113 854 | 120 101 | 125 894 | 133 196 |
| Compensation of employees | 32 629 | 44 926 | 62 021 | 73 160 | 73 080 | 73 080 | 78 863 | 82 619 | 87 411 |
| Salaries and wages | 26 103 | 35 941 | 62 021 | 59 888 | 59 808 | 61 302 | 63 680 | 66 709 | 70 578 |
| Social contributions | 6 526 | 8 985 | | 13 272 | 13 272 | 11 778 | 15 183 | 15 910 | 16 832 |
| Goods and services | 25 566 | 32 080 | 26 503 | 37 190 | 40 774 | 40 774 | 41 238 | 43 275 | 45 785 |
| <i>Administrative fees</i> | 105 | 116 | 46 | 284 | 100 | 103 | 262 | 246 | 260 |
| <i>Advertising</i> | 2 | 1 284 | 2 114 | 1 257 | 1 577 | 1 577 | 1 067 | 1 108 | 1 172 |
| <i>Minor assets</i> | 1 013 | 195 | 67 | 270 | 373 | 474 | 232 | 244 | 258 |
| <i>Audit cost: External</i> | 2 260 | 1 082 | 1 738 | 2 311 | 2 236 | 2 236 | 3 116 | 3 631 | 3 842 |
| <i>Bursaries: Employees</i> | 759 | 1 217 | 1 218 | 1 550 | 1 550 | 1 550 | 1 535 | 1 612 | 1 705 |

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates | | |
|--|--------------|--------------|--------------|--------------------|------------------------|------------------|-----------------------|--------------|--------------|
| | 2012/13 | 2013/14 | 2014/15 | | | | 2016/17 | 2017/18 | 2018/19 |
| <i>Catering:</i> | | | | | | | | | |
| <i>Departmental activities</i> | 630 | 1 580 | 170 | 437 | 323 | 351 | 265 | 371 | 392 |
| <i>Communication (G&S)</i> | 1 489 | 1 835 | 1 999 | 5 169 | 5 111 | 4 990 | 4 698 | 4 601 | 4 868 |
| <i>Computer services</i> | 5 | 283 | 1 802 | 3 697 | 3 760 | 3 562 | 3 896 | 4 091 | 4 328 |
| <i>Consultants and professional services:</i> | | | | | | | | | |
| <i>Business and advisory services</i> | 613 | 1 302 | 723 | 1 026 | 1 176 | 1 176 | 1 738 | 1 744 | 1 845 |
| <i>Consultants and professional services:</i> | | | | | | | | | |
| <i>Legal costs</i> | 7 | | 67 | 926 | 926 | 926 | 27 | 28 | 30 |
| <i>Contractors</i> | 248 | 5 597 | 1 298 | 3 108 | 2 244 | 2 245 | 2 361 | 2 478 | 2 622 |
| <i>Agency and support / outsourced services</i> | 32 | | | | | | | | |
| <i>Entertainment</i> | 27 | | | 35 | | | | | |
| <i>Fleet services (including government motor transport)</i> | 30 | 1 452 | 668 | 1 452 | 1 960 | 600 | | | |
| <i>Inventory: Food and food supplies</i> | 94 | | | | | | | | |
| <i>Inventory: Fuel, oil and gas</i> | 59 | | | | | | 38 | 45 | 48 |
| <i>Inventory: Materials and supplies</i> | 15 | | | | | | | | |
| <i>Consumable supplies</i> | 146 | 797 | 338 | 603 | 691 | 691 | 598 | 623 | 659 |
| <i>Consumable: Stationery, printing and office supplies</i> | 844 | 1 051 | 1 054 | 1 310 | 2 121 | 2 121 | 1 241 | 1 328 | 1 405 |
| <i>Operating leases</i> | 582 | 1 443 | 2 494 | 1 014 | 1 658 | 3 100 | 4 043 | 4 255 | 4 502 |
| <i>Property payments</i> | 9 978 | 4 291 | 7 924 | 6 864 | 9 548 | 9 548 | 9 575 | 10 101 | 10 687 |
| <i>Travel and subsistence</i> | 3 576 | 3 391 | 278 | 2 010 | 2 224 | 2 328 | 2 025 | 2 121 | 2 244 |
| <i>Training and development</i> | 1 119 | 3 199 | 1 337 | 560 | 1 060 | 1 060 | 2 293 | 2 355 | 2 491 |
| <i>Operating payments</i> | 256 | 539 | 411 | 728 | 669 | 669 | 751 | 570 | 603 |
| <i>Venues and facilities</i> | 1 677 | 1 426 | 757 | 2 579 | 1 467 | 1 467 | 1 476 | 1 723 | 1 823 |
| <i>Rental and hiring</i> | | | | | | | | | |
| <i>Interest and rent on land</i> | | | | | | | | | |
| <i>Interest</i> | | | | | | | | | |
| <i>Rent on land</i> | | | | | | | | | |
| Transfers and subsidies | 75 | 1 499 | | 225 | 305 | 305 | 238 | 250 | 265 |
| <i>Provinces and municipalities</i> | | | | | | | | | |
| <i>Households</i> | 75 | 1 499 | | 225 | 305 | 305 | 238 | 250 | 265 |
| <i>Social benefits</i> | 75 | 1 499 | | 80 | 146 | | | | |
| <i>Other transfers to households</i> | | | | 225 | 225 | 159 | 238 | 250 | 265 |
| Payments for capital assets | 1 573 | 2 795 | 2 006 | 953 | 6 694 | 6 694 | 1 004 | 1 054 | 1 115 |
| <i>Buildings and other fixed structures</i> | | | | | | | | | |
| <i>Buildings</i> | | | | | | | | | |
| <i>Other fixed structures</i> | | | | | | | | | |
| <i>Machinery and equipment</i> | 1 559 | 2 774 | 1 731 | 953 | 6 694 | 6 694 | 1 004 | 1 054 | 1 115 |
| <i>Transport equipment</i> | | | | | | | | | |
| <i>Other machinery and equipment</i> | 1 559 | 2 774 | 1 731 | 953 | 6 694 | 6 694 | 1 004 | 1 054 | 1 115 |
| <i>Heritage Assets</i> | | | | | | | | | |
| <i>Software and other intangible assets</i> | 14 | 21 | 275 | | | | | | |

