

VOTE 14

GAUTENG PROVINCIAL TREASURY

To be appropriated by vote in 2018/19	R 796 413 000
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

- 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 reduce fraud and corruption and promote clean government across the province; and
- To ensure statutory obligations are met and that decision makers facilitate appropriate interventions.

Core functions and responsibilities

The functions of the Gauteng Provincial Treasury are described in the Public Finance Management Act (PFMA, 1999) and the Municipal Finance Management Act (MFMA, 2003). These can be summarised as follows:

- To manage the budget allocation for the Gauteng Provincial Government;
- To ensure the instilling of fiscal discipline and corporate governance in the province;
- To ensure proper cash management;
- To ensure the effective and efficient utilisation of resources – value for money and compliance with all relevant legislation;
- To develop, implement and monitor compliance with corporate governance norms and standards relating to provincial and local government; and
- To ensure adequate financial accountability.

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 resources.

In essence, the role of department is to ensure that provincial strategies are funded through projects and other initiatives which are aligned to the provincial priorities and the principles of the Batho Pele policy.

Ten-Pillar Programme of Transformation, Modernisation and Re-industrialisation

The fifth administration of the Gauteng Province adopted a ten-pillar programme of radical Transformation, Modernisation and Reindustrialisation (TMR) which puts emphasis on radical socio-economic transformation, being an activist and a responsive government. The TMR programme is supported by ten pillars. The mandate of the Gauteng Provincial Treasury is essentially centered on promoting good governance by providing stewardship on all financial matters in the Province. In essence, the role of the department is thus focused on ensuring that strategies and key provincial priorities and projects which align to the TMR programme are funded. In this regards, the GPT supports all ten pillars in the TMR programme through reprioritizing and ensuring all the new provincial priorities are resourced.

At a departmental level, the department directly supports the following Provincial Pillars:

- Pillar 1: Radical economic transformation;
- Pillar 4: Transformation of state and governance; and
- Pillar 5 : Modernisation of the public service.

As an activist Treasury, we have adopted pillars which support and align to the TMR programme and also operationalise the department's mission and vision. The adopted departmental pillars are as follows:

- Promoting better planning and budgeting synergy across all spheres of government in the province;
- Sustainable financing and funding;
- Effective and efficient financial management;
- Support radical economic transformation; and
- Perform all Treasury's statutory obligations and promote a transparent and accountable government.

The Gauteng Provincial Treasury has and continues to implement the departmental strategic pillars which forms part of the TMR agenda. To date, the GPT has achieved the following:

- Improved synergy in planning and budgeting processes between the three spheres of government to ensure key priorities as espoused in the TMR programme are adequately funded in order to accelerate service delivery to the Gauteng citizenry;
- Implementation of the revenue enhancement strategy;
- Stabilization of the provincial wage bill against budget;
- Prudent cash management practices resulting in sustainable liquidity levels in the GPG;
- Provision of structured and targeted training to government institutions resulting in improvement in audit outcomes;
- Implementation of the open tender process as a measure to reduce fraud and corruption in government procurement processes;
- Compliance with regulatory and legislated requirements and standards;
- Implementation of Business Intelligence tools and automation of systems to improve efficiencies in financial management and enhance data integrity;
- Implementation through support of the Township Economy Revitalisation strategy; and
- The department has maintained an unqualified audit opinion with no matters of emphasis as well as for the Provincial Revenue Fund.

National Development plan

The National Development Plan (NDP) envisions a South Africa where everyone feels free yet bounded to others; 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 and developmental state, the Gauteng Provincial department has aligned its objectives with the provincial transformation, modernisation and reindustrialisation programme. The department supports initiatives espoused in the Transformation, Modernisation and Reindustrialisation (TMR) programme.

Some of the key objectives under the chapter are:

- A state that is capable of playing a developmental and transformative role;
- A public service immersed in the development agenda but insulated from undue political interference;
- Relations between national, provincial and local government are improved through a more proactive approach to managing the intergovernmental system; and

- Strengthening local government.

GPT 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 local 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.

External activities and events relevant to budget decisions

The fifth administration of the Gauteng Provincial Government (GPG) adopted the TMR programme that carries the future plans of the Gauteng City Region. The central economic and social objectives of the TMR remain:

- To change income distribution;
- To enhance equity and thereby raise the living standards of all our people; and
- To change ownership patterns and bring black people into the economic mainstream of our province.

The work towards the realization of these objectives continues with emphasis on the transformation of the industrial structure, the promotion of innovation driven industries, investment into skills development, transformation of apartheid spatial patterns, investment into infrastructure, and the building of strategic transformative partnerships with the private sector.

Due to the interconnectedness of South Africa's economy, the fragile global recovery and weakening national outlook poses challenges for the province's economy. The province continues to be the country's economic hub accounting for an estimated 35.4 per cent of the country's Gross Domestic Product (GDP) in 2015. Economic activity in the Gauteng City Region continues to be dominated by the finance & business services, followed by government, social & personal services sectors.

The subdued economic environment means that the country will face a challenging fiscal outlook going forward. During the 2016 Medium Term Budget Statement by the Minister of Finance, the need to accelerate fiscal consolidation in order to limit budget deficit and slow the pace of debt accumulation, whilst supporting stronger public and private infrastructure investment was emphasised.

Fiscal discipline remains important to ensure that fiscal targets are achieved. To stimulate economic activity, emphasis must be placed on meeting spending targets, particularly in infrastructure and in the economic development space. In addition, the rollout of TMR agenda should be accelerated where possible, as well as the enhancement of the Gauteng City Region to further advance inclusive growth, with a particular emphasis on employment programmes. The 'Brexit' is expected to further dampen global economic growth prospects, potentially having an adverse impact on emerging markets (including South Africa, and eventually Gauteng).

Acts, 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;
- 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;
- 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, 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;
- Public Service Act, 1994 Regulations and Delegations;
- 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;
- Public Service Act, 1994 Regulations and Delegations;

2. REVIEW OF THE CURRENT FINANCIAL YEAR (2017/18)

The department continued to support the implementation of the GPG Transformation, Modernisation and Reindustrialisation programme in the 2017/18 financial year and contributed directly to three pillars of the TMR programme (namely: Pillar 1 - Radical economic transformation, Pillar 4 - Transformation of state and governance and Pillar 5 - Modernisation of public service).

The following has been implemented:

PILLAR 1: RADICAL ECONOMIC TRANSFORMATION

To create an enabling environment for township-based SMME to do business with GPG

The combined efforts of GPG Departments, entities and local municipalities, supported the Township Economy Revitalisation (TER) Strategy, resulting in the target for procurement from township enterprises being realised in 2016/17 and this effort continued in the 2017/18 financial year, with 16 per cent of procurement expenditure spent on township suppliers.

The GPT continued with its efforts of increasing the number of suppliers registered on the GPG database as a measure to increasing the pool of suppliers available to do business with government. The department partnered with various stakeholders to provide development workshops by training 681 suppliers, hence ensuring that they are fully compliant with government prescripts relating to procurement.

In order for SMMEs and cooperatives to sustain themselves and continue to render services to government, timeous payment of invoices is critical, in this regard 100 per cent of all invoices submitted up to Q3, were paid within 30 days and 99,5 per cent were paid within 15 days upon receipt.

To support the development and implementation of the Township Economy Revitalisation Strategy that encourages the increase in township spend

GPG departments together with entities and municipalities, supported the Township Economy Revitalisation Strategy that resulted in the target for procurement from township enterprises being realised this continued to be a focus area in the current financial year. The number of township suppliers on the GPG database has increased and the department continued to provide opportunities such as supplier development and incubation as a means to ensure suppliers benefit from public procurement spend by partnering with different stakeholders. Supplier development includes development workshops and training to ensure that suppliers are fully compliant with government prescripts relating to procurement.

PILLAR 4: TRANSFORMATION OF STATE AND GOVERNANCE

Promoting better planning and budgeting synergy across all spheres of government

The department put measures in place to ensure that own revenue targets as outlined in the Provincial Revenue Strategy are realised, especially through alternative funding solutions. The department hosted various bi-laterals with the provincial departments and local government to ensure that proposed budgets are aligned to the TMR, other key policies and strategies adopted for implementation in the Gauteng City Region. Budget assessments were conducted at local municipalities and together with municipal fiscal responsiveness assessments oversight on municipalities was intensified.

Ensuring balanced budgeting and sustainable funding for legislative mandates and strategic priorities of the province

The department ensured that GPG departments are investing massively in catalytic infrastructure projects to facilitate spatial transformation across the five development corridors of the GCR. This is one of the key focus areas for the TMR programme that accelerates the delivery of services and improve economic growth, and to promote increased spending, the department ensured that only projects that are ready to implemented were funded.

Ensuring that approved financial resources are spent efficiently, effectively and economically across the province

The GPT coordinated cost containment measures for non-core goods and services items and spending on personnel, which was targeted to remain below 60 percent of the total budget, by end of the 3rd quarter compensation of employees was at 42 per cent. The GPT further continued to monitor and ensure improvement in the spending of infrastructure and conditional grants.

The province's liquidity levels have remained steady and sustainable. This was as a result of the prudent cash management practices being implemented where it was ensured that cash-outflows did not exceed provincial revenue streams.

Supporting all departments, entities and municipalities to achieve unqualified audits

Various interventions by the GPT have resulted in gradual improvement in audit outcomes for departments, public entities and local municipalities. All GPG departments and entities received unqualified audit outcomes for the 2016/17 financial year, with 65 per cent of audit outcomes being clean audits. The department continued to provide technical support and structured targeted training to address issues raised by the Auditor General during audits, this was done to ensure that the province gradually moves towards having unqualified audit outcomes in all its provincial institutions. The implementation of internal audits continued and the department continued to support GPG departments to ensure execution of internal audit recommendations.

Reducing fraud and corruption and promoting clean government across the province

The current administration in Gauteng is developing and advocating for a capable, responsive, accountable, clean, activist government machinery. As a result, various interventions have been put in place to realise this and one of the key projects is the implementation of the Open Tender system by government institutions. Already up to the end of the 3rd quarter, 17 projects have been adjudicated, with 68 more projects in the pipeline. Open tender is implemented in all GPG departments, 4 entities and 2 Gauteng local municipalities.

Fraud detection reviews were also conducted as part of the five pillars of the Forensic Services strategy of deterrence, prevention, detection, investigation; sanctions and recovery to ensure eradication of fraud and corruption within the Gauteng Provincial Government.

Ensuring that statutory obligations are met and that decision makers facilitate appropriate interventions

Timeous submission of statutory and regulatory reports is fundamental to a Treasury function, through its internal monitoring instrument, the Compliance Dashboard, the department was able to fulfill 100 per cent of its statutory and regulatory reporting obligations.

