

VOTE 14

GAUTENG PROVINCIAL TREASURY

| | |
|---------------------------------------|-----------------------------|
| To be appropriated by vote in 2020/21 | R 807 778 000 |
| Responsible MEC | MEC for Finance |
| Administering Department | Gauteng Provincial Treasury |
| Accounting Officer | Head of Department |

1. OVERVIEW

Vision

Pioneers in fiscal prudence and good governance.

Mission

A Treasury that drives world class financial support through tight fiscal controls, upheld by a culture of good corporate governance for our stakeholders.

Impact Statement

Optimally resourced Provincial priorities and enhanced fiscal control & good governance that enable the delivery of services to Gauteng citizens.

Outcomes

- Enhanced sound finances in the province
- Increased compliance
- Sustainable local government finances
- Reduced youth unemployment
- Alternative sources of funding

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.

The Gauteng Provincial Plan adopted by the 6th administration is anchored by seven pillars (namely: economy, jobs and infrastructure; education, skills revolution and health; integrated human settlements and land release; safety, social cohesion and food security; building a capable, ethical and developmental state; towards a better Africa and the World; and sustainable development for future generations. The GPT will ensure that the strategies and policies that support the realisation of the Provincial Plan and its properties are adequately resourced.

The adopted provincial plan theme of 'Growing Gauteng Together' will be the key basis for the identified priorities and service delivery, with emphasis on visible impact and outcomes. These priorities adopted are underpinned in the new provincial plan

by various strategies, amongst them is the Transformation, Modernisation and Re-industrialisation programme, the Township Economy Revitalisation strategy and Tshepo 1 million programme.

With the intention of implementing the Provincial Plan, the department adopted the following four outcomes:

- Enhance sound finances in the province
- Promote good governance
- Sustainable local government finances
- Alternative sources of funding

The department will deliver on the following over the five-year period:

- Maintaining sound finances in the province by ensuring credible, funded and sustainable budgets aligned to provincial plan and priorities at a provincial and local government sphere;
- Implementing the Revenue Enhancement Strategy to optimise and diversify own revenue collection;
- Consolidating efforts aimed at clean governance across the city region;
- Intensifying oversight and building capacity to strengthen financial management practices to improve pro-activeness in supporting delegated municipalities;
- Strengthening internal controls province wide and provide assurance;
- Improving government spend directed towards Gauteng township-based suppliers and empower them to ensure broad participation in the government tendering process;
- Exploring alternative funding mechanisms.
- GPT will continue to serve the people of Gauteng with compassion and professionalism, strengthen partnerships with the private sector, labour and civil society and promote social cohesion in Gauteng.

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. There is a clear 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 of the NDP are listed below:

- 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.

External activities and events relevant to budget decisions

Following the National elections which took place in May 2019 and subsequent appointment of the 6th GPG Administration, the new newly appointed Member of Executive Council of Finance, Ms. Nomantu Nkomo-Ralehoko, hosted the Gauteng Provincial Treasury's annual strategic plenary session with her executive, senior management and stakeholders on the 6-8 August 2019. The overall objective of the session was to present the Gauteng Provincial Government's programme of action and key provincial priorities adopted by the 6th GPG administration, articulate the GPT's strategic focus for the next five years and aid the formulation of the Strategic Plan for the period 2020-2025.

Global economy and emerging markets

The latest estimates issued by the International Monetary Fund (IMF)³ indicates that the world economic growth will slow down to 3.2 and 3.5 per cent in 2019 and 2020, respectively, from previous forecasts of 3.3 and 3.5 percent in the same period. In particular, the United States has increased tariffs on some Chinese imports, coupled with increased Chinese tariffs on certain US imports that created significant volatility in international markets. This and further with the uncertainty caused by Brexit, increased risk aversion and slowed global investment. Ultimately growth in these key economies is slowing global growth and this is expected to continue into the medium term.

The IMF¹ notes the dominance of the following downside risks contributing to the global slowdown:

³ International Monetary Fund. 2019. World Economic Outlook- July.

- Disruptions to trade and tech supply chains have dented business due to the US-China trade tensions.
- Increased global risk aversion due to the US-China trade tensions will result in lower investment levels
- This downward pressure on global growth increased concerns about disinflation, particularly in advanced markets.
- Climate change and political risks and conflicts continue to place significant downward pressure in emerging and developing market economies.

As a result, growth in emerging and developing markets, in line with weaker global growth, is expected at 4.1 and 4.7 per cent (previously 4.3 and 4.7 per cent) for 2019 and 2020, respectively. This raises question about the fiscal position of several emerging market economies as commodity prices remain sluggish in line with this outlook.

The South African economy

The South African economy continues a path of sluggish growth and increased volatility. This is partly due to domestic constraints of the Eskom situation, and partly due to increased global volatility as described above. The current volatility in the local currency market is a key indicator of this global uncertainty. Latest estimates from the South Africa Reserve Bank (SARB)⁴ suggest a growth of 0.6 and 1.8 per cent for 2019 and 2020, respectively. These estimates are lower as compared to previous estimates due to the second quarter rebound of 3.1 per cent, which was mostly fueled by the absence of electricity-supply which resulted in economic growth contraction in the first quarter.

The increase in litigation against the state and its erosion of an already strained fiscus has resulted in the President Ramaphosa establishing a Health Sector Anti-Corruption Forum, established on the 1st of October 2019. The forum is establishing as a resolution to one of the outcomes from the Presidential Health Summit in 2018 which identified, amongst many others, the supply chain management of medicines, medical products, equipment and machinery as being vulnerable to corruption and political interference in the tendering system was also found to contribute to corruption. The forum aims to transform the health care system in South Africa and to rid it of the inefficiencies of the past and to reduce wastage and collusion and ending uncompetitive behaviour in the market.

The Gauteng economy and implications on the fiscus

Estimates indicate that the Gauteng economy recovered in the second quarter of 2019, growing by 2.8 per cent, after having contracted by 2.5 per cent in the first quarter of 2019. Current estimates also suggest a growth of 1.7 and 1.7 per cent for 2019 and 2020, respectively⁵. The persistent lower than expected growth in the country and the province resulted in higher unemployment. The unemployment rate in South Africa increased to 29 per cent in the second quarter, from 27.6 per cent in the first quarter of 2019. Similarly, the Gauteng unemployment rate increased from 28.9 to 31.1 per cent over the same period.

The high rate of unemployment remains a policy challenge for the province as it tends to have adverse impact on poverty and inequality and the demand for services and resources. According to the latest information available, nearly half of the province's population (45.7 per cent)⁶ is considered poor at the upper bound national poverty line of R1 1837. The province's inequality, as measured by the Gini Coefficient, stood at 0.63 in 2018, the same reading as the national average, which is considered the highest in the world, according to the World Bank 2018 report on Overcoming Poverty and Inequality in South Africa.