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates | | |
|--------------------------------------|---------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2012/13 | 2013/14 | 2014/15 | | | | 2016/17 | 2017/18 | 2018/19 |
| Payments for financial assets | | | 8 | | | | | | |
| Total economic classification | 59 768 | 79 876 | 92 037 | 111 528 | 120 853 | 120 853 | 121 342 | 127 198 | 134 575 |

TABLE 14.24: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: SUSTAINABLE FISCAL RESOURCES MANAGEMENT

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates | | |
|---|---------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2012/13 | 2013/14 | 2014/15 | | | | 2016/17 | 2017/18 | 2018/19 |
| Current payments | 50 727 | 59 088 | 64 270 | 113 781 | 74 420 | 74 299 | 95 595 | 100 946 | 108 464 |
| Compensation of employees | 47 986 | 53 562 | 59 773 | 80 381 | 63 120 | 62 999 | 71 629 | 75 392 | 81 427 |
| Salaries and wages | 38 389 | 42 580 | 59 773 | 68 658 | 54 248 | 55 365 | 61 165 | 64 549 | 69 849 |
| Social contributions | 9 597 | 10 982 | | 11 723 | 8 872 | 7 634 | 10 464 | 10 843 | 11 578 |
| Goods and services | 2 741 | 5 526 | 4 497 | 33 400 | 11 300 | 11 300 | 23 966 | 25 555 | 27 037 |
| Administrative fees | | | 7 | | 3 | 4 | 5 | 6 | 6 |
| Advertising | 596 | 1 124 | 361 | 462 | 462 | 462 | 486 | 511 | 540 |
| Audit cost: External | | | 560 | 692 | 692 | 692 | 745 | 785 | 831 |
| Catering: Departmental activities | | 44 | 29 | 260 | 297 | 297 | 269 | 232 | 246 |
| Computer services | | | | 20 318 | 538 | 538 | | | |
| Consultants and professional services: Business and advisory services | 100 | 1 427 | 906 | 810 | 5 537 | 5 515 | 19 033 | 20 399 | 21 583 |
| Consultants and professional services: Legal costs | 49 | 917 | 593 | 6 502 | 2 | 2 | | | |
| Contractors | | | | 100 | 90 | 90 | | | |
| Consumable supplies | | | | | 30 | 30 | | | |
| Consumable: Stationery, printing and office supplies | 570 | 542 | 632 | 647 | 727 | 727 | 660 | 693 | 733 |
| Travel and subsistence | 301 | 106 | 227 | 1 370 | 320 | 320 | 589 | 667 | 706 |
| Training and development | 770 | 268 | 525 | 428 | 1 028 | 1 028 | 451 | 522 | 553 |
| Operating payments | 173 | 1 098 | 657 | 987 | 1 350 | 1 371 | 1 261 | 1 327 | 1 404 |
| Venues and facilities | 182 | | | 824 | 224 | 224 | 468 | 411 | 435 |
| Rental and hiring | | | | | | | | | |
| Interest and rent on land | | | | | | | | | |
| Interest | | | | | | | | | |
| Rent on land | | | | | | | | | |
| Transfers and subsidies | 50 030 | 50 040 | 75 150 | 70 000 | 120 080 | 120 201 | 52 650 | 55 283 | 58 489 |
| Provinces and municipalities | | | | | | | | | |
| Municipal agencies and funds | | | | | | | | | |
| Departmental agencies and accounts | 50 000 | 50 000 | 75 000 | 70 000 | 120 000 | 120 000 | 52 650 | 55 283 | 58 489 |
| Social security funds | | | | | | | | | |
| Provide list of entities receiving transfers | 50 000 | 50 000 | 75 000 | 70 000 | 120 000 | 120 000 | 52 650 | 55 283 | 58 489 |
| Higher education institutions | | | | | | | | | |
| Households | 30 | 40 | 150 | | 80 | 201 | | | |
| Social benefits | 30 | 40 | 150 | | 80 | 201 | | | |
| Other transfers to households | | | | | | | | | |