PILLAR 5: MODERNISATION OF THE PUBLIC SERVICE

The roll-out of the automated In-Year Monitoring (IYM) system is continuing, the automation of the IYM was done to ensure credible financial data and improve efficiencies in budget and expenditure reporting processes. The implementation of the online payroll certificate system to public entities which has been deployed to provincial departments has been initiated.

3. OUTLOOK FOR THE COMING FINANCIAL YEAR (2018/19)

The 2018/19 financial year marks the last mile for the fifth Political administration which took office in 2014. The Gauteng province has been operating in a tight fiscal space and seeing increased demands on provincial fiscus to mitigate poverty and unemployment and promote growth.

The Gauteng Provincial Treasury is committed to the improvement of the lives of Gauteng citizens. The department's priority is to support the key priorities of this fifth administration. The department continues to support the implementation of the GPG Transformation, Modernisation and Reindustrialisation programme, the Gauteng Economic Development Strategy, the Township Economy Revitalisation strategy and the Infrastructure Master Plan. These policies have been adopted as key policies in the Gauteng City Region to accelerate, radically transform, modernise and re-industrialise the delivery of services to the Gauteng citizenry.

To ensure that the provincial priorities as espoused in the policy documents and plans and ensure that the envisaged service delivery outcomes in the Gauteng province are realised, the department has set out the following focus areas for the financial year:

PILLAR 1: RADICAL ECONOMIC TRANSFORMATION**To create an enabling environment for township-based SMME to do business with GPG**

The key focus area for the Township Economy Revitalisation strategy is the revitalising and mainstreaming of the township economy and the development of SMME's and cooperatives. This is done through active industrial incentives and transformative procurement policy that promotes the growth of township-based manufacturing and services.

To support the development and implementation of the township revitalisation strategy that encourages the increase in township spend

The GPT intends to increase contribution to revitalizing townships by leveraging procurement to transform the economy. In this regard, the department will ensure that the provincial government increases its spending in registered township suppliers on the database to meet the target of 40% of procurement budget by the end of the 2018/19 financial year. This is only achievable with the collaboration of the local government sphere and GPG entities and also to ensure comprehensive reporting on TER across the Gauteng City Region.

Inclusion and sustainability of emerging enterprises are key elements in the acceleration of economic transformation. This is achievable through empowerment which entails a combination of supplier development, access to finance and markets in the mainstream economy.

In this regard, the department will continue with the implementation of various supplier development initiatives which have been established through partnerships with the private sector to ensure that township suppliers receive the net benefit due to them. The GPT will also continue with its efforts of increasing the number of suppliers registered on the CSD to increase the pool of suppliers available to do business with government. The department will continue to monitor and ensure compliance to and implementation of Regulations (PPR) from 1 April 2017 that requires government institutions to sub-contract 30% of all tenders over R30 million.

Payment of invoices for services rendered is an important element in ensuring the sustainability of SMMEs and cooperatives. The Gauteng Provincial Treasury department will put measures and processes in place to ensure timeous payment of invoices within 30 days upon receipt of final and correct invoices.

PILLAR 4: TRANSFORMATION OF STATE AND GOVERNANCE

Promoting better planning and budgeting synergy across all spheres of government

Synergy in the three spheres of government promotes better planning and budgeting resulting in an integrated and credible planning framework which will ensure alignment of plans across the spheres of government. Synergising processes is an integral element in ensuring that provincial priorities are strategically resourced with the potential to accelerate service delivery for the Gauteng citizenry and realise economies of scale.

The GPT will host various bilateral engagements with departments through various platforms like the Budget Lekgotla, Budget Fora, Premier's Budget Committee and Inter-Governmental Relations structures where there will be discussions on budget plans to ensure alignment to the TMR programme and other key policies and strategies adopted for implementation in the Gauteng City Region.

Ensuring balanced budgeting and sustainable funding for legislative mandates and strategic priorities of the province

The Gauteng economy remains the dominant economy in South Africa. The Gauteng City Region government continues to implement the transformation, modernisation and re-industrialisation programme through partnerships with the private sector, labour and the rest of society. The realisation of this programme requires a consultative approach to key priorities and improved synergies. This necessitates prudent budgeting and planning which focus on the provincial priorities to ensure that as a Province, more is done with less and that the priorities espoused in the TMR programme are adequately resourced.

It is for this reason that the GPT will continue to significantly increase and optimize own revenue generated from provincial sources and put measures in place to ensure that own revenue targets as outlined in the Provincial Revenue Strategy are realised. These funds will augment the equitable share and assist the province in ensuring that key priorities such as education, healthcare and social welfare are funded and furthermore citizens receive quality public services. The Gauteng Infrastructure Financing Agency will work with the Gauteng Planning Division to develop a financing model for the Infrastructure Master Plan 2030.

Ensuring that approved financial resources are spent efficiently, effectively and economically across the province

The GPT will manage the budget of non-core budgetary items and personnel within GPG. In attaining this, the department aims to contain personnel expenditure at below 60 percent against the total budget. Expenditure on infrastructure and conditional grants will be monitored and tracked to ensure improvement in the spending thereof. Similarly, the department will ensure efficient spent on provincial transfers to municipalities and increase capital expenditure at municipalities by putting in place various tracking and monitoring mechanisms.

The department will also continue to work closely with departments and municipalities to ensure the rollout of the infrastructure investment programme in the province. The programme will enable GPG to deliver infrastructure that will greatly support the provision of public services and contribute to the creation of jobs and towards investments in catalytic infrastructure projects to facilitate spatial transformation across the five development corridors of the GCR.

Cash-outflows to departments have remained within the provincial revenue streams, minimising liquidity exposure in the GPG. The department will continue to monitor cash disbursements to departments and ensuring that fund requests do not exceed the appropriated funds and ensure that prudent cash management practices are being implemented in departments.

Supporting all departments, entities and municipalities to achieve unqualified audits

The efforts and interventions by the GPT in supporting departments, municipalities, and entities to manage their finances in accordance with laws and regulations have resulted in improved audit outcomes for the provincial government. The GPT will continue to work closely with departments, entities and municipalities to ensure sustainability and improvement of the audit outcomes.

The programmes within the GPT will track the implementation of the Auditor General's recommendations and Gauteng Audit Services (GAS) will also conduct internal audits in accordance with approved risk based audit plans to ensure that problematic

areas are identified and addressed timeously to improve final audit outcomes and promote improvements in the internal control environment.

Reducing fraud and corruption and promoting clean government across the province

The GPG is committed to fight fraud and corruption in the public service to construct and advocate for a capable, responsive, accountable, clean and activist government machinery. The five key pillars of Deterrence; Prevention; Detection; Investigation; Sanctions and Recovery as espoused in the Forensic Services strategy and are at the centre of fighting and eradicating fraud and corruption in GPG.

The GPT will work closely with departments to fast-track implementation of the recommendations of fraud detection reviews to expedite action against maladministration, incompetence and corruption. The results of the detection reviews will assist in the identification of risk areas and development of control measures to tighten processes and systems to minimize fraud and corruption.

The roll out of the Open Tender system in the GPG is yielding positive results and restoring public confidence in a fair and just public procurement system. In this regard, the department will continue to accelerate the implementation of the Open Tender system in all provincial departments and introduce legislation on the system so that it becomes the institutionalised manner of procuring goods and services in this province.

Ensuring that statutory obligations are met and that decision makers facilitate appropriate interventions

Compliance with rules and regulations is key in fulfilment of the GPT's mandate. This is achieved by ensuring timeous submissions of credible reports to various key stakeholders as well as payments of invoices to suppliers within the prescribed timeframe of 30 days upon receipts of correct invoice.

The GPT will put interventions in place to ensure compliance to the MPAT standards and requirements and improved Management of Performance Assessment Tool (MPAT) results, and the fulfilment of the department's statutory and regulatory reporting obligations.

PILLAR 5: MODERNISATION OF THE PUBLIC SERVICE

Innovation, modernisation and technology enable service delivery improvement through an increase in productivity and improvement in and enhancement of operational efficiencies. In this regard, the GPT will continue to roll-out and implement Business Intelligence tools as a way of working smarter, driving functional excellence and improving service delivery in GPG. Where possible, processes will be automated to increase credibility of data and improve accuracies.

4. REPRIORITISATION

GPT performed the reprioritisation exercise to identify savings that will be utilised to fund the 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. The Administration and Gauteng Audit Services programmes reprioritised R4.8 million and R3 million, respectively, to support the implementation of the new generic structure for provincial treasuries.

The identified savings were also redirected to ensure continued support for the open tender process through probity audits, the implementation requirements of specialised audits in order to enhance transparency, good governance and a clean government through strengthening the internal control and regulatory environment in the province, automation of AFS production and deployment of SAP project system & PPM Modules and Providing assistance to municipalities to improve and promote sound Financial Governance; Financial Management and Administration to optimize revenue; contribute towards expenditure reduction; improving municipal audit outcomes and addressing institutional challenges. In addition the GPT has also directed funds to the Provincial Revenue Enhancement Strategy that aims to maximise the revenue collection in the province.

5. PROCUREMENT

The 2018/19 financial year will see a continuation of various projects that GPT has procured in the prior years. These projects include the economic impact analysis which will be conducted on the Computable General Equilibrium (CGE) model which is estimated at R500 000 and probity auditors for the open tender project estimated at R25 million. The department is also planning to procure business solutions on its existing SAP platforms ranging Infrastructure Project Management (PPM), Forensic Information System (ICM and Analytics) estimated at R5.6 million.

To support Annual financial Statement reporting the GPT will procure a solution to automate the AFS production and continue with the annual AFS training of municipalities at an estimated cost of R500 000.

6. RECEIPTS AND FINANCING

6.1 Summary of receipts

TABLE 14.1: SUMMARY OF RECEIPTS: GAUTENG PROVINCIAL TREASURY

R thousand	Outcome			Main appropriation	Adjusted appropriation 2017/18	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Equitable share	482 189	555 189	616 351	712 634	654 907	654 907	796 413	831 470	882 786
Conditional grants									
Total receipts	482 189	555 189	616 351	712 634	654 907	654 907	796 413	831 470	882 786

The department is funded through equitable share. The allocation over the 2018 MTEF increases from the 2017/18 revised estimate of R654.9 million to R882.8 million in 2020/21. This corresponds with the departmental plans to implement the approved structure after obtaining the DPSA approval and to align the GPT as closely as possible with the prescribed uniform budget structures for Treasuries.

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 specialised and focused programmes, also taking over functions from the Department of e-Government. This has impacted both the outcomes and the 2018 MTEF period which are inclusive of the adopted functions.