In addition, Gauteng still needs to deal with the service delivery challenges that it faces which are worsened by the rapid population growth. Data revealed by the Statics South Africa (StasSA) in June 2019 and the 2019 Mid-Year Population Estimates, indicate that although the smallest province in size, Gauteng has the highest population growth in the country, with approximately 15.2 million people (25.8% of the national population) living in this province. The high population is mostly accounted for by the high rate of in-migration into the province, which is estimated at 1.6 million migrants by 2021, from 1.5 million in 2016. The in-migration is mostly from other provinces and foreign immigrants as Gauteng is considered the economic hub of the country, thus offering better economic opportunities, jobs and the promise of a better life. This ultimately puts a strain on the limited resources allocated to Gauteng ranging with direct implications on infrastructure, health care and education services.

Although service delivery continues to be a challenge in the province as resources struggle to keep up with the rapid population growth, Gauteng has made significant strides in terms of the number of households that have access to basic services. According to the latest information available, the share of the population with access to formal housing has increased from 76 per cent in 1996, to just over 80 per cent in 2017. About 90 per cent of households in the province have access to electrical connections and 91.2 per cent have access to hygienic toilets. Piped water was the only service that nearly 100 per cent of households (99 per cent) in Gauteng had access to.

⁴ South African Reserve Bank. 2019. Monetary Policy Statement.

⁵ IHS-Markit. 2019. Regional Explorer Database.

⁶ IHS Markit. (2019). Regional eXplorer: Version 2.6f.

⁷ Statistics South Africa. (2019). National Poverty Lines.

From a fiscal policy perspective, the current economic situation constraints put significant increases in expenditure, as revenue generation is expected to remain sluggish. Furthermore, this raises the possibility of further cuts in provincial allocations. However, the presidential stimulus plan continues to be implemented, with signs of progress. Provincially, continuity in economic policy after the recent elections is a positive step towards managing these constraints and understanding and integrated planning by all spheres of government, for current and projected migration patterns in South Africa, amongst other pressing issues, is imperative for continued growth and development.

Although the department has been obtaining unqualified audit opinions for the past years, there are areas which require serious interventions. The interventions required are imbedded in the strategic plan and will address issues of tight fiscal constraints which require for the Gauteng departments to prioritise their funding requirements and reprioritize budgets. The department will also prioritise the need to increase provincial own revenue through the implementation of the revenue enhancements strategy, monitoring of GPG expenditure on infrastructure budget and conditional grants allocated by the GPT. Furthermore, it will ensure that departments reduce irregular expenditure and there is an improvement on governments spend directed towards Gauteng township suppliers.

Local government

The Auditor General released an audit report on the performance of South Africa's municipalities in June 2019. What is of concern in the local government sphere is that municipalities (nationally) continue to ignore audit recommendations and not comply with key local government legislation that is applicable to financial and management performance. Additionally, aggregate municipal consumer debt continues to increase, having a direct implication on revenue generation efforts at the local government sphere. This ultimately results in poor delivery of services to communities.

The report also indicated that only six of the nine provinces had municipalities with clean audits, with Gauteng sustaining its audit outcomes in 2017-18 with and one municipality obtaining a clean audit (this excludes Emfuleni). The audit outcome has been sustained in the province having obtained a 100% financially unqualified opinion for the past three years. Important to note is the AG indicating that the quality of financial statements as initially submitted for auditing has regressed.

The department, in its oversight role and function, will need to formulate strategies and interventions through collaborative efforts with relevant stakeholders that will focus on the four critical elements of: governance, institution, financial health and service delivery. 'Institutionalising a number of best practices, such as timeously monitoring the implementation of action plans to ensure that internal control deficiencies are addressed and effectively applying consequences. Should such practices be replicated across the province, audit results are likely to improve even further', The auditor-general (AG), Kimi Makwetu.

Acts, rules and regulations

- Public Finance Management Act, 1999 (Act 1 of 1999) and Regulations
- Municipal Finance Management Act, 2003 (Act 56 of 2003)
- Basic Conditions of Employment Act, 1997 (Act 75 of 1997)
- Broad-Based Black Empowerment Act, 2003 (Act 53 of 2003)
- Gauteng Provincial Appropriation Act, 2019 (Act 7 of 2019)
- Promotion of Administrative Justice Act, 2000 (Act 3 of 2000)
- State Liability Amendment Act, 2011 (Act 14 of 2011)
- Promotion of Equality and Prevention of Unfair Discrimination Act, 2000
- Protection of Personal Information Act, 2013 (Act 4 of 2013)
- Employment Equity Act, 1998 (Act 55 of 1998)
- Intergovernmental Fiscal Relations Act, 1997 (Act 97 of 1997)
- Labour Relations Act, 1995 (Act 66 of 1995)
- Preferential Procurement Policy Framework Act, 2000 and Regulations
- Promotion of Access to Information Act, 2000 (Act 2 of 2000)
- Public Service Act, 1994 (Act 103 of 1994) and Regulations
- The Gauteng Finance Management Supplementary Act, 2018

2. REVIEW OF THE CURRENT FINANCIAL YEAR (2019/20)

The Gauteng province has been operating in a tight fiscal space since 2014 when the 5th administration of government took office. The slow economic growth has resulted in increased demands on provincial fiscus to mitigate poverty and unemployment and promote growth. The GPG has introduced numerous programmes and initiatives to realise the TMR agenda that aims to accelerate, radically transform, modernise and re-industrialise the delivery of services to the Gauteng citizenry.

Some of the key programmes are the Tshepo 1 million programme that seeks to address the issue of youth unemployment, the Township Economy Revitalisation (TER) strategy that aims to support and develop township-based businesses, the Open Tender Process that intends to address the issue of fraud and corruption and improve transparency in government procurement processes and the introduction of various Business Intelligence tools that are designed to improve operational efficiencies in GPG institutions. The realisation of the goals espoused in the TMR programme is a continuous effort and the department has set the following key priorities for the ensuing financial year.

PILLAR 1: RADICAL ECONOMIC TRANSFORMATION

To create an enabling environment for township-based SMMEs 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 SMMEs and cooperatives. The department has in this regard continued to increase the number of suppliers in the supplier database through activations during Ntirhisano and other departmental activities.

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

The realisation of the TER strategy requires all stakeholders, provincial departments, public entities and local government to make a concerted effort to support township-based businesses. In supporting the TER strategy in the province, GPT has continued with its efforts to increase spending in townships. The department produced a report on the monitoring of 30% spend directed to township suppliers. The report shows township spending by GPG departments to be at 14%.

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. Supplier development initiatives and programmes have been established through partnerships with the private sector to ensure that township suppliers are ready for participation in the economic sphere. Through these initiatives, 312 suppliers were trained in the financial year.

Monitoring of compliance with the adopted Preferential Procurement Regulations of 2017 (PPR) has been intensified to ensure compliance to sub-contracting of 30 per cent of all government tenders that are over R30 million to SMMEs; a report that outlines GPG's compliance status has been produced.

Payment of invoices for services rendered is an important element in ensuring sustainability of SMMEs and cooperatives. GPT has put in place measures and processes to ensure payment of invoices within 30 days of receipt of final and correct invoices and paid 100 per cent (a total of 912) invoices received within the prescribed 30 days during the three quarters of the financial year.