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates | | |
|--------------------------------------|----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2012/13 | 2013/14 | 2014/15 | | | | 2016/17 | 2017/18 | 2018/19 |
| Payments for capital assets | | | | | | | 1 400 | 1 500 | 1 587 |
| Buildings and other fixed structures | | | | | | | | | |
| Machinery and equipment | | | | | | | 1 400 | 1 500 | 1 587 |
| Transport equipment | | | | | | | | | |
| Other machinery and equipment | | | | | | | 1 400 | 1 500 | 1 587 |
| Software and other intangible assets | | | | | | | | | |
| Payments for financial assets | | | | | | | | | |
| Total economic classification | 100 757 | 109 128 | 139 420 | 183 781 | 194 500 | 194 500 | 149 645 | 157 729 | 168 540 |

TABLE 14.25: PAYMENTS AND ESTIMATES BY ECONOMIC CLASIFICATION: FINANCIAL GOVERNANCE

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates | | |
|---|---------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2012/13 | 2013/14 | 2014/15 | | | | 2016/17 | 2017/18 | 2018/19 |
| Current payments | 54 252 | 100 557 | 109 161 | 98 608 | 128 329 | 128 422 | 128 028 | 134 928 | 142 754 |
| Compensation of employees | 50 934 | 64 490 | 74 651 | 86 364 | 105 415 | 105 507 | 116 097 | 122 399 | 129 498 |
| Salaries and wages | 49 814 | 51 592 | 74 651 | 76 040 | 92 848 | 92 142 | 98 888 | 104 234 | 110 279 |
| Social contributions | 1 120 | 12 898 | | 10 324 | 12 567 | 13 365 | 17 209 | 18 165 | 19 218 |
| Goods and services | 3 318 | 36 067 | 34 510 | 12 244 | 22 914 | 22 915 | 11 931 | 12 529 | 13 256 |
| Administrative fees | | | 6 | 10 | 3 | 2 | 11 | 12 | 12 |
| Advertising | | | 94 | | | | 94 | | |
| Minor assets | | 2 | 18 | | | | | | |
| Audit cost: External | 1 098 | 1 082 | 581 | 615 | 615 | 607 | 664 | 697 | 738 |
| Bursaries: Employees | 6 | | | | | | | | |
| Catering: Departmental activities | | | 175 | 240 | 237 | 233 | 200 | 220 | 233 |
| Communication (G&S) | | | | 129 | | | | | |
| Computer services | 719 | 2 828 | 634 | 458 | 1 028 | 1 026 | 2 718 | 2 781 | 2 942 |
| Consultants and professional services: Business and advisory services | 655 | 27 980 | 31 066 | 6 158 | 18 489 | 18 338 | 5 340 | 5 729 | 6 061 |
| Consultants and professional services: Legal costs | 114 | | | | | | | | |
| Contractors | | | 7 | | | | | | |
| Agency and support / outsourced services | | 58 | | | | | | | |
| Fleet services (including government motor transport) | | | | 24 | | | | | |
| Consumable supplies | | | 4 | | | | | | |
| Consumable: Stationery, printing and office supplies | 15 | 10 | 2 | 41 | 4 | 4 | 3 | 3 | 3 |
| Operating leases | | | | 41 | | | | | |
| Travel and subsistence | 86 | 160 | 208 | 462 | 183 | 199 | 477 | 508 | 538 |
| Training and development | 602 | 3 776 | 1 399 | 3 090 | 2 104 | 2 255 | 1 867 | 1 995 | 2 111 |