Over the MTEF the department is funding various key projects, such as probity audit for the Open Tender Process, Computable General Equilibrium Model, and Forensic Audit Information Systems, P-Card software licenses and GRAP/Modified Cash Standard training for Municipalities and entities and Automation of Annual Financial Statements production for departments. 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.

6.2 Departmental receipts

TABLE 14.2: SUMMARY OF DEPARTMENTAL RECEIPTS COLLECTION

R thousand	Outcome			Main appropriation	Adjusted appropriation 2017/18	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Tax receipts									
Sales of goods and services other than capital assets	323	555	833	1 050	1 050	1 050	1 111	1 173	1 238
Transfers received									
Interest, dividends and rent on land	481 453	622 676	657 747	300 000	450 000	450 000	450 000	500 000	550 000
Sales of capital assets		214				84			
Transactions in financial assets and liabilities	490	451	445	450	450	450	500	528	557
Total departmental receipts	482 266	623 896	659 025	301 500	451 500	451 584	451 611	501 701	551 795

The department generates revenue mainly through 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 by the department in each financial year. The interest revenue increases from R481.4 million in 2014/15 to R622.6 million in 2015/16. The revenue collection increased by R141.2 million between the 2014/15 and 2015/16 financial years. 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 is set to increase from R452 million in 2018/19 to R502 million in 2019/20 and to R552 million in 2020/21.

Other revenue sources, particularly the parking fees, increase gradually from R323 000 to R555 000 between 2014/15 and 2015/16. The amount collected from this revenue source increased significantly in 2016/17 due to the money collected for selling of tender documents by the department.

7. PAYMENT SUMMARY

7.1 Key assumptions

The 2018 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: 6.4 percent in 2018/19; 6.6 percent in 2019/20; 6.5 percent in 2020/21. Provision has also been made for notch progression, performance bonuses, housing allowances, long service award and employer's medical aid contributions.

7.2 Programme summary

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2017/18	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Administration	92 037	106 291	121 306	128 921	130 194	130 194	149 397	161 278	169 434
2. Sustainable Fiscal Resource Management	139 420	183 041	171 420	141 751	137 751	137 751	156 001	164 773	173 831
3. Financial Governance	109 809	126 678	125 343	145 585	153 785	153 785	166 413	170 419	179 793
4. Provincial Supply Chain Management	59 200	53 460	84 545	122 614	108 341	108 341	128 034	131 039	141 399
5. Municipal Financial Governance	28 525	29 995	37 075	61 384	44 957	44 957	78 576	69 737	76 724
6. Gauteng Audit Services	53 198	55 724	76 662	112 379	79 879	79 879	117 992	134 224	141 605
Total payments and estimates	482 189	555 189	616 351	712 634	654 907	654 907	796 413	831 470	882 786

7.3 Summary of economic classification

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2017/18	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Current payments	401 859	429 043	507 718	644 664	583 225	583 068	714 818	761 592	809 065
Compensation of employees	332 226	364 346	406 205	548 319	461 688	460 337	590 162	629 631	670 558
Goods and services	69 633	64 697	101 513	96 345	121 537	122 731	124 656	131 961	138 507
Interest and rent on land									
Transfers and subsidies to:	76 944	120 659	104 500	66 335	66 849	67 006	69 559	63 014	66 479
Departmental agencies and accounts	75 000	120 000	102 650	55 335	55 385	55 385	58 544	61 940	65 346
Non-profit institutions				10 000	10 000	10 000	10 000		
Households	1 944	659	1 850	1 000	1 464	1 621	1 015	1 074	1 133
Payments for capital assets	3 262	5 487	4 083	1 635	4 821	4 821	12 036	6 864	7 242
Machinery and equipment	2 970	5 487	4 083	1 635	4 821	4 821	12 036	6 864	7 242
Land and sub-soil assets									
Software and other intangible assets	292								
Payments for financial assets	124		50		12	12			
Total economic classification	482 189	555 189	616 351	712 634	654 907	654 907	796 413	831 470	882 786

GPT was reconfigured in 2015/16 to align to the generic structure prescribed for Provincial Treasuries. The department has created new specialised and focused programmes, also taking over functions from the former Gauteng Department of Finance (now Department of E-Government). This has impacted both the outcomes and the 2018 MTEF period which are inclusive of the adopted functions.

Due to the departments, structural reconfiguration the previous outcomes and the 2018 MTEF period is inclusive of the adopted functions. Spending increased from R482.1 million in 2014/15 to R616.3 million in 2016/17. The budget of R712.6 million decreases to R654.9 million in 2017/18 due to the surrender of unutilized budget for vacant posts and suspension of funds to e-Government during the adjustments budget process. In 2018 MTEF period the allocation increases further to R796 million peaking at R882.8 million in the 2020/21 outer year.

Expenditure on compensation of employees increases from R332.2 million in 2014/15 to a projected amount of R461.7 million in 2017/18. Funds surrender during the 2017/18 adjustment process reduced the budget from R548.3 million to R461.7 million. The budget continues to grow in the 2018 MTEF period, R590.2 million in 2018/19 to R671.6 million in 2020/21, which

corresponds with the departmental plans to implement the new organisational structure when the DPSA approves it and to align the GPT as closely as possible with the uniform budget structure designated for Treasuries. Provision has been made for notch progression and annual performance bonuses as well as improvement in condition of service adjustment.

On goods and services, the department has made provisions for key projects and initiatives over the 2018 MTEF period such as Probity Audits, the Open Tender Process and the Forensic Audit Information systems. This is reflected in the increase from R121.5 million in 2017/18 to R138.5 million in 2020/21, at an annual average of 4.6 percent. This budget provides for the operational expenses such as property payments and administrative fees.

The department is still responsible for the transfer payments to the Gauteng Infrastructure Funding Agency and the South African Supplier Development Council (SASDC). The SASDC transfer comes to an end in the 2018/19 financial year. The Transfers and subsidies over the MTEF period are R69.5 million in the 2018/19 financial year, R63 million in the 2019/20 financial year and R66.5 million in the 2020/21 financial year. Transfers and subsidies to household caters for external bursaries provided to disadvantaged students.

Payments for capital assets mainly fund the provision of tools of trade for the department's officials. 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, as well the additional funds for the provision of servers. The allocation over the MTEF period is R12 million in 2018/19, R6.9 million in 2019/20 and R7.2 million in 2020/21.

7.4 Infrastructure payments

N/A

7.4.1 Departmental infrastructure payments

N/A

7.4.2 Non infrastructure items

N/A

7.4.3 Departmental Public-Private-Partnership (PPP) projects

The department does not have any PPP projects. The Provincial Treasury's oversight responsibilities for PPPs within the Province are housed under Sub-programme: Infrastructure Management (Element: PPP unit).

7.5 Transfers

7.5.1 Transfers to public entities

N/A

7.5.2 Transfers to other entities

TABLE 14.5: SUMMARY OF DEPARTMENTAL TRANSFERS TO OTHER ENTITIES: GAUTENG PROVINCIAL TREASURY

R thousand	Outcome			Main appropriation	Adjusted appropriation 2017/18	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Gauteng infrastructure funding agency	75 000	70 000	102 650	55 335	55 385	55 385	58 544	61 940	65 347
Total departmental transfers	75 000	70 000	102 650	55 335	55 385	55 385	58 544	61 940	65 347

During the 2014/15 financial year, the budget for the Gauteng Infrastructure Funding Agency increased from R75 million to R102.6 million in 2016/17 due to the re-establishment of the agency and the provision for the project preparation facility within the unit. Over the MTEF, the allocation for GIFA increases from R58.5 million in 2018/19, to R62 million in 2019/20 and R65 million in 2020/21. The increase in allocation is aimed at ensuring 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 description

The programme aims to provide effective leadership, management and administrative support to the Treasury programmes as well as the Member of the Executive Council (MEC) and the Accounting Officer. This is done to carry out the mission and mandate of the department.

Programme objectives

- To provide for the well-functioning of the Member of Executive Council for Finance to enable her to provide political leadership and ensure alignment to the Ministerial Handbook.
- To render administrative leadership to the department and is further sub-divided in Strategy Management, a function which manages and coordinates strategic planning, corporate performance, monitoring and evaluation of the department and also provides internal risk management services.
- Financial Management Services which houses the Office of the Chief Financial Officer (CFO) aims to ensure sound financial management in GPT, by ensuring, amongst things, budgets which align to the outcomes and priorities of the department and compliance with Supply Chain prescripts.
- Human Resources, Communications, Legal Services and Information, Communications and Technology (ICT) functions reside in this sub-programme and their purpose is to ensure compliance to good governance principles by providing corporates support services to the department.

Key policies, priorities and outputs

Some of the key priorities for the Administration programme in the 2018/19 financial year are as follows:

- Compliance with regulatory and legislated reporting requirements;
- Vacancy rate maintained at accepted levels;
- Implementation of the generic structure;
- Improve departmental score for Management of Performance Assessment Tool (MPAT) and ensure compliance with standards and requirements;
- Ensure timely payment of service providers;
- Maintain department's audit outcome for the financial year under audit; and
- Development of youth in support of Tshepo 1 million.

TABLE 14.6: SUMMARY OF PAYMENTS AND ESTIMATES BY SUB-PROGRAMME: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation 2017/18	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Office Of The Mec	6 471	5 840	6 310	7 288	7 288	7 288	8 417	8 862	9 348
2. Office Of The Hod	14 692	15 064	17 274	17 709	17 709	18 445	13 534	14 927	15 748
3. Corporate Management	52 534	59 682	73 058	77 865	75 138	74 402	84 850	95 432	100 681
4. Financial Management Services (Cfo)	18 340	25 705	24 664	26 059	30 059	30 059	42 596	42 057	43 657
Total payments and estimates	92 037	106 291	121 306	128 921	130 194	130 194	149 397	161 278	169 434

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2017/18	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Current payments	88 524	100 590	116 349	126 286	124 305	124 301	136 346	153 340	161 059
Compensation of employees	62 021	68 642	77 152	91 902	89 108	89 099	98 852	111 605	117 742
Goods and services	26 503	31 948	39 197	34 384	35 197	35 202	37 494	41 735	43 317
Interest and rent on land									
Transfers and subsidies to:	1 499	214	830	1 000	1 067	1 071	1 015	1 074	1 133
Provinces and municipalities									
Households	1 499	214	830	1 000	1 067	1 071	1 015	1 074	1 133
Payments for capital assets	2 006	5 487	4 083	1 635	4 821	4 821	12 036	6 864	7 242
Machinery and equipment	1 731	5 487	4 083	1 635	4 821	4 821	12 036	6 864	7 242
Software and other intangible assets	275								
Payments for financial assets	8		44		1	1			
Total economic classification	92 037	106 291	121 306	128 921	130 194	130 194	149 397	161 278	169 434

The Administration expenditure increases from R92 million in 2014/15 to a projected amount of R130.2 million in 2017/18. The budget increases by R1.3 million from R128.9 million to R130.2 million through the adjustments budget process in 2017/18. Over the MTEF period, the budget continues to increase from R149.4 million in 2018/19 to R169.4 million in 2020/21. The growth in Administration is indicative of the department's increase in size where the full structure makes a provision for 1 094 officials and the migrated functions from e-Gov.