PILLAR 4: TRANSFORMATION OF STATE AND GOVERNANCE

Promoting better planning and budgeting synergy across all spheres of government

Synergy between the three spheres of government (national, provincial and local) promotes better planning and budgeting alignment, resulting in an integrated and credible planning framework and ensuring that provincial priorities are strategically and adequately resourced from the limited fiscus. Budget and municipal fiscal responsiveness assessments are conducted in the eight delegated municipalities on a quarterly basis, to assess their performance in terms of compliance with the MFMA, the financial health of the municipality and implementation of other Treasury Regulations. Main issues identified include non-disclosure of required information in the financial statements and the need for municipalities to use in-year monitoring reports to improve service performance and interrogate reasons for deviations.

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

Implementation of the GPG own revenue enhancement strategy contributes to own revenue optimisation generated from provincial sources and puts measures in place to ensure that own revenue targets are realised. To the end of December 2019, GPG collected R5.5bn, 82% of the 2019/20 adjusted appropriation of R6.67bn.

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

As part of ensuring that approved financial resources are spent efficiently, effectively and economically across the province, GPT monitors the budget of non-core budgetary items in line with budget allocations to avoid over-commitments. In this regard, personnel expenditure was contained at 41% of total budget, well below the 60% target.

In minimising liquidity exposure in the province, cash outflows to departments were kept within the provincial revenue streams and cash disbursements to departments did not exceed the appropriated funds.

Spending on transfers to delegated municipalities were made as gazetted and monitoring indicates levels of spending that are at 65 per cent on average.

Supporting all departments, entities and municipalities to achieve unqualified audits

Efforts and interventions by GPT to support departments, municipalities, and entities to manage their finances in accordance with laws and regulations continued. The department tracked audit findings and implementation of audit recommendations in departments, delegated municipalities and trading entities. In the case of municipalities, 43 of the 88 AFS related recommendations have been addressed (49 per cent) while 895 from a total of 1348 internal audit recommendations have been implemented by departments and entities (66 per cent).

Reducing fraud and corruption and promoting clean government across the province

GPT is committed to upholding ethical leadership and integrity by intensifying the fight against corruption, collusion and maladministration. The five key pillars of Deterrence, Prevention, Detection, Investigation, Sanctions and Recovery as espoused in the Forensic Services strategy are at the centre of fighting and eradicating fraud and corruption in GPG. The department conducted fraud detection reviews and the results of detection reviews assisted in identifying risk areas and developing control measures to tighten processes and systems to minimise fraud and corruption.

Full implementation of the open tender system in GPG is assisting in restoring public confidence in government procurement systems. The open tender system has been implemented in all 14 GPG departments and the introduction of legislation on the open tender system is key to institutionalising open tender processes in the procurement of goods and services in the province.

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

Compliance with regulatory and legislated requirements is crucial to fulfilling GPT's mandate. This is achieved by ensuring timeous submission of credible reports to key stakeholders; enforcing cost containment policy compliance in GPG; fulfilling the department's statutory and regulatory reporting obligations; and paying supplier invoices within the prescribed timeframe of 30 days upon receipt of a correct invoice. The department has paid 100% of invoices received during the three past quarters, a total of 912 invoices.

PILLAR 5: MODERNISATION OF THE PUBLIC SERVICE

Innovation, modernisation and technology enable service delivery improvement through increased productivity and improved operational efficiencies. In this regard, GPT is automating the preparation process of AFS and legislated reporting.

The department is also developing and implementing an automated inventory management system in identified departments and is currently exploring and researching automation of the procurement process for both requests for quotations and proposals. As part of the drive to modernise the public service, efforts are being made to develop business intelligence systems to improve data analytics, thus improving decision making processes. This will promote an innovative culture of working smarter, driving functional excellence and improving service delivery in GPG.

3. OUTLOOK FOR THE COMING FINANCIAL YEAR (2020/21)

The MTSF is a high-level strategic document and monitoring framework for the NDP Five-Year Implementation Plan of the NDP 2030. It aligns with the electoral mandate and identifies the priorities to be undertaken during the 2019-2024 electoral cycle towards achievement of the 2030 vision and government's performance in the national, provincial and local government spheres as articulated in the institutions' Strategic and Annual Performance Plans.

GPG has formulated a Provincial Plan under the theme 'Growing Gauteng Together'. The plan is anchored on seven pillars: economy, jobs and infrastructure; education, skills revolution and health; integrated human settlements and land release; safety, social cohesion and food security; building a capable, ethical and developmental state; towards a better Africa and the World; and sustainable development for future generations.

After applying the Theory of Change and taking into account the provincial priorities and commitments made by the Executive Authority and the 6th GPG administration, GPT identified four priority outcomes. These are described below:

Enhanced sound finances in the province

The objective of this key focus area is multipronged and focuses on three main elements: improving fiscal management and increased compliance that promotes clean governance and accountability; integrating and synergising budget and planning processes; and improving revenue collection.

Improving fiscal management and increased compliance that promotes clean governance and accountability

The purpose of this key focus area is to ensure effective and efficient administration of provincial and fiscal resources by departments, entities and delegated municipalities. This will be achieved through:

- Increasing efficiency, effectiveness and productivity gains.
- Providing assurance on the economic and efficient utilisation of state funds.

The department will continue to implement cost-cutting practices on cost containment items; this will be done during both budget formulation and operations.

Integrating and synergizing budget and planning processes

Synergy in the three spheres of government promotes better planning and budgeting, resulting in an integrated, transparent and credible planning framework. This ensures funding that is aligned with key priorities of the 6th administration through budget allocation, reprioritisation and the holistic alignment of plans across the spheres of government. An integrated and synergised budget and planning processes is integral to ensuring that institutions' plans, at both provincial and local government level, are aligned with provincial priorities and are strategically resourced with the potential to accelerate service delivery to the province's citizens. Amongst other steps, GPT will:

- Redirect the limited fiscal resources to service delivery through savings on the wage bill and increased revenue.
- Improve infrastructure business cases, project/contract and performance management and job creation.
- Ensure effective functioning of the Provincial Revenue Fund and credible cash flow projections that result in optimal performance of the Provincial Investment Portfolio and a sustainable liquidity position in the province.
- Apply appropriate fiscal policy to inform budgets and performance management reviews of CoE to ensure outcome, impact, efficiency and productivity gains to inform budgets.
- Support delegated municipalities by strengthening intergovernmental forums to ensure focus on the key priorities of the province.
- Ensure budget coordination within the province

The department will also redirect the limited fiscal resources to service delivery through savings on the wage bill and increased revenue and will put measures in place to improve on infrastructure business cases, project/contract and performance management and job creation.

Improving revenue collection

Optimisation and diversification of own revenue collection is critical in augmenting the equitable shares and conditional grant funding allocations that the province receives. A Revenue Enhancement strategy will be implemented to enhance, diversify and expand provincial revenue. This will assist GPG to alleviate some of its financial constraints and provide resources where they are needed.