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates | | |
|--------------------------------------|---------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2012/13 | 2013/14 | 2014/15 | | | | 2016/17 | 2017/18 | 2018/19 |
| <i>Operating payments</i> | 23 | 171 | 270 | 502 | 149 | 149 | 157 | 165 | 175 |
| <i>Venues and facilities</i> | | | 46 | 474 | 102 | 102 | 400 | 420 | 444 |
| <i>Rental and hiring</i> | | | | | | | | | |
| <i>Interest and rent on land</i> | | | | | | | | | |
| <i>Interest</i> | | | | | | | | | |
| <i>Rent on land</i> | | | | | | | | | |
| Transfers and subsidies | 66 | 879 | 112 | | 149 | 56 | | | |
| Provinces and municipalities | | | | | | | | | |
| Non-profit institutions | | | | | | | | | |
| Households | 66 | 879 | 112 | | 149 | 56 | | | |
| Social benefits | 66 | 879 | 112 | | 149 | 56 | | | |
| Other transfers to households | | | | | | | | | |
| Payments for capital assets | | 923 | 1 228 | | | | | | |
| Buildings and other fixed structures | | | | | | | | | |
| Machinery and equipment | | 783 | 1 228 | | | | | | |
| Transport equipment | | | | | | | | | |
| Other machinery and equipment | | 783 | 1 228 | | | | | | |
| Heritage Assets | | | | | | | | | |
| Software and other intangible assets | | 140 | | | | | | | |
| Payments for financial assets | | | | | | | | | |
| Total economic classification | 54 318 | 102 359 | 110 501 | 98 608 | 128 478 | 128 478 | 128 028 | 134 928 | 142 754 |

TABLE 14.26: PAYMENTS AND ESTIMATES BY ECONOMIC CLASIFICATION: PROVINCIAL SUPPLY CHAIN & MOVEABLE ASSETS

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates | | |
|--|---------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|---------------|---------------|
| | 2012/13 | 2013/14 | 2014/15 | | | | 2016/17 | 2017/18 | 2018/19 |
| Current payments | 64 926 | 58 228 | 59 058 | 86 592 | 58 907 | 58 830 | 91 537 | 94 379 | 99 853 |
| Compensation of employees | 63 051 | 56 132 | 57 798 | 80 457 | 50 438 | 50 361 | 77 013 | 79 276 | 83 874 |
| Salaries and wages | 54 320 | 44 906 | 57 798 | 65 412 | 36 885 | 43 190 | 66 240 | 68 745 | 72 733 |
| Social contributions | 8 731 | 11 226 | | 15 045 | 13 553 | 7 171 | 10 773 | 10 531 | 11 142 |
| Goods and services | 1 875 | 2 096 | 1 260 | 6 135 | 8 469 | 8 469 | 14 524 | 15 103 | 15 979 |
| <i>Administrative fees</i> | | 165 | 1 | | | | | | |
| <i>Advertising</i> | 175 | 195 | 286 | 259 | 259 | 259 | 269 | 283 | 299 |
| <i>Catering; Departmental activities</i> | | | | 32 | 32 | 32 | 4 | 5 | 6 |
| <i>Communication (G&S)</i> | | | | 366 | | | | | |
| <i>Computer services</i> | | | | 1 703 | 1 703 | 1 703 | | | |
| <i>Consultants and professional services; Business and advisory services</i> | 1 683 | 1 700 | 277 | 1 219 | 5 080 | 5 013 | 12 555 | 13 033 | 13 789 |
| <i>Contractors</i> | | 2 | 1 | | | | | | |
| <i>Fleet services (including government motor transport)</i> | | | | 97 | | | | | |