Expenditure on compensation of employees increases from R62 million in 2014/15 to R77.1 million in 2016/17. The main budget decreases from R91.9 million to R89.1 million through the 2017/18 adjustments budget process to provide funds for the injury-on-duty claims and leave gratuity payments, debts write-offs and funds suspension to e-Gov for the ICT requirements. Over the MTEF period, the budget allocation is as follows: R98.8 million in 2018/19, R111.6 million in 2019/20 and R117.7 million in 2020/21. The increase in compensation of employees 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.

The main cost drivers in goods and 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 such as the hosting of network servers externally, IT equipment refreshing programme and the Corporate Performance and Evaluation Information Systems.

The spending increases from R1.7 million in 2014/15 to R4.1 million in 2016/17. During the 2017/18 adjustments, the budget increases from R1.6 million to R4.8 million to provide for the purchase of tools of trade including printers. Over the MTEF, The budget allocation over the MTEF amounts to R12 million (2018/19), R6.9 million (2019/20) and R7.2 million (2020/21).

SERVICE DELIVERY MEASURES

PROGRAMME1: ADMINISTRATION

Programme performance measures	Estimated performance	Medium-term estimates		
	2017/18	2018/19	2019/20	2020/21
Auditor General's audit outcome for the department	Unqualified audit opinion with no other matters in the audit report	Unqualified audit opinion with no other matters in the audit report	Unqualified audit opinion with no other matters in the audit report	Unqualified audit opinion with no other matters in the audit report
% of external audit recommendations tracked before next audit cycle	100%	100%	100%	100%
% of supplier payments paid within 30 days after receipt of correct invoice	100%	100%	100%	100%
Number of youth developed in support of Tshepo 1 million	50	205	265	275
Number of evaluations conducted	3	3	3	3
Approved Annual Performance Plan submitted to GPL in line with prescribed timelines	New indicator	2019/20 APP submitted to GPL in line with prescribed timelines	2020/21 APP submitted to GPL in line with prescribed timelines	2021/22 APP submitted to GPL in line with prescribed timelines
Approved annual report submitted to GPL in line with prescribed timelines	New indicator	2017/18 annual report submitted to GPL in line with prescribed timelines	2018/19 annual report submitted to GPL in line with prescribed timelines	2019/20 annual report submitted to GPL in line with prescribed timelines

PROGRAMME 2: SUSTAINABLE FISCAL RESOURCE MANAGEMENT

Programme description

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

Programme objectives

- The Budget Management function is responsible for resourcing the provincial priorities and reporting on provincial expenditure.
- The Economic and Fiscal Policy Oversight sub-programme provides socio-economic research and analysis and further ensures optimal own revenue collection in the province.
- Infrastructure Management intends to enhance and monitor infrastructure performance of Provincial Departments, Entities and Municipalities in order to improve the delivery of infrastructure projects and to stimulate economic growth.

- The Financial Assets and Liabilities Management sub-programme promotes and enforces transparency and effective management of the Provincial Revenue Fund by ensuring prudent cash flow management and the liquidity in the Province are sustained.
- The main function for this sub-programme is to guide the formulation of budget policy and monitors the expenditure of the budget to ensure that the resources are spent effectively and efficiently.

Key policies, priorities and outputs

Some of the key priorities for the Sustainable Fiscal Resource Management programme in the 2018/19 financial year are as follows:

- Optimize own revenue generation
- Improve infrastructure delivery to support economic growth and job creation
- Manage the budget of non-core budgetary items
- Manage the budget for compensation of employees within GPG

TABLE 14.8: SUMMARY OF PAYMENTS AND ESTIMATES BY SUB-PROGRAMME: SUSTAINABLE FISCAL RESOURCE MANAGEMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2017/18	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Programme Support/Office Of The Ddg	79 280	124 207	106 202	60 415	60 465	60 539	64 343	68 044	71 785
2. Budget Management	13 355	16 496	16 938	22 570	20 780	20 404	25 542	27 021	28 505
3. Economic And Fiscal Policy Oversight	9 382	10 074	11 959	13 652	15 533	14 975	14 327	15 098	15 929
4. Infrastructure Management	3 287	6 359	10 129	15 175	14 375	13 571	16 362	17 310	18 261
5. Financial Asset And Liabilities Management	18 836	8 664	9 574	12 425	12 270	13 496	15 423	16 131	17 018
6. Public Finance	15 280	17 241	16 618	17 514	14 328	14 766	20 004	21 169	22 333
Total payments and estimates	139 420	183 041	171 420	141 751	137 751	137 751	156 001	164 773	173 831

TABLE 14.9: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: SUSTAINABLE FISCAL RESOURCE MANAGEMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2017/18	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Current payments	64 270	62 840	68 655	86 416	82 366	82 305	97 457	102 833	108 485
Compensation of employees	59 773	55 072	59 679	75 424	68 234	66 902	82 421	87 182	91 974
Goods and services	4 497	7 768	8 976	10 992	14 132	15 403	15 036	15 651	16 511
Interest and rent on land									
Transfers and subsidies to:	75 150	120 201	102 765	55 335	55 385	55 446	58 544	61 940	65 346
Departmental agencies and accounts	75 000	120 000	102 650	55 335	55 385	55 385	58 544	61 940	65 346
Households	150	201	115			61			
Payments for capital assets									
Buildings and other fixed structures									
Land and sub-soil assets									
Payments for financial assets									
Total economic classification	139 420	183 041	171 420	141 751	137 751	137 751	156 001	164 773	173 831

Ninety five percent of expenditure incurred in Sustainable Fiscal Resource Management were transfer payments and personnel costs during the first three years under review. The total expenditure increases from R139.4 million in 2014/15 to R171.4 million in the 2016/17. The surrender of R4 million back to the Provincial Revenue Fund reduced the main budget from R141.7 million to R137.5 million during the 2017/18 adjustments budget. The budget is set to increase from R156 million to R173.8 million over the MTEF to provide mainly for transfer payments and personnel costs.

Average spending on compensation of employees was R58 million during the first three years under review. The main budget of R75.4 million in 2017/18 was informed by the new organisational structure that is awaiting the DPSA approval. The non-implementation of this new organisation during the financial year resulted in funds for new units in the structure (e.g. data management sub-unit and infrastructure support sub-unit) not being used and being surrender back to the Provincial Revenue Fund during the 2017/18 adjustments. Hence a decrease in the budget from R75.4 million to R68.2 million in 2017/18. The budget over the MTEF increases from R82.4 million (2018/19) to R92 million (2020/21) to accommodate the requirements of new organisational structure when it is approved.

The programme experienced a R1.2 million expenditure increase in goods and services between the 2015/16 and 2016/17 financial years. The budget increases by R3.1 million to become R14.1 million during the 2017/18 adjustments through reallocation of funds from compensation of employees to goods and services to provide for the requirements of the Computable General Equilibrium (CGE) Model. In the MTEF period the allocation is as follows; R15 million (2018/19), R15.6 million (2019/20) and R16.5 million (2020/21). The main cost drivers under this programme are the (CGE) model, Infrastructure management, and the printing of provincial publications such as PERO, SERO, MTBPS, and EPRE.

The budget for transfers and subsidies to the Gauteng Infrastructure Funding Agency (GIFA) increased by R50 000 to become R55.4 million during the 2017/18 adjustments. Over the MTEF period, the budget for transfer payment is as follows R58.5 million for 2018/19, R61.9 million for 2019/20 and R65.3 million for 2020/21.

SERVICE DELIVERY MEASURES

PROGRAMME 2: SUSTAINABLE FISCAL RESOURCE MANAGEMENT

Programme performance measures	Estimated performance	Medium-term estimates		
	2017/18	2018/19	2019/20	2020/21
Number of engagements conducted with GPG departments on the alignment of budgets to the TMR programme	14 MTEC sessions held and MTEC resolutions prepared	14 MTEC sessions held and MTEC resolutions prepared	14 MTEC sessions held and MTEC resolutions prepared	14 MTEC sessions held and MTEC resolutions prepared
	15 Budget fora held	15 Budget fora held	15 Budget fora held	15 Budget fora held
Number of budgets tabled in line with prescribed timeframes	1 MTEF budget that resources the TMR programme tabled	1 MTEF budget that resources the TMR programme tabled	1 MTEF budget that resources the TMR programme tabled	1 MTEF budget that resources the TMR programme tabled
	1 adjustment budget that resources the TMR programme tabled	1 adjustment budget that resources the TMR programme tabled	1 adjustment budget that resources the TMR programme tabled	1 adjustment budget that resources the TMR programme tabled
% variance between projections and actuals	Actual transfer payments should not exceed the quarterly projections by 7%	Actual transfer payments to not exceed 7% of the quarterly projections	Actual transfer payments to not exceed 7% of the quarterly projections	Actual transfer payments to not exceed 7% of the quarterly projections
	Actual expenditure on CoE should not exceed the quarterly projections by 7%	Actual expenditure on CoE to not exceed 7% of the quarterly projections	Actual expenditure on CoE to not exceed 7% of the quarterly projections	Actual expenditure on CoE to not exceed 7% of the quarterly projections
Average % increase in provincial own revenue	8%	10%	Own revenue collection increase at CPI	Own revenue collection increase at CPI
Number of infrastructure budgets tabled in line with prescribed timeframes	2	2	2	2
% spent on infrastructure budget allocation by the GPT	New Indicator	98%	98%	98%
AG Audit outcome for the Provincial Revenue Fund	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
% spent on conditional grants allocation	98%	98%	98%	98%

PROGRAMME 3: FINANCIAL GOVERNANCE

Programme description

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

Programme objectives

- The Provincial Accounting Services enforces the effective implementation of accounting practices and also prepares accurate consolidated financial statements by focusing on, amongst others, financial accounting matters, asset management, banking and issues related to statutory deductions.
- The main focus for Provincial Forensic Audit is the provision of forensic audit services in the Province.
- The Transversal Internal Audit and Risk Management function provides risk management support services to provincial institutions and have an oversight role on internal audit function.