Increased compliance with legislated prescripts

This key focus area is critical as it aims to promote and enforce transparency and effective Supply Chain Management (SCM) in the province and enhance and protect organisational value. This will be achieved by providing independent, objective

assurance and consulting services that add value to the operations of GPG through systematic evaluation of governance risk management and controls that will fuel a culture of good governance in the province.

The department will also promote accountability through substantive reflection of financial activities as well as compliance with financial norms and standards in PFMA compliant institutions, while incorporating automated solutions in Gauteng government institutions. In improving audit outcomes, GPT will strengthen internal controls throughout the province and provide assurance through implementation of internal audits.

The open tender process has been implemented successfully in the province, culminating in the adoption of the Gauteng Finance Management Supplementary Act by the Provincial Legislature. This Act promulgates the Open Tender principles, indicating the seriousness with which GPG intends not only to deal with fraud and corruption but to enhance transparency and promote clean government across the province.

Sustainable local government finances

The objective of this outcome is to build capacity and capability to strengthen financial management practices in municipalities.

This will be achieved through:

- An impact oversight and support role on the implementation of municipal budgets, In-Year Reporting and financial performance
- Building capacity and capability to strengthen financial management practices to improve pro-activeness in supporting delegated municipalities
- Improved MFMA compliance by Gauteng delegated municipalities (across accountability cycle).

The department will furthermore promote accountability through substantive reflection of financial activities as well as compliance with financial norms and standards in MFMA compliant institutions.

Alternative sources of funding

Through the Gauteng Infrastructure Financing Agency (GIFA), GPT will identify and develop strategic bankable infrastructure projects and explore alternative and innovative funding and financing mechanisms to enhance and improve service delivery and economic development in the province.

Sourcing of alternative funds alleviates pressure on the already strained fiscus for delivery of strategic infrastructure projects.

The GIFA will pursue collaborative partnerships with the private sector; forge and establish strategic partnerships with relevant stakeholders to support the agency's projects in reaching financial close; augment project development capacity and co-funding; and explore project development funding and capacity support through partnerships with grant funding institutions.

4. REPRIORITISATION

The department reprioritised the budget baselines to identify savings that will be used to fund the spending plan over the MTEF. There is budget pressure in the compensation of employees regarding insourcing cleaning services in Programme 1: Administration. The department has reallocated R12 million from the budget for compensation of employees in Programme 2: Sustainable Resource Management, R500 000 in Programme 4: Provincial Supply Chain Management and R11.6 million in Programme 6: Gauteng Audit Services towards the insourcing of cleaning services in Programme 1: Administration. The department reprioritised the baseline in Sustainable Resource Management to fund the transfer of an employee from Gauteng Provincial Treasury to GIFA. The department will implement more cost-effective ways to render administrative services.

5. PROCUREMENT

Delivery of many of the department's outputs depends on the departmental staff; therefore expenditure on such programmes does not reflect in the department's annual procurement plan. The department's procurement plan for 2020/21 reflects the procurement of goods and services from external suppliers, which include the projects stated below.

As an interim arrangement during the phased migration of the probity audit services to provincial departments, GPT will procure probity audit services to implement the open tender process for those provincial departments to which the department will still be providing such services during the financial year. The purpose of the Open Tender Process is to address the issue of fraud and corruption and improve transparency in government procurement processes.

External suppliers, such as media services for the province's budget tabling day events and implementation of the infrastructure delivery management service, will be required when the department implements its projects and programmes. Suppliers will also play a role in relation to the department's key programmes such as P-Card software licenses, support to municipalities on implementation of the standard chart of accounts and external training (for example: on annual financial statements, GRAP and the Institute of Internal Auditors training).

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 | Revised estimate | Medium-term estimates | | |
|-----------------------|----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2016/17 | 2017/18 | 2018/19 | | | | 2020/21 | 2021/22 | 2022/23 |
| Equitable share | 592 583 | 595 230 | 624 539 | 788 099 | 727 199 | 722 277 | 807 778 | 864 408 | 920 320 |
| Total receipts | 592 583 | 595 230 | 624 539 | 788 099 | 727 199 | 722 277 | 807 778 | 864 408 | 920 320 |

The equitable share of the department increased from R616.3 million allocated in 2016/17 to R676.3 million allocated in 2018/19. The main appropriation amounts to R834.9 million in 2019/20 and it reduces to R727.2 million during the financial year after the department surrendered the unutilised budget for compensation of employees back to the Provincial Revenue Fund. The allocation increases from R793.1 million in 2020/21 to R889 million in 2022/23. This increase in allocation caters for the departmental plans to implement the organisational structure after obtaining DPSA approval, and to implement the projects and programmes planned for the MTEF period.

Over the 2020 MTEF, the department has cut the baseline budget by 5 per cent, 6 per cent and 7 per cent over 2020/21, 2021/22 and 22/23 of the budget respectively as prescribed by Provincial Treasury. The budget baseline has been reduced from R837 million to R793.1 million in 2020/21, from R898 million to R841.3 million in 2021/22 and R889 million for 2022/23.

The department's MTEF budget provides for a range of key projects and programmes such as probity audit services required for the open tender process which will be transferred to Gauteng provincial departments during the financial year, media services for the province's budget tabling day events and implementation of the infrastructure delivery management service. The budget also provides for P-Card software licenses, support to municipalities regarding implementation of the standard chart of accounts and external training (i.e. annual financial statements, GRAP and the Institute of Internal Auditors training). The province's municipalities will be supported by introduction of Asset Maintenance Master Plans/Strategies Develop, Local Government analytical tool/Database management tool; during 2021/22, the development of Long Term Financial Policies may be implemented. Departmental receipts

6.2 Departmental Receipts

TABLE 14.2: SUMMARY OF DEPARTMENTAL RECEIPTS

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates | | |
|---|----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2016/17 | 2017/18 | 2018/19 | | | | 2020/21 | 2021/22 | 2022/23 |
| Tax receipts | | | | | | | | | |
| Sales of goods and services other than capital assets | 833 | 834 | 1 041 | 1 173 | 1 153 | 1 137 | 1 238 | 1 306 | 1 369 |
| Transfers received | | | | | | | | | |
| Interest, dividends and rent on land | 657 747 | 619 878 | 819 944 | 500 000 | 845 000 | 719 645 | 550 000 | 580 250 | 608 102 |
| Sales of capital assets | | 95 | 5 | | 20 | 20 | | | |
| Transactions in financial assets and liabilities | 445 | 633 | 468 | 528 | 528 | 159 918 | 557 | 588 | 616 |
| Total departmental receipts | 659 025 | 621 440 | 821 458 | 501 701 | 846 701 | 880 720 | 551 795 | 582 144 | 610 087 |

The sources of departmental receipts are interest earned on cash balances, staff parking fees and recovery of debts from previous financial years. Interest revenue accounts for 99.7 percent of total revenue collected by the department in each financial year.

Interest revenue increased from R659.7 million in 2016/17 to R821.9 million in 2018/19. Revenue collection decreased by R37.9 million between the 2016/17 and 2017/18 financial years. The interest revenue budget is set conservatively, given that increased spending in the province would reduce the cash balances and result in lower interest revenue earned. For this reason, the revenue budget is set to increase from R551.8 million in 2020/21 to R582.1 million in 2021/22 and R610 million in 2022/23.