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates | | |
|---|---------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|---------------|---------------|
| | 2012/13 | 2013/14 | 2014/15 | | | | 2016/17 | 2017/18 | 2018/19 |
| <i>Inventory: Materials and supplies</i> | 5 | | | | | | | | |
| <i>Consumable supplies</i> | | 2 | | | | | | | |
| <i>Consumable: Stationery, printing and office supplies</i> | | | | 183 | 103 | 103 | | | |
| <i>Operating leases</i> | | | | 639 | | | | | |
| <i>Travel and subsistence</i> | | 8 | 20 | 113 | 63 | 63 | 83 | 88 | 93 |
| <i>Training and development</i> | | | 495 | 1 229 | 1 229 | 1 229 | 1 303 | 1 369 | 1 448 |
| <i>Operating payments</i> | 12 | 1 | 180 | 95 | | | 99 | 104 | 110 |
| <i>Venues and facilities</i> | | 23 | | 200 | | 67 | 211 | 221 | 234 |
| <i>Rental and hiring</i> | | | | | | | | | |
| <i>Interest and rent on land</i> | | | | | | | | | |
| <i>Interest</i> | | | | | | | | | |
| <i>Rent on land</i> | | | | | | | | | |
| Transfers and subsidies | 19 | 79 | 9 | | | 77 | | | |
| <i>Provinces and municipalities</i> | | | | | | | | | |
| <i>Households</i> | 19 | 79 | 9 | | | 77 | | | |
| <i>Social benefits</i> | 19 | 79 | 9 | | | 77 | | | |
| <i>Other transfers to households</i> | | | | | | | | | |
| Payments for capital assets | | | 17 | | | | | | |
| <i>Buildings and other fixed structures</i> | | | | | | | | | |
| <i>Software and other intangible assets</i> | | | 17 | | | | | | |
| Payments for financial assets | 57 | 4 | 116 | | | | | | |
| Total economic classification | 65 002 | 58 311 | 59 200 | 86 592 | 58 907 | 58 907 | 91 537 | 94 379 | 99 853 |

TABLE 14.27: PAYMENTS AND ESTIMATES BY ECONOMIC CLASIFICATION: MUNICIPAL FINANCIAL GOVERNANCE

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates | | |
|--|---------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|---------------|---------------|
| | 2012/13 | 2013/14 | 2014/15 | | | | 2016/17 | 2017/18 | 2018/19 |
| Current payments | 17 946 | 27 526 | 28 387 | 30 097 | 32 777 | 32 753 | 36 303 | 35 872 | 37 952 |
| <i>Compensation of employees</i> | 17 309 | 20 061 | 27 681 | 29 298 | 31 298 | 31 275 | 35 129 | 34 639 | 36 648 |
| <i>Salaries and wages</i> | 13 847 | 16 049 | 27 681 | 25 250 | 27 250 | 28 332 | 30 020 | 30 115 | 31 862 |
| <i>Social contributions</i> | 3 462 | 4 012 | | 4 048 | 4 048 | 2 943 | 5 109 | 4 524 | 4 787 |
| <i>Goods and services</i> | 637 | 7 465 | 706 | 799 | 1 479 | 1 478 | 1 173 | 1 232 | 1 304 |
| <i>Administrative fees</i> | | | | | | 2 | | | |
| <i>Advertising</i> | 73 | 116 | | | | | | | |
| <i>Catering: Departmental activities</i> | | | | | 30 | 47 | 74 | 80 | 85 |
| <i>Communication (G&S)</i> | | | | | | | | | |
| <i>Computer services</i> | | 79 | 99 | 137 | 317 | 217 | 518 | 565 | 598 |
| <i>Consultants and professional services: Business and advisory services</i> | | 6 621 | | | 500 | 500 | | | |
| <i>Consumable supplies</i> | | | 1 | | | | | | |
| <i>Consumable: Stationery, printing and office supplies</i> | 219 | 132 | 375 | 279 | 279 | 278 | 220 | 228 | 242 |
| <i>Travel and subsistence</i> | 345 | 336 | 231 | 383 | 353 | 377 | 361 | 358 | 379 |