- The Compliance sub-programme monitors and enforces compliance with the PFMA and other regulatory prescripts by provincial institutions.
- The Financial Information Management Systems function provides oversight on and oversees the management of transversal financial systems in the Province

Key policies, priorities and outputs

Some of the key priorities for the Financial Governance programme in the 2018/19 financial year are as follows:

- Maintenance and achievement of unqualified audit outcomes for provincial departments and public entities
- Development and monitoring of risk profiles for Provincial Departments and Municipalities
- Implementation of the forensics services strategy in order to eradicate fraud and corruption in the Province
- Monitoring of compliance with 30 days payments policies by departments

TABLE 14.10: SUMMARY OF PAYMENTS AND ESTIMATES BY SUB-PROGRAMME: FINANCIAL GOVERNANCE

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20
1. Programme Support/Office Of The Ddg	32 613	15 294	3 222	3 948	4 448	4 442	5 769	6 000	6 332
2. Provincial Accounting Services	30 992	43 019	46 766	54 233	53 233	54 877	59 849	60 640	63 975
3. Provincial Forensic Audits	14 848	19 215	23 768	25 312	39 512	39 139	41 523	40 705	42 945
4. Transversal Internal Audit And Risk Management	11 822	14 030	15 233	17 759	17 259	16 990	18 659	19 843	20 934
5. Norms And Standards	12 564	14 240	9 865	3 959	3 959	3 803	5 213	5 516	5 819
6. Financial Information Management Systems	6 970	20 880	26 489	40 374	35 374	34 534	35 400	37 715	39 788
Total payments and estimates	109 809	126 678	125 343	145 585	153 785	153 785	166 413	170 419	179 793

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		
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20
Current payments	108 469	126 573	125 023	145 585	153 684	153 684	166 413	170 419	179 793
Compensation of employees	73 959	107 726	112 211	129 893	119 592	119 674	135 839	141 416	149 193
Goods and services	34 510	18 847	12 812	15 692	34 092	34 010	30 574	29 003	30 600
Interest and rent on land									
Transfers and subsidies to:	112	105	320		100	100			
Provinces and municipalities									
Households	112	105	320		100	100			
Payments for capital assets	1 228								
Machinery and equipment	1 228								
Software and other intangible assets									
Payments for financial assets					1	1			
Total economic classification	109 809	126 678	125 343	145 585	153 785	153 785	166 413	170 419	179 793

Spending for the Financial Governance programme increases from R109.8 million in the 2014/15 financial year to R125.3 million in the 2016/17 financial year. The spending pressures in respect of provincial forensic audits caused the budget to increase through funds reallocated from other programmes during the 2017 adjustments process. For the MTEF period the allocation is set at R166.4 million in 2018/19, R170.4 million in 2019/20 and R179.8 million in the 2020/21 financial years. The increase will fund various system development and enhancements projects as a commitment to modernising the public service for effective service delivery.

Personnel costs incurred increase from R74 million in 2014/15 to R112.2 million in 2016/17. R10.3 million for vacant posts was reallocated to fund goods and services during the 2017/18 adjustments budget; this reduced the personnel budget from R129.9 to R119.6 million. The budget increases from R119.6 million in 2017/18 to R149.2 million in 2020/21 to fund the requirements of the new organisational structure.

Expenditure on goods and services decreased from R34.5 million (2014/15) to R12.8 million (2016/17) due to the completion of the Health Intervention project in 2015/16. The budget increased by R18.4 million to become R34.1 million during the 2017/18 adjustments through R8.2 million reallocated from other programmes and R10.3 million reallocated from funds for vacant posts; these funds increased the allocation for forensic investigation assignments undertaken to improve transparency in the public resources usage. Over the MTEF, the budget ranges between R29 million and R30.6 million. Spending focus over MTEF will be on Investigative Case Management System, forensic audit information system, P-Card and E-Invoicing

software licenses and automation of annual financial statements production for department and entities, deployment of SAP PPM project system. These efforts are in line with the promotion of accountability through substantive reflection of financial activities as well as compliance with financial norms and standards.

SERVICE DELIVERY MEASURES

PROGRAMME 3: FINANCIAL GOVERNANCE

Programme performance measures	Estimated performance	Medium-term estimates		
	2017/18	2018/19	2019/20	2020/21
% of audit recommendations tracked at public entities before the next audit cycle	100%	100%	100%	100%
% of audit recommendations tracked at the departments before the next audit cycle	100%	100%	100%	100%
Number of reports produced on the monitoring of compliance to 30 days payment in 3 departments (Health, Education and Infrastructure Dev)	4	4	4	4
Number of SCM procurement related fraud detection reviews conducted	New indicator	4	4	4
Number of departments with updated risk profiles	Update risk profiles for all departments by 31 March 2018	14	14	14
Number of municipalities with risk profiles developed	Develop risk profiles for 2 municipalities by 30 June 2018	8 municipalities with risk profiles developed	8 municipalities with updated risk profiles	8 municipalities with updated risk profiles
% of departments with unqualified audit outcomes	All departments with unqualified audit outcomes	100%	100%	100%
% of public entities with unqualified audit outcomes	All public entities with unqualified audit outcomes	100%	100%	100%

PROGRAMME 4: PROVINCIAL SUPPLY CHAIN MANAGEMENT

Programme description

Promote and enforce transparency and effective Supply Chain Management in the province.

Programme objective

- The Supply Chain Management Norms and Standards, Governance, Compliance, Monitoring & Evaluation functions oversee the establishment of uniform SCM policy, norms & standards and ensures monitoring and reporting on SCM matters.
- The Client Support function promotes, supports and develops capacity through institutional, organisational, individual and stakeholder development.
- The Transversal Contract Management sub-programme establishes SCM transversal contract management mechanisms in the Province.
- Strategic Procurement establishes SCM strategic procurement mechanisms in support and in alignment to the Township Economic Revitalisation strategy

Key policies, priorities and outputs

Some of the key priorities for the Provincial Supply Chain Management programme in the 2018/19 financial year are as follows:

- Full implementation of the Open Tender Process in GPG institutions;
- Increased spending of procurement on registered township suppliers;
- Utilization of township suppliers registered in the centralized supplier database (CSD);
- Supplier Development and training to facilitate greater participation in government procurement; and
- Reduction of historical irregular expenditure.

TABLE 14.12: SUMMARY OF PAYMENTS AND ESTIMATES BY SUB-PROGRAMME: PROVINCIAL SUPPLY CHAIN MANAGEMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2017/18	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Programme Support/Office Of The Ddg	3 159	6 461	28 222	28 260	32 260	31 348	36 398	36 898	38 929
2. Scm Policy, Norms And Standards			5 000	14 232	12 732	16 415	22 142	22 314	23 539

R thousand	Outcome			Main appropriation	Adjusted appropriation 2017/18	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
3. Governance, Compliance, Monitoring And Evaluation									
4. Scm Client Support			35 605	34 335	27 062	25 385	37 126	39 279	44 592
5. Strategic Procurement			10 979	17 138	16 138	15 270	19 235	20 350	21 470
6. Transversal Contract Management			4 739	28 649	20 149	19 923	13 133	12 198	12 869
7. Movable Asset Management									
8. Procurement Services	56 041	46 999							
Total payments and estimates	59 200	53 460	84 545	122 614	108 341	108 341	128 034	131 039	141 399

TABLE14.13: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: PROVINCIAL SUPPLY CHAIN MANAGEMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2017/18	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Current payments	59 058	53 399	84 109	112 614	98 316	98 236	118 034	131 039	141 399
Compensation of employees	57 798	49 796	59 913	92 511	72 173	72 093	90 314	103 323	112 157
Goods and services	1 260	3 603	24 196	20 103	26 143	26 143	27 720	27 716	29 242
Interest and rent on land									
Transfers and subsidies to:	9	61	430	10 000	10 015	10 095	10 000		
Non-profit institutions				10 000	10 000	10 000	10 000		
Households	9	61	430		15	95			
Payments for capital assets	17								
Land and sub-soil assets									
Software and other intangible assets	17								
Payments for financial assets	116		6		10	10			
Total economic classification	59 200	53 460	84 545	122 614	108 341	108 341	128 034	131 039	141 399

The total expenditure increases from R59.2 million in 2014/15 financial year to R84.5 million in 2016/17. The main allocation increased to R122.6 million in 2017/18 as the implementation of the interventions to improve supply chain management in the province gained momentum. The surrender of funds for vacant posts in the unapproved new organisational structure reduced the budget from R122.6 million to R108.3 million during the 2017/18 adjustments budget process. The allocations over the MTEF amount to R128 million (2018/19), R131 million (2019/20) and R141.4 million (2020/21). These allocations provide for increasing the capacity in the various sub-units within the programme; for the supplier development to support the TER strategy; and for a further rollout of the open tender system in Gauteng Province.

Expenditure on compensation of employees increases from R57.8 million in 2014/15 to a projected amount of R72.1 million in 2017/18. In line with the requirements of the new organisational structure that is yet to be approved by the DPSA, the main budget amounted to R92.5 million in 2017/18. This budget was subsequently reduced to R72.2 million through the surrender of funds for vacant posts during the 2017/18 adjustments. The budget increases from R90.3 million to R112.2 million over the MTEF to capacitate the various business units (namely: SCM Policy, Norms and standards, governance, SCM compliance monitoring and evaluation).

Spending on goods and services increased up to R24.2 million during the first three years under review to fund goods and services required for the open tender system, supplier development and the procurement hub. The budget increased by R6 million to become R26.1 million during the 2017/18 adjustments budget to fund the drafting of the open tender legislation and the hosting of supplier development seminar. The allocation over the MTEF is as follows: R27.7 million for 2018/19 and 2019/20 and R29.2 million for 2020/21. The main focus will be probity audit services required for open tenders in departments and entities, implementation of TER strategy and other SCM interventions as well as other operational requirements.

The transfers and subsidies allocation which commenced in 2016/17 and over the MTEF which comes to an end in 2018/19 caters for supplier development to support township economy revitalization.

SERVICE DELIVERY MEASURES

PROGRAMME 4: PROVINCIAL SUPPLY CHAIN MANAGEMENT

Programme performance measures	Estimated performance	Medium-term estimates		
	2017/18	2018/19	2019/20	2020/21
Number of departments implementing the open tender process	14 departments	14 departments	14 departments	14 departments
Number of registered suppliers undergoing supplier development	1 060	1 238	1 188	1 000
% spend of procurement on township suppliers in the 5 developmental corridors	Central 39%	Central 39%	Central 39%	Central 39%
	Eastern 27%	Eastern 27%	Eastern 27%	Eastern 27%
	Northern 25%	Northern 25%	Northern 25%	Northern 25%
	Western 6%	Western 6%	Western 6%	Western 6%
	Southern 3%	Southern 3%	Southern 3%	Southern 3%
Number of public entities implementing the open tender process	5 entities	7 entities	7 entities	7 entities
Number of compliance reports produced to monitor government procurement above R30 million subcontracted to SMEs	New Indicator	4	4	4

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

To ensure effective and efficient management in Municipalities and Municipal Entities and coordinate the provisioning of capacity building.