Sales of goods and services other than capital assets include staff parking fees and sale of tender documents. Sales of goods and services other than capital assets increased from R833 000 to R1 million between 2016/17 and 2018/19. The budget for sales of goods and services other than capital assets increases from R1.2 million in 2020/21 to R1.4 million in 2022/23. The

availability of tender documents online enables service providers to download documents for free from the tender portal and this reduces the revenue collected from the sale of tender documents.

7. PAYMENT SUMMARY

7.1 Key assumptions

The 2020 Medium Term Expenditure Framework (MTEF) budget is informed by the Gauteng Provincial Treasury's

The 2020 MTEF budget is informed by GPT's Strategic Plan and Annual Performance Plan, provincial outcomes and GPG's 6th administration programme of action (POA). The following key assumptions inform the budget: provision for annual salary adjustments at an average of 4.8 per cent in 2020/20, 4.8 per cent in 2021/21 and 4.7 per cent in 2022/23; and provision for notch progression, performance bonuses, housing allowances, long service awards 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 | Revised estimate | Medium-term estimates | | |
|---|----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2016/17 | 2017/18 | 2018/19 | | | | 2020/21 | 2021/22 | 2022/23 |
| 1. Administration | 121 306 | 132 861 | 132 194 | 164 992 | 153 492 | 153 219 | 171 366 | 181 360 | 196 645 |
| 2. Sustainable Fiscal Resource Management | 171 420 | 140 558 | 145 130 | 168 496 | 159 496 | 157 829 | 171 013 | 181 924 | 189 337 |
| 3. Financial Governance | 101 575 | 104 893 | 105 735 | 127 444 | 121 544 | 120 846 | 131 627 | 143 198 | 152 689 |
| 4. Provincial Supply Chain Management | 84 545 | 96 648 | 107 996 | 124 266 | 136 766 | 135 959 | 128 117 | 137 983 | 147 922 |
| 5. Municipal Financial Governance | 37 075 | 43 471 | 44 955 | 72 317 | 54 317 | 54 184 | 76 285 | 83 420 | 91 540 |
| 6. Gauteng Audit Services | 76 662 | 76 799 | 88 529 | 130 584 | 101 584 | 100 240 | 129 370 | 136 523 | 142 187 |
| Total payments and estimates | 592 583 | 595 230 | 624 539 | 788 099 | 727 199 | 722 277 | 807 778 | 864 408 | 920 320 |

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 | Revised estimate | Medium-term estimates | | |
|--------------------------------------|----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2016/17 | 2017/18 | 2018/19 | | | | 2020/21 | 2021/22 | 2022/23 |
| Current payments | 484 026 | 523 627 | 549 368 | 720 721 | 655 105 | 649 811 | 738 086 | 790 789 | 843 748 |
| Compensation of employees | 388 565 | 434 733 | 453 736 | 600 616 | 508 785 | 503 525 | 647 202 | 703 741 | 761 043 |
| Goods and services | 95 461 | 88 894 | 95 632 | 120 105 | 146 320 | 146 286 | 90 884 | 87 048 | 82 705 |
| Transfers and subsidies to: | 104 424 | 67 399 | 70 648 | 63 014 | 63 714 | 64 086 | 68 005 | 71 675 | 74 391 |
| Departmental agencies and accounts | 102 650 | 55 385 | 58 544 | 61 940 | 61 940 | 61 940 | 66 872 | 70 480 | 73 139 |
| Non-profit institutions | | 10 000 | 10 000 | | | | | | |
| Households | 1 774 | 2 014 | 2 104 | 1 074 | 1 774 | 2 146 | 1 133 | 1 195 | 1 252 |
| | 4 083 | 4 196 | 4 460 | 4 364 | 8 380 | 8 380 | 1 687 | 1 944 | 2 181 |
| Machinery and equipment | 4 083 | 4 168 | 4 460 | 4 364 | 8 380 | 8 380 | 1 687 | 1 944 | 2 181 |
| Software and other intangible assets | | 28 | | | | | | | |
| Payments for financial assets | 50 | 8 | 63 | | | | | | |
| Total economic classification | 592 583 | 595 230 | 624 539 | 788 099 | 727 199 | 722 277 | 807 778 | 864 408 | 920 320 |

The department's equitable share increased from R592.6 million in 2016/17 to R624.5 million in 2018/19. The main appropriation amounted to R788.1 million in 2019/20. Over the MTEF, the budget increases from R793.1 million in 202/21 to R889 million in 2022/23. The MTEF budget is lower than the baseline allocation because of the 5%, 6% and 7% cuts implemented for 2020/21, 2021/22 and 2022/23 respectively, as prescribed by Provincial Treasury. The budget cuts affect goods and services, transfers & subsidies (GIFA) and payment for capital assets.

Expenditure on compensation of employees increased from R388.6 million in 2016/17 to a projected amount of R489.5 million in 2019/20. The budget continues to grow in the 2020 MTEF period from R638.3 million in 2020/21 to R738.1 million in 2022/23, which corresponds with the departmental plans to implement the new organisational structure when the DPSA approves it. Provision has been made for notch progression and annual performance bonuses as well as improvement of conditions of service adjustment.

On goods and services, the department has made provision for key projects and initiatives over the 2020 MTEF period, such as the as probity audit services required for the open tender process, media services for the province's budget tabling day events and implementation of the infrastructure delivery management service. The budget also provides for P-Card software licenses, support to municipalities regarding implementation of the standard chart of accounts and external training (i.e. annual financial statements, GRAP and the Institute of Internal Auditors training). The province's municipalities will be supported by introduction of Asset Maintenance Master Plans/Strategies Develop, Local Government analytical tool/Database management tool; during 2021/22, the development of Long Term Financial Policies may be implemented. This is reflected by the decrease from R146 million in 2019/20 to R78.7 million in 2022/23 due to budget cuts. This budget also provides for operational expenses such as property payments and administrative fees.

Transfer payments to GIFA reduced from R102.6 million in 2016/17 to R58.5 million in 2018/19. The higher amount in 2016/17 included the once-off increase provided to build up a capital amount for the Project Preparation Facility. The budget for GIFA's operations amounts R61.9 million in 2019/20 and increases from R63.6 million to R68.8 million over the MTEF due to funds reallocated from compensation of employees to transfer payments to provide for remuneration of an employee who was transferred from the department to GIFA. The budget reduces because of budget cuts implemented over the 2020 MTEF. Transfers to households, which increase from R1.8 million in 2016/17 to R1.2 million in 2022/23, provide for injury on duty claims, leave gratuity payments and external bursaries to disadvantaged students.

Payments for capital assets mainly fund 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 additional funds for the provision of servers. In 2019/20, the allocation increases from R4.4 million to R8.4 million to fund the purchase of desktop computers for staff. The allocation reduces to R1.7 million in 2020/21 and increases gradually to R1.9 million in 2021/22 and to R2.2 million in 2022/23 mainly because of the budget cuts implemented.