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates | | |
|---|---------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|---------------|---------------|
| | 2012/13 | 2013/14 | 2014/15 | | | | 2016/17 | 2017/18 | 2018/19 |
| <i>Training and development</i> | | 167 | | | | | | | |
| <i>Operating payments</i> | | 14 | | | | 57 | | | |
| <i>Rental and hiring</i> | | | | | | | | | |
| <i>Interest and rent on land</i> | | | | | | | | | |
| <i>Interest</i> | | | | | | | | | |
| <i>Rent on land</i> | | | | | | | | | |
| Transfers and subsidies | 12 | | 138 | | | 24 | | | |
| <i>Provinces and municipalities</i> | | | | | | | | | |
| <i>Households</i> | 12 | | 138 | | | 24 | | | |
| <i>Social benefits</i> | 12 | | 138 | | | 24 | | | |
| <i>Other transfers to households</i> | | | | | | | | | |
| Payments for capital assets | | | | | | | | | |
| <i>Buildings and other fixed structures</i> | | | | | | | | | |
| <i>Software and other intangible assets</i> | | | | | | | | | |
| Payments for financial assets | | | | | | | | | |
| Total economic classification | 17 958 | 27 526 | 28 525 | 30 097 | 32 777 | 32 777 | 36 303 | 35 872 | 37 952 |

TABLE 14.28: PAYMENTS AND ESTIMATES BY ECONOMIC CLASIFICATION: GAUTENG AUDIT SERVICES

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates | | |
|--|---------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|---------------|---------------|
| | 2012/13 | 2013/14 | 2014/15 | | | | 2016/17 | 2017/18 | 2018/19 |
| Current payments | 48 512 | 52 659 | 53 151 | 73 756 | 73 686 | 73 673 | 80 539 | 83 430 | 88 269 |
| <i>Compensation of employees</i> | 45 205 | 52 039 | 50 994 | 68 153 | 68 083 | 68 070 | 74 630 | 77 483 | 81 977 |
| <i>Salaries and wages</i> | 39 949 | 41 631 | 50 994 | 60 160 | 60 090 | 60 290 | 65 703 | 68 589 | 72 567 |
| <i>Social contributions</i> | 5 256 | 10 408 | | 7 993 | 7 993 | 7 780 | 8 927 | 8 894 | 9 410 |
| <i>Goods and services</i> | 3 307 | 620 | 2 157 | 5 603 | 5 603 | 5 603 | 5 909 | 5 947 | 6 292 |
| <i>Administrative fees</i> | | | 1 | | | 1 | | | |
| <i>Communication (G&S)</i> | | | | 579 | | | | | |
| <i>Computer services</i> | 2 477 | 255 | | 470 | 470 | 470 | 501 | 526 | 557 |
| <i>Consultants and professional services: Business and advisory services</i> | 732 | 263 | 2 036 | 2 924 | 4 288 | 4 288 | 4 387 | 4 334 | 4 585 |
| <i>Fleet services (including government motor transport)</i> | | | | 70 | | | | | |
| <i>Consumable supplies</i> | | 2 | | | | | | | |
| <i>Consumable: Stationery, printing and office supplies</i> | | | | 121 | | | | | |
| <i>Operating leases</i> | | | | 479 | | | | | |
| <i>Travel and subsistence</i> | | | | 93 | 163 | 174 | 98 | 108 | 114 |
| <i>Training and development</i> | | | | 682 | 682 | 670 | 729 | 775 | 820 |
| <i>Operating payments</i> | 98 | 100 | 120 | 185 | | | 194 | 204 | 216 |
| <i>Rental and hiring</i> | | | | | | | | | |
| <i>Interest and rent on land</i> | | | | | | | | | |
| <i>Interest</i> | | | | | | | | | |
| <i>Rent on land</i> | | | | | | | | | |

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates | | |
|--------------------------------------|---------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|---------------|---------------|
| | 2012/13 | 2013/14 | 2014/15 | | | | 2016/17 | 2017/18 | 2018/19 |
| | | | | | | | | | |
| Transfers and subsidies | 117 | 46 | 36 | | 70 | 83 | | | |
| Provinces and municipalities | | | | | | | | | |
| Households | 117 | 46 | 36 | | 70 | 83 | | | |
| Social benefits | 117 | 46 | 36 | | 70 | 83 | | | |
| Other transfers to households | | | | | | | | | |
| | | | | | | | | | |
| Payments for capital assets | | | 11 | | | | | | |
| Buildings and other fixed structures | | | | | | | | | |
| Machinery and equipment | | | 11 | | | | | | |
| Transport equipment | | | | | | | | | |
| Other machinery and equipment | | | 11 | | | | | | |
| Software and other intangible assets | | | | | | | | | |
| | | | | | | | | | |
| Payments for financial assets | 43 | | | | | | | | |
| | | | | | | | | | |
| Total economic classification | 48 672 | 52 705 | 53 198 | 73 756 | 73 756 | 73 756 | 80 539 | 83 430 | 88 269 |