The Municipal Financial Governance Programme is divided into various sub-programmes that enables it to attain its set strategic objectives, deliverable and targets. The sub-programmes are as follows:

Programme objective

- The Local Government Financial Services function ensures optimal and sustainable budget management process in delegated local municipalities and further monitors the effective and efficient compliance with financial assets and liabilities management.
- The Municipal Accounting and Asset Management function monitors compliance with financial management and annual reporting framework and further promotes the understanding and implementation of accounting standards (GRAP), as well as the reviewing and reporting on the quality of Annual Financial Statements.
- Municipal Compliance and Financial Management Support co-ordinates, monitors and reports on MFMA implementation and enforces compliance with the MFMA and other regulatory prescripts by local municipalities.

Key policies, priorities and outputs

Some of the key priorities for the Municipal Financial Governance programme in the 2018/19 financial year are as follows:

- Reduction of confirmed government debt
- Ensure efficient spent on provincial transfers to municipalities and increase capital expenditure at municipalities
- Improve sound financial management in delegated municipalities
- Maintain the achievement of unqualified audit outcomes for delegated municipalities and municipal entities
- Ensure the credibility of municipal planning and budgeting processes

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		
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20
1. Programme Support/Office Of The Ddg	28 525	29 995	37 075	11 285	44 957	44 957	11 682	12 359	13 038
2. Local Government Financial Services				13 243			19 971	12 136	12 804
3. Municipal Accounting And Asset Management				12 127			21 330	13 574	14 320
4. Municipal Compliance And Financial Management Support				24 729			25 593	31 668	36 562
Total payments and estimates	28 525	29 995	37 075	61 384	44 957	44 957	78 576	69 737	76 724

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		
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20
Current payments	28 387	29 971	37 034	61 384	44 853	44 853	78 576	69 737	76 724
Compensation of employees	27 681	28 847	29 903	54 409	41 079	41 079	71 238	61 927	68 485
Goods and services	706	1 124	7 131	6 974	3 774	3 774	7 338	7 810	8 239
Interest and rent on land									

R thousand	Outcome			Main appropriation	Adjusted appropriation 2017/18	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Transfers and subsidies to:	138	24	41		104	104			
Provinces and municipalities									
Households	138	24	41		104	104			
Payments for capital assets									
Software and other intangible assets									
Payments for financial assets									
Total economic classification	28 525	29 995	37 075	61 384	44 957	44 957	78 576	69 737	76 724

The spending for the Municipal Financial Governance increases from R28.5 million in 2014/15 to R37.1 million in 2016/17. The programme surrendered funds for vacant posts during the 2017/18 adjustments budget which reduced the budget from R61.4 million to R45 million. The budget amounts increases up to R78.6 million over the MTEF.

Personnel expenditure was at R27.7 million in 2014/15, R28.8 million in 2015/16 and R29.9 million in 2016/17. In line with the requirements of the unapproved organisational structure, the main budget of R54.4 million was allocated in 2017/18. This budget subsequently reduced to R41.1 million during the 2017/18 adjustments budget when the funds for vacant posts were surrendered to the Provincial Revenue Fund. The budget increases to R71.2 million in 2018/19 to provide for the additional capacity under Municipal Compliance and Financial Management Support and for personnel costs of filled posts.

Expenditure on goods and services amounted to R706 000 in 2014/15 and it increased to R1.1 million in 2015/16 to provide for the various interventions in municipalities in 2015/16. The expenditure further increased to R7.1 million in 2016/17 mainly to provide legal support to Emfuleni Municipality. The budget increases from R7.3 million to R8.2 million over the MTEF to provide for the printing of gazettes, travel expenditure to municipalities, software licenses as well as training and development for municipalities. The projects that will be supported by the programme are MSCOA Hands-on Support, MFG Compliance dashboard tool/ database management tool, Government Debt Verifications and training on annual financial statements.

SERVICE DELIVERY MEASURES

ROGRAMME 5: MUNICIPAL FINANCIAL GOVERNANCE

Programme performance measures	Estimated performance	Medium-term estimates		
	2017/18	2018/19	2019/20	2020/21
Number of budget assessments conducted for delegated municipalities	16	16	16	16
Number of municipal SDBIP assessments conducted	8	8	8	8
Number of reports produced on the reduction of confirmed provincial government debt that is over 90 days	New Indicator	4	4	4
% spent on provincial transfers to municipalities	75%	75%	80%	85%
Number of municipal fiscal responsiveness assessments conducted	32	8	8	8
% of audit findings tracked in respect of AFS from the audit action plans of municipalities	100%	100%	100%	100%

PROGRAMME 6: GAUTENG AUDIT SERVICES

Programme description

To enhance transparency, good governance and a clean government through strengthening the internal control and regulatory environment in the province and to render audit services in the GPG.

Programme objective

- The Risk and Compliance Audit Services function manages and ensures performance of risk and compliance audits for the GPG.
- Performance and Computer Audit Services manages and conducts performance and computer audits for GPG departments.

Key policies, priorities and outputs

The key priority for the Gauteng Audit Services programme in the 2018/19 financial year are is:

- Conduct audit services that assist in improving the controls environment for GPG departments and trading entities
- Implementation of Internal Audit Plans

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2017/18	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Programme Support/Office Of The Ddg	3 768	3 249	11 237	10 563	10 433	10 433	9 009	12 706	13 404
2. Risk And Compliance Audit Services(Cluster1,2,3)	14 194	13 002	21 398	37 139	23 659	23 169	38 428	40 657	42 893
3. Risk And Compliance Audit Services(Cluster 4,5,6)	17 824	20 635	25 048	37 090	24 090	24 840	45 513	48 153	50 801
4. Performance And Computer Audit Services	12 913	15 156	18 979	27 587	21 697	21 437	25 042	32 708	34 507
5. Audit Centre Of Excellence	4 499	3 682							
6. Financial Audit And Risk Compliance									
Total payments and estimates	53 198	55 724	76 662	112 379	79 879	79 879	117 992	134 224	141 605

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2017/18	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Current payments	53 151	55 670	76 548	112 379	79 701	79 689	117 992	134 224	141 605
Compensation of employees	50 994	54 263	67 347	104 180	71 502	71 490	111 498	124 178	131 007
Goods and services	2 157	1 407	9 201	8 199	8 199	8 199	6 494	10 046	10 598
Interest and rent on land									
Transfers and subsidies to:	36	54	114		178	190			
Provinces and municipalities									
Households	36	54	114		178	190			
Payments for capital assets	11								
Machinery and equipment	11								
Payments for financial assets									
Total economic classification	53 198	55 724	76 662	112 379	79 879	79 879	117 992	134 224	141 605

Gauteng Audit Services (GAS) spending increases from R53.2 million in 2014/15 to R76.7 million in 2016/17. The programmes expenditure is driven by compensation of employees as most of the audit work is personnel driven. Over MTEF, increasing the capacity of the programme is prioritized to enable the programme to deliver on its mandate that contributes towards the achievement of clean audits in the province.

Personnel costs increase from R51 million in 2014/15 to a projected amount of R71.5 million in 2017/18. The budget increases from R71.5 million in 2017/18 (after the surrender of funds for vacant posts) to R131 million in 2020/21. Of the total staff establishment of 133 posts, 118 posts were active and number of vacancies was 15 as of December 2017. The programme is actively recruiting in the audit market and adopting various strategies to attract and retain audit talent. The increase in the personnel budget over the MTEF is due to inflationary and cost of living adjustments as well as other personnel related spending such as performance bonuses.

Goods and services under this programme consist mainly of provision for specialised audits which are not resident internally, necessitating the augmentation of this gap by using consultants to assist with the execution of the specialised audits. The budget for goods and services increases from R8.2 million in 2017/18 to R10.6 million in 2020/21. The increase is due to the implementation requirements of specialised audits (Performance Audits and Risk & Compliance Audits) in order to enhance transparency, good governance and a clean government through strengthening the internal control and regulatory environment in the province.

SERVICE DELIVERY MEASURES

Programme performance measures	Estimated performance	Medium-term estimates		
	2017/18	2018/19	2019/20	2020/21
% implementation of risk based Internal Audit Plans approved by the audit committee	90%	90%	90%	90%
% of internal audit recommendations tracked as implemented by departments and trading entities	90%	90%	90%	90%
% of AG significant findings (findings causing audit qualification) followed-up audits by Internal Audit	100%	100%	100%	100%

9. OTHER PROGRAMME INFORMATION

9.1 Personnel numbers and costs

TABLE 14.18: SUMMARY OF DEPARTMENTAL PERSONNEL NUMBERS AND COSTS BY COMPONENT

R thousands	Actual				Revised estimate				Medium-term expenditure estimate				Average annual growth over MTEF				
	2014/15		2015/16		2016/17		2017/18		2018/19		2019/20		2020/21		2017/18 - 2020/21		
	Personnel numbers ¹	Costs	Personnel numbers ¹	Costs	Personnel numbers ¹	Costs	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	148	50 986	172	28 807	102	16 703	77	67	144	23 618	182	44 327	182	49 917	8%	28%	7%
7 – 10	324	108 075	394	175 151	479	204 938	510		510	210 263	521	295 552	521	310 925	1%	14%	46%
11 – 12	128	90 302	126	69 681	152	102 552	162		162	117 920	196	155 988	196	164 568	7%	12%	25%
13 – 16	67	82 863	104	87 064	82	82 012	92		92	106 356	106	129 838	106	141 007	5%	10%	21%
Other				3 643			3		3	2 179	6	3 926	6	4 141	26%	24%	1%
Total	667	332 226	796	364 346	815	406 205	844	67	911	460 337	1 011	629 631	1 011	670 558	4%	13%	100%
Programme																	
1. Administration	226	62 021	192	68 642	211	77 152	169	67	236	88 426	222	105 007	222	110 781	(2)%	8%	17%
2. Sustainable Fiscal Resource Management	80	59 773	86	55 072	89	59 679	91		91	65 350	110	83 382	110	87 967	7%	10%	13%
3. Financial Governance	258	73 959	233	107 726	227	112 211	253		253	116 512	251	141 416	251	149 195	(0)%	9%	23%
4. Provincial Supply Chain Management		57 798	136	49 796	126	59 913	144		144	74 673	166	109 921	166	119 118	5%	17%	17%
5. Municipal Financial Governance		27 681	51	28 847	46	29 903	55		55	37 204	81	65 727	81	72 490	14%	25%	10%
6. Gauteng Audit Services	103	50 994	98	54 263	116	67 347	132		132	78 172	181	124 178	181	131 007	11%	19%	19%
Direct charges															0%	0%	0%
Total	667	332 226	796	364 346	815	406 205	844	67	911	460 337	1 011	629 631	1 011	670 558	4%	13%	100%
Employee dispensation classification																	
Public Service Act appointees not covered by OSDs															0%	0%	0%
Public Service Act appointees still to be covered by OSDs															0%	0%	0%
Professional Nurses, Staff Nurses and Nursing Assistants															0%	0%	0%