7.4 Infrastructure payments

N/A

7.4.1 Departmental infrastructure payments

N/A

7.4.2 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 | Revised estimate | Medium-term estimates | | |
|---------------------------------------|---------|---------|---------|--------------------|------------------------|------------------|-----------------------|---------|---------|
| | 2016/17 | 2017/18 | 2018/19 | | | | 2020/21 | 2021/22 | 2022/23 |
| GAUTENG INFRASTRUCTURE FUNDING AGENCY | 102 650 | 55 385 | 58 544 | 61 940 | 61 940 | 61 940 | 66 872 | 70 480 | 73 139 |
| Total departmental transfers | 102 650 | 55 385 | 58 544 | 61 940 | 61 940 | 61 940 | 66 872 | 70 480 | 73 139 |

Transfer payments to the Gauteng Infrastructure Funding Agency reduced from R102 million in 2016/17 to R58.5 million in 2018/19. The budget for GIFA's operations amounts R61.9 million in 2019/20 and increases from R63 million to R68.8 million over the MTEF due to the amount that is reprioritised from the budget for compensation of employees of the department to

fund the remuneration of an employee who was transferred from the department to GIFA. The transfer payments are affected by the budget cuts implemented. 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. In the coming financial years, the GIFA will continue sourcing projects from municipalities and provincial departments and financing their feasibility studies through the PPF.

7.5.3 Transfers to local government

N/A

8. PROGRAMME DESCRIPTION

PROGRAMME 1: ADMINISTRATION

Programme description

To provide effective and ethical leadership, management and administrative support to enable the department to deliver on its mandate.

Programme objectives

- To provide proactive political, strategic and administrative support to the MEC.
- To manage and facilitate the provision of organisational risk and integrity management.
- To manage and facilitate the provision of executive support and stakeholder management services.
- To ensure sound financial management in the GPT.
- To ensure compliance to good governance principles by providing corporate support services to the department.
- To manage and coordinate the implementation of strategic management services.

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

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates | | |
|--|----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2016/17 | 2017/18 | 2018/19 | | | | 2020/21 | 2021/22 | 2022/23 |
| 1. Office Of The Mec | 6 310 | 6 910 | 6 456 | 7 581 | 9 381 | 9 499 | 7 830 | 8 297 | 8 675 |
| 2. Office Of The Hod | 17 274 | 19 133 | 18 771 | 14 880 | 20 880 | 20 715 | 15 167 | 16 045 | 16 782 |
| 3. Corporate Management | 73 058 | 79 466 | 79 087 | 105 255 | 87 955 | 88 501 | 112 293 | 118 135 | 131 029 |
| 4. Financial Management Services (Cfo) | 24 664 | 27 352 | 27 880 | 37 276 | 35 276 | 34 504 | 36 076 | 38 883 | 40 159 |
| Total payments and estimates | 121 306 | 132 861 | 132 194 | 164 992 | 153 492 | 153 219 | 171 366 | 181 360 | 196 645 |

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

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates | | |
|--------------------------------------|----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2016/17 | 2017/18 | 2018/19 | | | | 2020/21 | 2021/22 | 2022/23 |
| Current payments | 116 349 | 127 669 | 127 310 | 159 554 | 144 038 | 143 759 | 168 546 | 178 221 | 193 212 |
| Compensation of employees | 77 152 | 87 154 | 90 807 | 118 388 | 102 872 | 102 341 | 133 905 | 144 404 | 163 551 |
| Goods and services | 39 197 | 40 515 | 36 503 | 41 166 | 41 166 | 41 418 | 34 641 | 33 817 | 29 661 |
| Interest and rent on land | | | | | | | | | |
| Transfers and subsidies to: | 830 | 995 | 405 | 1 074 | 1 074 | 1 080 | 1 133 | 1 195 | 1 252 |
| Provinces and municipalities | | | | | | | | | |
| Households | 830 | 995 | 405 | 1 074 | 1 074 | 1 080 | 1 133 | 1 195 | 1 252 |
| | 4 083 | 4 196 | 4 460 | 4 364 | 8 380 | 8 380 | 1 687 | 1 944 | 2 181 |
| Machinery and equipment | 4 083 | 4 168 | 4 460 | 4 364 | 8 380 | 8 380 | 1 687 | 1 944 | 2 181 |
| Software and other intangible assets | | 28 | | | | | | | |
| Payments for financial assets | 44 | 1 | 19 | | | | | | |
| Total economic classification | 121 306 | 132 861 | 132 194 | 164 992 | 153 492 | 153 219 | 171 366 | 181 360 | 196 645 |

The expenditure for Administration increased from R121.3 million in 2016/17 to R132.8 million in 2017/18, and slightly decreased to R132.2 million in 2018/19. The revised estimates for 2019/20 amount to R153.2 million. Over the MTEF period, the budget increases to R170.6 million in 2020/21 to R179.6 million in 2021/22 and R193.1 in 2022/23. The growth in the Administration budget is indicative of the department's increase in size; the full structure makes a provision for 1 065 officials including insourcing of cleaning services. The programme needed to increase its capacity to support the growth in the number of officials and functions.

Expenditure on compensation of employees increased from R77.1 million in 2016/17 to R90.8 million in 2018/19. The main budget amounts to R118.3 million in 2019/20.

Over the MTEF period, the budget allocation is R133.1 million in 2020/21, R142.7 million in 2021/22 and R160.7 million in 2022/23. The increase in compensation of employees is due to an increase in capacity to support the growth in the department in terms of personnel and functions. The other causes of the increase include annual cost of living salary adjustments, notch progressions and personnel related costs such as performance bonuses and service bonuses.

The main cost drivers under goods and services are utilities, external audit costs, 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, the IT equipment refreshing programme and the Corporate Performance and Evaluation Information Systems. The budget has been affected by the cuts prescribed.

Payments for capital assets increased from R4.0 million in 2016/17 to R4.4 million in 2018/19. The adjusted budget in 2019/20 amounts to R8.4 million.

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 additional funds for the provision of servers. The allocation reduces over the MTEF period to R1.6 million in 2020/21, R1.9 million in 2021/22 and R2.1 million in 2022/23.

SERVICE DELIVERY MEASURES

PROGRAMME1: ADMINISTRATION

| Programme performance measures | Estimated performance | Medium-term estimates | | |
|---|---|---------------------------|---------------------------|---------------------------|
| | 2019/20 | 2020/21 | 2021/22 | 2022/23 |
| Auditor General's audit outcome | Unqualified audit opinion with no other matters in the audit report | Unqualified audit outcome | Unqualified audit outcome | Unqualified audit outcome |
| % of supplier payments paid within 30 days after receipt of correct invoice | 100% | 100% | 100% | 100% |
| % of youth in development programmes against the staff establishment | New Indicator | 10% | 10% | 10% |

PROGRAMME 2: SUSTAINABLE FISCAL RESOURCE MANAGEMENT**Programme description**

To enforce the effective and efficient administration of fiscal resources at provincial institutions.

Programme objectives

- To provide socio-economic research and analysis as well as ensure effective oversight over revenue.
- To develop and manage the implementation of policy frameworks.
- To enhance and monitor infrastructure performance of provincial departments, entities and municipalities.
- To promote and enforce transparency and effective management of provincial financial assets portfolio.
- To monitor and report on financial and non-financial performance in provincial institutions.

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

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates | | |
|---|---------|---------|---------|--------------------|------------------------|------------------|-----------------------|---------|---------|
| | 2016/17 | 2017/18 | 2018/19 | | | | 2020/21 | 2021/22 | 2022/23 |
| 1. Programme Support/Office Of The DDG | 106 202 | 60 241 | 62 670 | 67 092 | 67 506 | 67 603 | 71 824 | 75 904 | 78 716 |
| 2. Budget Management | 16 938 | 24 096 | 26 182 | 28 968 | 27 868 | 27 213 | 29 541 | 29 216 | 29 846 |
| 3. Economic And Fiscal Policy Oversight | 11 959 | 14 349 | 13 136 | 13 016 | 13 560 | 13 405 | 13 795 | 14 619 | 15 321 |
| 4. Infrastructure Management | 10 129 | 12 865 | 12 744 | 28 009 | 16 571 | 16 210 | 22 042 | 25 577 | 27 089 |
| 5. Financial Asset And Liabilities Management | 9 574 | 12 960 | 11 994 | 14 137 | 13 237 | 12 956 | 14 981 | 15 876 | 16 639 |
| 6. Public Finance | 16 618 | 16 047 | 18 404 | 17 274 | 20 754 | 20 442 | 18 830 | 20 732 | 21 726 |
| Total payments and estimates | 171 420 | 140 558 | 145 130 | 168 496 | 159 496 | 157 829 | 171 013 | 181 924 | 189 337 |

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

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates | | |
|--------------------------------------|---------|---------|---------|--------------------|------------------------|------------------|-----------------------|---------|---------|
| | 2016/17 | 2017/18 | 2018/19 | | | | 2020/21 | 2021/22 | 2022/23 |
| Current payments | 68 655 | 85 098 | 86 532 | 106 556 | 97 356 | 95 689 | 104 141 | 111 444 | 116 198 |
| Compensation of employees | 59 679 | 66 955 | 68 154 | 83 911 | 74 711 | 73 602 | 86 495 | 94 700 | 99 849 |
| Goods and services | 8 976 | 18 143 | 18 378 | 22 645 | 22 645 | 22 087 | 17 646 | 16 744 | 16 349 |
| Interest and rent on land | | | | | | | | | |
| Transfers and subsidies to: | 102 765 | 55 460 | 58 598 | 61 940 | 62 140 | 62 140 | 66 872 | 70 480 | 73 139 |
| Departmental agencies and accounts | 102 650 | 55 385 | 58 544 | 61 940 | 61 940 | 61 940 | 66 872 | 70 480 | 73 139 |
| Households | 115 | 75 | 54 | | 200 | 200 | | | |
| Buildings and other fixed structures | | | | | | | | | |
| Land and sub-soil assets | | | | | | | | | |
| Payments for financial assets | | | | | | | | | |
| Total economic classification | 171 420 | 140 558 | 145 130 | 168 496 | 159 496 | 157 829 | 171 013 | 181 924 | 189 337 |

Expenditure decreased from R171.4 million in 2016/17 to R145.1 million in 2018/19 due to lower expenditure on transfer payments. Expenditure was higher in 2016/17 because of the once-off allocation to GIFA to build up the capital amount for the Project Preparation Facility. Transfer payments and personnel costs amount to 90 per cent of the programmes expenditure for the current year under review. The budget is set to increase from R165.9 million in 2020/21 to R181.8 million in 2022/23 to provide for transfer payments and personnel costs and goods and services.

Average spending on compensation of employees was R64.9 million during the first three years under review. The main budget of R83.9 million in 2019/20 was informed by the new organisational structure; however, vacant posts resulted in reduction of the budget to R74.7 million during the adjustments budget process.

The budget over the MTEF increases from R84.6 million in 2020/21 to R92.7 million in 2021/22 and R96.6 million in 2022/23 to accommodate the requirements of the new organisational structure, when it is approved, consisting of new units (data management sub-unit and infrastructure support sub-unit).

Expenditure increased by R8.9 million expenditure in goods and services between 2016/17 and 2017/18 and a further R3.7 million increase in the 2019/20 period through the reallocation of funds within goods and services to provide for the requirements of media services required for the Budget Day events. For the MTEF period, the allocation for goods and services stands at R17.6 million in 2020/21, R16.7 million in 2021/22 and R16.3 million in 2022/23. The main cost drivers under this programme are media services, implementation of the infrastructure delivery management service and printing of provincial publications such as SERO, MTBPS and EPRE. The budget for media services and IDMS has been reduced.

Transfer payments to GIFA reduced from R102 million in 2016/17 to R58.5 million in 2018/19. The budget for GIFA's operations amounts R61.9 million in 2019/20 and increases from R63.6 million to R68.8 million over the MTEF. 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. In the coming financial years, GIFA will continue to source projects from municipalities and provincial departments and finance their feasibility studies through the PPP. There was a reprioritisation of funds to accommodate the remuneration of an official transferred from GPT to GIFA.

SERVICE DELIVERY MEASURES

PROGRAMME 2: SUSTAINABLE FISCAL RESOURCE MANAGEMENT

| Programme performance measures | Estimated performance | Medium-term estimates | | |
|--|---|---|--|--|
| | 2019/20 | 2020/21 | 2021/22 | 2022/23 |
| % of GPG wage bill against allocated budget | 1 | 60% or less | 60% or less | 59% or less |
| % increase in the budget allocated for non-personnel non-capital expenditure | New Indicator | 5% increase | 7% increase | 10% increase |
| Number of credible MTEF budgets tabled in line with prescribed timeframes | 1 MTEF budget that resources the TMR programme tabled | 1 MTEF budget that resources the GGT 2023 plan tabled | 1 spatiality referenced and priorities aligned MTEF budget tabled | 1 spatiality referenced and priorities aligned MTEF budget tabled |
| | 1 adjustment budget that resources the TMR programme tabled | 1 Adjustment budget that resources the GGT 2023 plan tabled | 1 spatially referenced and priorities aligned adjustment budget tabled | 1 spatially referenced and priorities aligned adjustment budget tabled |
| % of infrastructure projects completed on time and within budget | New Indicator | | | |
| Cash disbursements to departments in line with appropriation | Cash disbursement to departments not to exceed | Cash disbursed to departments equivalent to appropriation | Cash disbursed to departments equivalent to appropriation | Cash disbursed to departments equivalent to appropriation |
| 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 |
| % increase in provincial own revenue collection | | 8.5% | | 9.5% |
| Number of approved Revenue Enhancement Strategy | New Indicator | 1 approved Revenue Enhancement Strategy | Revenue collection performance measured against 9% target. | Revenue collection performance measured against 9.5% target. |
| | | | | |

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

- To provide advisory services, monitor and enforce compliance with the PFMA.
- To provide oversight and managements of transversal financial systems.
- To ensure compliance in the implementation of new provincial automation processes.
- To manage and provide oversight on provincial audit and risk management services.
- To enforce the effective implementation accounting practices and prepare accurate consolidated financial statements.