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R thousands	Actual			Revised estimate			Medium-term expenditure estimate						Average annual growth over MTEF					
	2014/15		2015/16		2016/17		2017/18			2018/19		2019/20		2020/21		2017/18 - 2020/21		
	Personnel numbers ¹	Costs	Personnel numbers ¹	Costs	Personnel numbers ¹	Costs	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	
Legal Professionals															0%	0%	0%	
Social Services Professions															0%	0%	0%	
Engineering Professions and related occupations															0%	0%	0%	
Medical and related professionals															0%	0%	0%	
Therapeutic, Diagnostic and other related Allied Health Professionals															0%	0%	0%	
Educators and related professionals															0%	0%	0%	
Others such as interns, EPWP, learnerships, etc															0%	0%	0%	
Total															0%	0%	0%	

Personnel costs increase from R332 million in 2014/15 to R364 million in 2015/16, the personnel numbers increased from 667 in 2014/15 employees to 796 in 2015/16. Projected personnel numbers increase from 815 in 2016/17 to 911 in 2018/19. The increase is line with the department's plan to fill vacant posts and implement the new structure. Included in the growth in costs is the anticipated increase in inflation. The significant growth in personnel costs and numbers is to ensure that the department continues to provide oversight and technical support to GPG departments

9.2 Training

TABLE 14.19: INFORMATION ON TRAINING: GAUTENG PROVINCIAL TREASURY

R thousand	Outcome			Main appropriation	Adjusted appropriation 2017/18	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Number of staff	667	796	815	911	911	911	994	1 011	1 011
Number of personnel trained	350	450	500	525	525	525	555	586	619
of which									
Male	140	160	180	189	189	189	200	211	223
Female	210	290	320	336	336	336	355	375	396
Number of training opportunities	490	600	710	746	746	746	789	833	879
of which									
Tertiary	250	300	350	368	368	368	389	411	434
Workshops	200	250	300	315	315	315	333	352	371
Seminars	40	50	60	63	63	63	67	70	74
Other									
Number of bursaries offered	173	200	200	210	210	210	222	235	248
Number of interns appointed	35	40	45	42	42	55	55	55	55
Number of learnerships appointed	18	20	25	30	30	28	28	28	28
Number of days spent on training									
Payments on training by programme									
1. Administration	1 337	1 711	2 999	1 088	1 018	1 018	1 663	1 760	1 857
2. Sustainable Fiscal Resource Management	525	364	370	522	522	682	753	785	817
3. Financial Governance	1 399	1 885	2 234	1 953	753	753	1 343	1 424	1 470
4. Provincial Supply Chain Management	495	929	1 821	1 368	1 368	5 811	1 000	1 032	1 100
5. Municipal Financial Governance			188		400	660	400	450	475
6. Gauteng Audit Services			859	775	775	775	820	867	915
Total payments on training	3 756	4 889	8 471	5 706	4 836	9 699	5 979	6 318	6 634

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. This is entrenched in the department value of valuing employees.

The department will achieve this through the implementation of meaningful skills programs, internships, learnership and SAIPA 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 scarce skills, and aims to appoint at least 8 per cent of the staff establishment as interns, work intergrated learning and SAIPA 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 the Estimates of Provincial Revenue and Expenditure

TABLE 14.20: SPECIFICATION OF RECEIPTS: GAUTENG PROVINCIAL TREASURY

R thousand	Outcome			Main appropriation	Adjusted appropriation 2017/18	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Tax receipts									
Sales of goods and services other than capital assets	323	555	833	1 050	1 050	1 050	1 111	1 173	1 238
Sale of goods and services produced by department (excluding capital assets)	323	555	833	1 050	1 050	1 050	1 111	1 173	1 238
Sales by market establishments	323	555	833	1 050	1 050	1 050	1 111	1 173	1 238
Transfers received from:									
Public corporations and private enterprises									
Fines, penalties and forfeits									
Interest, dividends and rent on land	481 453	622 676	657 747	300 000	450 000	450 000	450 000	500 000	550 000
Interest	481 453	622 676	657 747	300 000	450 000	450 000	450 000	500 000	550 000
Sales of capital assets		214				84			
Other capital assets		214				84			
Transactions in financial assets and liabilities	490	451	445	450	450	450	500	528	557
Total departmental receipts	482 266	623 896	659 025	301 500	451 500	451 584	451 611	501 701	551 795

TABLE 14.21: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: GAUTENG PROVINCIAL TREASURY

R thousand	Outcome			Main appropriation	Adjusted appropriation 2017/18	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Current payments	401 859	429 043	507 718	644 664	583 225	583 068	714 818	761 592	809 065
Compensation of employees	332 226	364 346	406 205	548 319	461 688	460 337	590 162	629 631	670 558
Salaries and wages	295 256	320 262	357 422	477 622	394 731	405 441	515 781	551 858	587 755
Social contributions	36 970	44 084	48 783	70 697	66 957	54 896	74 381	77 773	82 803
Goods and services	69 633	64 697	101 513	96 345	121 537	122 731	124 656	131 961	138 507
Administrative fees	61	84	82	114	113	676	630	666	703
Advertising	2 855	3 130	5 739	1 951	3 151	3 850	4 261	4 878	5 144
Minor assets	85	558	119	244	2 005	1 778	300	300	317
Audit cost: External	2 879	3 213	3 444	5 323	3 468	3 468	3 868	4 690	4 235
Bursaries: Employees	1 218	1 761	3 196	2 545	2 889	3 931	4 692	5 348	5 642
Catering: Departmental activities	374	410	775	836	1 132	907	1 103	1 145	1 208
Communication (G&S)	1 999	3 139	3 129	3 401	2 860	3 261	3 388	3 593	3 791
Computer services	2 535	5 978	9 206	12 081	10 076	10 076	11 372	12 012	12 672
Consultants and professional services: Business and advisory services	35 008	21 045	35 084	42 315	59 029	56 237	61 973	64 195	67 730
Legal services	660	555	6 255	893	4 733	4 531	1 479	1 536	1 620
Contractors	1 306	1 008	517	491	5 516	4 025	503	582	614
Fleet services (including government motor transport)	668	751	384	560	560	438	590	624	659
Consumable supplies	343	508	249	373	563	574	279	270	284
Consumable: Stationery, printing and office supplies	2 063	3 417	4 605	2 450	3 430	2 855	2 779	2 949	3 111
Operating leases	2 494	3 588	5 538	5 196	4 796	4 796	5 115	5 429	5 728
Property payments	7 924	6 191	5 923	5 020	5 006	5 006	6 608	7 269	7 668
Travel and subsistence	964	1 725	2 102	2 475	2 672	2 531	2 409	2 574	2 716
Training and development	3 756	5 308	8 921	5 706	4 836	9 699	8 219	8 576	9 048
Operating payments	1 638	1 626	2 224	2 366	2 845	2 507	2 928	3 046	3 213
Venues and facilities	803	702	4 021	2 005	1 857	1 585	2 160	2 279	2 404
Transfers and subsidies	76 944	120 659	104 500	66 335	66 849	67 006	69 559	63 014	66 479

R thousand	Outcome			Main appropriation	Adjusted appropriation 2017/18	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Departmental agencies and accounts	75 000	120 000	102 650	55 335	55 385	55 385	58 544	61 940	65 346
Provide list of entities receiving transfers	75 000	120 000	102 650	55 335	55 385	55 385	58 544	61 940	65 346
Non-profit institutions				10 000	10 000	10 000	10 000		
Households	1 944	659	1 850	1 000	1 464	1 621	1 015	1 074	1 133
Social benefits	1 944	613	1 109		319	543			
Other transfers to households		46	741	1 000	1 145	1 078	1 015	1 074	1 133
Payments for capital assets	3 262	5 487	4 083	1 635	4 821	4 821	12 036	6 864	7 242
Machinery and equipment	2 970	5 487	4 083	1 635	4 821	4 821	12 036	6 864	7 242
Other machinery and equipment	2 970	5 487	4 083	1 635	4 821	4 821	12 036	6 864	7 242
Software and other intangible assets	292								
Payments for financial assets	124		50		12	12			
Total economic classification	482 189	555 189	616 351	712 634	654 907	654 907	796 413	831 470	882 786

TABLE 14.22: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation 2017/18	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Current payments	88 524	100 590	116 349	126 286	124 305	124 301	136 346	153 340	161 059
Compensation of employees	62 021	68 642	77 152	91 902	89 108	89 099	98 852	111 605	117 742
Salaries and wages	54 809	60 350	68 094	79 673	76 999	79 073	86 341	98 340	103 747
Social contributions	7 212	8 292	9 058	12 229	12 109	10 026	12 511	13 265	13 995
Goods and services	26 503	31 948	39 197	34 384	35 197	35 202	37 494	41 735	43 317
Administrative fees	46	73	64	96	88	174	105	112	119
Advertising	2 114	1 347	3 543	1 108	750	250	422	990	1 044
Minor assets	67	558	119	244	2 005	1 778	300	300	317
Audit cost: External	1 738	2 209	2 624	3 841	2 241	2 241	2 500	3 231	2 696
Bursaries: Employees	1 218	1 761	3 196	2 545	2 889	3 931	4 692	5 348	5 642
Catering: Departmental activities	170	218	296	219	341	341	292	307	324
Communication (G&S)	1 999	3 139	3 129	3 401	2 860	3 261	3 388	3 593	3 791
Computer services	1 802	3 854	4 611	4 833	3 919	3 919	4 157	4 371	4 611
Consultants and professional services: Business and advisory services	723	393	1 216	1 044	398	404	665	1 047	1 105
Legal services	67	555	1 469	893	2 567	2 365	1 479	1 536	1 620
Contractors	1 298	940	491	491	716	491	503	582	614
Fleet services (including government motor transport)	668	751	384	560	560	438	590	624	659
Consumable supplies	338	488	248	373	556	566	279	270	284
Consumable: Stationery, printing and office supplies	1 054	2 304	1 258	1 026	1 566	1 566	1 405	1 487	1 569
Operating leases	2 494	3 588	5 538	5 196	4 796	4 796	5 115	5 429	5 728
Property payments	7 924	6 191	5 923	5 020	5 006	5 006	6 608	7 269	7 668
Travel and subsistence	278	840	661	713	1 079	1 129	819	866	914
Training and development	1 337	1 418	2 501	1 088	1 018	1 018	1 663	1 760	1 857
Operating payments	411	779	884	570	1 012	858	1 189	1 225	1 291
Venues and facilities	757	542	1 042	1 123	830	670	1 323	1 388	1 464
Transfers and subsidies	1 499	214	830	1 000	1 067	1 071	1 015	1 074	1 133
Households	1 499	214	830	1 000	1 067	1 071	1 015	1 074	1 133
Social benefits	1 499	168	89			71			
Other transfers to households		46	741	1 000	1 067	1 000	1 015	1 074	1 133
Payments for capital assets	2 006	5 487	4 083	1 635	4 821	4 821	12 036	6 864	7 242
Machinery and equipment	1 731	5 487	4 083	1 635	4 821	4 821	12 036	6 864	7 242

R thousand	Outcome			Main appropriation	Adjusted appropriation 2017/18	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Other machinery and equipment	1 731	5 487	4 083	1 635	4 821	4 821	12 036	6 864	7 242
Software and other intangible assets	275								
Payments for financial assets	8		44		1	1			
Total economic classification	92 037	106 291	121 306	128 921	130 194	130 194	149 397	161 278	169 434

TABLE 14.23: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: SUSTAINABLE FISCAL RESOURCES MANAGEMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2017/18	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Current payments	64 270	62 840	68 655	86 416	82 366	82 305	97 457	102 833	108 485
Compensation of employees	59 773	55 072	59 679	75 424	68 234	66 902	82 421	87 182	91 974
Salaries and wages	53 040	49 069	53 223	65 178	59 206	59 495	72 458	76 582	80 791
Social contributions	6 733	6 003	6 456	10 246	9 028	7 407	9 963	10 600	11 183
Goods and services	4 497	7 768	8 976	10 992	14 132	15 403	15 036	15 651	16 511
Administrative fees	7	2	5	6	7	481	507	536	565
Advertising	361	1 500	397	511	2 071	3 342	3 540	3 572	3 767
Audit cost: External	560	485	442	785	630	630	731	779	822
Catering: Departmental activities	29	53	54	232	382	188	396	410	433
Computer services		345	76		455	455	500	500	528
Consultants and professional services: Business and advisory services	906	2 818	4 675	6 066	7 192	7 189	6 122	6 447	6 802
Legal services	593								
Contractors		68	26			34			
Consumable supplies		20							
Consumable: Stationery, printing and office supplies	632	693	1 935	693	1 033	559	532	545	575
Travel and subsistence	227	93	201	589	338	341	463	501	528
Training and development	525	936	184	522	522	682	753	785	828
Operating payments	657	755	910	1 177	1 091	1 091	1 257	1 316	1 389
Venues and facilities			71	411	411	411	235	260	274
Transfers and subsidies	75 150	120 201	102 765	55 335	55 385	55 446	58 544	61 940	65 346
Departmental agencies and accounts	75 000	120 000	102 650	55 335	55 385	55 385	58 544	61 940	65 346
Provide list of entities receiving transfers	75 000	120 000	102 650	55 335	55 385	55 385	58 544	61 940	65 346
Households	150	201	115			61			
Social benefits	150	201	115			61			
Payments for capital assets									
Payments for financial assets									
Total economic classification	139 420	183 041	171 420	141 751	137 751	137 751	156 001	164 773	173 831

TABLE 14.24: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: FINANCIAL GOVERNANCE

R thousand	Outcome			Main appropriation	Adjusted appropriation 2017/18	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Current payments	108 469	126 573	125 023	145 585	153 684	153 684	166 413	170 419	179 793
Compensation of employees	73 959	107 726	112 211	129 893	119 592	119 674	135 839	141 416	149 193
Salaries and wages	64 702	94 234	97 800	111 822	103 922	104 029	117 593	122 617	129 360
Social contributions	9 257	13 492	14 411	18 071	15 670	15 645	18 246	18 799	19 833
Goods and services	34 510	18 847	12 812	15 692	34 092	34 010	30 574	29 003	30 600
Administrative fees	6	5	7	12	12	12	13	13	14
Advertising	94								
Minor assets	18								
Audit cost: External	581	519	378	697	597	597	637	680	717

R thousand	Outcome			Main appropriation	Adjusted appropriation 2017/18	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Catering: Departmental activities	175	49	121	100	124	124	113	120	127
Computer services	634	863	2 818	5 367	4 101	4 101	4 018	4 336	4 574
Consultants and professional services: Business and advisory services	31 066	16 112	7 527	6 878	27 778	27 778	23 854	21 792	22 990
Consumable supplies	4				6	6			
Consumable: Stationery, printing and office supplies	2	7	1	3	3	3			
Travel and subsistence	208	234	298	419	411	329	381	418	442
Training and development	1 399	1 001	1 578	1 953	753	753	1 343	1 424	1 503
Operating payments	270	35	84	164	207	207	115	120	127
Venues and facilities	46	22		100	100	100	100	100	106
Transfers and subsidies	112	105	320		100	100			
Households	112	105	320		100	100			
Social benefits	112	105	320		100	100			
Payments for capital assets	1 228								
Machinery and equipment	1 228								
Other machinery and equipment	1 228								
Payments for financial assets					1	1			
Total economic classification	109 809	126 678	125 343	145 585	153 785	153 785	166 413	170 419	179 793

TABLE 14.25: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: PROVINCIAL SUPPLY CHAIN MANAGEMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2017/18	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Current payments	59 058	53 399	84 109	112 614	98 316	98 236	118 034	131 039	141 399
Compensation of employees	57 798	49 796	59 913	92 511	72 173	72 093	90 314	103 323	112 157
Salaries and wages	52 604	42 667	51 765	81 181	60 843	62 402	75 493	88 742	96 398
Social contributions	5 194	7 129	8 148	11 330	11 330	9 691	14 821	14 581	15 759
Goods and services	1 260	3 603	24 196	20 103	26 143	26 143	27 720	27 716	29 242
Administrative fees	1		2		2	2			
Advertising	286	283	1 799	282	280	208	299	316	333
Catering: Departmental activities		24	109	105	105	105	112	118	124
Consultants and professional services: Business and advisory services	277	1 722	15 539	18 034	18 034	15 057	25 530	25 400	26 800
Contractors	1				4 800	3 500			
Consumable: Stationery, printing and office supplies		23	14						
Travel and subsistence	20	7	109	88	128	89	93	98	103
Training and development	495	1 406	4 008	1 368	1 368	5 811	1 448	1 532	1 616
Operating payments	180		13	105	105	50			
Venues and facilities		138	2 603	121	121	121	238	252	266
Transfers and subsidies	9	61	430	10 000	10 015	10 095	10 000		
Non-profit institutions				10 000	10 000	10 000	10 000		
Households	9	61	430		15	95			
Social benefits	9	61	430		15	95			
Payments for capital assets	17								
Software and other intangible assets	17								
Payments for financial assets	116		6		10	10			
Total economic classification	59 200	53 460	84 545	122 614	108 341	108 341	128 034	131 039	141 399

TABLE 14.26: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: MUNICIPAL FINANCIAL GOVERNANCE

R thousand	Outcome			Main appropriation	Adjusted appropriation 2017/18	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Current payments	28 387	29 971	37 034	61 384	44 853	44 853	78 576	69 737	76 724
Compensation of employees	27 681	28 847	29 903	54 409	41 079	41 079	71 238	61 927	68 485
Salaries and wages	25 185	26 016	26 914	47 815	34 486	37 088	65 261	55 876	61 724
Social contributions	2 496	2 831	2 989	6 594	6 593	3 991	5 977	6 051	6 761
Goods and services	706	1 124	7 131	6 974	3 774	3 774	7 338	7 810	8 239
Administrative fees		2	4		4	4	5	5	5
Catering: Departmental activities		66	193	180	180	149	190	190	200
Computer services	99	204	434	365	215	215	220	240	253
Consultants and professional services: Business and advisory services				5 092	427	427	3 300	3 630	3 831
Legal services			4 786		966	966			
Consumable supplies	1		1		1	2			
Consumable: Stationery, printing and office supplies	375	390	902	728	828	727	842	917	967
Travel and subsistence	231	405	522	558	558	479	539	570	601
Training and development			187		400	660	2 192	2 208	2 329
Operating payments		57	27	50	50		50	50	53
Venues and facilities			75		145	145			
Transfers and subsidies	138	24	41		104	104			
Households	138	24	41		104	104			
Social benefits	138	24	41		104	104			
Payments for capital assets									
Payments for financial assets									
Total economic classification	28 525	29 995	37 075	61 384	44 957	44 957	78 576	69 737	76 724

TABLE 14.27: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: GAUTENG AUDIT SERVICES

R thousand	Outcome			Main appropriation	Adjusted appropriation 2017/18	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Current payments	53 151	55 670	76 548	112 379	79 701	79 689	117 992	134 224	141 605
Compensation of employees	50 994	54 263	67 347	104 180	71 502	71 490	111 498	124 178	131 007
Salaries and wages	44 916	47 926	59 626	91 953	59 275	63 354	98 635	109 701	115 735
Social contributions	6 078	6 337	7 721	12 227	12 227	8 136	12 863	14 477	15 272
Goods and services	2 157	1 407	9 201	8 199	8 199	8 199	6 494	10 046	10 598
Administrative fees	1	2							3
Advertising				50	50	50			
Catering: Departmental activities			2						
Computer services		712	1 267	1 516	1 386	1 386	2 477	2 565	2 706
Consultants and professional services: Business and advisory services	2 036		6 127	5 200	5 200	5 382	2 502	5 879	6 202
Consumable: Stationery, printing and office supplies			495						
Travel and subsistence		146	311	108	158	164	114	121	128
Training and development		547	463	775	775	775	820	867	915
Operating payments	120		306	300	380	301	317	335	353
Venues and facilities			230	250	250	138	264	279	294
Transfers and subsidies	36	54	114		178	190			
Households	36	54	114		178	190			
Social benefits	36	54	114		100	112			
Payments for capital assets	11								
Machinery and equipment	11								
Other machinery and equipment	11								

R thousand	Outcome			Main appropriation	Adjusted appropriation 2017/18	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Payments for financial assets									
Total economic classification	53 198	55 724	76 662	112 379	79 879	79 879	117 992	134 224	141 605