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

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation 2019/20 | Revised estimate | Medium-term estimates | | |
|---|---------|---------|---------|--------------------|-----------------------------------|------------------|-----------------------|---------|---------|
| | 2016/17 | 2017/18 | 2018/19 | | | | 2020/21 | 2021/22 | 2022/23 |
| 1. Programme Support/Office Of The Ddg | 3 222 | 4 091 | 4 524 | 5 049 | 5 762 | 5 945 | 4 346 | 4 657 | 4 860 |
| 2. Provincial Accounting Services | 46 766 | 52 093 | 50 995 | 58 579 | 56 866 | 56 610 | 62 548 | 66 699 | 74 897 |
| 3. Provincial Forensic Audits | | | | | | | | | |
| 4. Transversal Internal Audit And Risk Management | 15 233 | 15 696 | 16 047 | 20 470 | 17 870 | 17 880 | 20 685 | 22 734 | 23 824 |
| 5. Norms And Standards | 9 865 | 3 849 | 3 593 | 4 987 | 3 687 | 3 725 | 5 286 | 6 289 | 6 589 |
| 6. Financial Information Management Systems | 26 489 | 29 164 | 30 576 | 38 359 | 37 359 | 36 686 | 38 762 | 42 819 | 42 519 |
| Total payments and estimates | 101 575 | 104 893 | 105 735 | 127 444 | 121 544 | 120 846 | 131 627 | 143 198 | 152 689 |

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

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation 2019/20 | Revised estimate | Medium-term estimates | | |
|--------------------------------------|---------|---------|---------|--------------------|-----------------------------------|------------------|-----------------------|---------|---------|
| | 2016/17 | 2017/18 | 2018/19 | | | | 2020/21 | 2021/22 | 2022/23 |
| Current payments | 101 331 | 104 593 | 105 205 | 127 444 | 121 494 | 120 796 | 131 627 | 143 198 | 152 689 |
| Compensation of employees | 94 571 | 96 336 | 98 770 | 116 216 | 110 266 | 109 207 | 123 649 | 134 899 | 143 966 |
| Goods and services | 6 760 | 8 257 | 6 435 | 11 228 | 11 228 | 11 589 | 7 978 | 8 299 | 8 723 |
| Interest and rent on land | | | | | | | | | |
| Transfers and subsidies to: | 244 | 300 | 530 | | 50 | 50 | | | |
| Provinces and municipalities | | | | | | | | | |
| Households | 244 | 300 | 530 | | 50 | 50 | | | |
| Machinery and equipment | | | | | | | | | |
| Software and other intangible assets | | | | | | | | | |
| Payments for financial assets | | | | | | | | | |
| Total economic classification | 101 575 | 104 893 | 105 735 | 127 444 | 121 544 | 120 846 | 131 627 | 143 198 | 152 689 |

Expenditure for this programme increases from R101.6million in the 2016/17 financial year to R105.7 million in the 2018/19 financial year. For the MTEF period the allocation is set at R131.6 million in 2020/21, R143.2 million in 2021/22 and R152.7 million in the 2022/23 financial years. The increase will fund various system developments and enhancement projects as a commitment to modernising the public service for effective service delivery.

Compensation of employees increased from R94.2 million in 2016/17 to R98.8 million in 2018/19. The budget increases from R131.6 million in 2020/21 to R152.7 million in 2022/23 to fund the requirements of the new organisational structure currently concurred by DPSA.

Goods and services expenditure decreased from R6.7 million in 2016/17 to R6.4 million in 2018/19 due to savings on SAP projects.

Over the MTEF, the goods and services budget ranges between R7.9 million and R8.7 million in 2022/22. The spending focus over MTEF will be on P-Card and E-Invoicing software licenses and automation of Annual Financial Statements production and legislation reporting for departments and entities. 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 and which are affected by budget cuts. Taking into consideration the previous year's expenditure trends, the programme is in the difficult position to deliver on its mandate on the revised allocation on goods and services.

SERVICE DELIVERY MEASURES

PROGRAMME 3: FINANCIAL GOVERNANCE

| Programme performance measures | Estimated performance | Medium-term estimates | | |
|--|-------------------------|--|--|--|
| | 2019/20 | 2020/21 | 2021/22 | 2022/23 |
| % of Annual Financial Statements submitted by departments | New Indicator | 100% | 100% | 100% |
| % of Annual Financial Statements submitted by entities | New Indicator | 100% | 100% | 100% |
| Consolidated Annual Financial Statements tabled at Legislature in line with prescribed timelines | Consolidated AFS tabled | 19/20 Consolidated Annual Financial Statements tabled at Legislature in line with prescribed timelines | 20/21 Consolidated Annual Financial Statements tabled at Legislature in line with prescribed timelines | 21/22 Consolidated Annual Financial Statements tabled at Legislature in line with prescribed timelines |
| Number of departmental 30-day suppliers' payment compliance reports produced | New Indicator | 4 | 4 | 4 |
| % of supplier invoices submitted electronically | New Indicator | 1 | 1 | 1 |
| | | | | |
| | | | | |

PROGRAMME 4: PROVINCIAL SUPPLY CHAIN MANAGEMENT**Programme description**

To promote and enforce transparency and effective Supply Chain Management

Programme objective

- To establish uniform SCM policy, norms & standards, governance mechanisms and enforce compliance.
- To provide SCM client support within the GPG.
- To establish SCM transversal contract management mechanisms and strategic procurement.

TABLE14.12: SUMMARY OF PAYMENTS AND ESTIMATES BY SUB-PROGRAMME: PROVINCIAL SUPPLY CHAIN MANAGEMENT

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates | | |
|--|---------|---------|---------|--------------------|------------------------|------------------|-----------------------|---------|---------|
| | 2016/17 | 2017/18 | 2018/19 | | | | 2020/21 | 2021/22 | 2022/23 |
| 1. Programme Support/Office Of The DDG | 28 222 | 19 154 | 26 333 | 32 874 | 59 765 | 59 399 | 30 583 | 32 330 | 33 890 |
| 2. Scm Policy, Norms And Standards | 5 000 | 15 659 | 15 634 | 18 943 | 16 352 | 16 293 | 20 080 | 23 042 | 23 785 |
| 3. Governance, Compliance, Monitoring And Evaluation | | | | | | | | | |
| 4. Scm Client Support | 35 605 | 26 568 | 38 649 | 39 239 | 32 239 | 31 904 | 42 988 | 46 077 | 51 961 |
| 5. Strategic Procurement | 10 979 | 15 453 | 16 954 | 20 866 | 18 866 | 18 599 | 21 381 | 22 664 | 23 751 |
| 6. Transversal Contract Management | 4 739 | 19 814 | 10 426 | 12 344 | 9 544 | 9 764 | 13 085 | 13 870 | 14 535 |
| 7. Movable Asset Management | | | | | | | | | |
| 8. Procurement Services | | | | | | | | | |
| Total payments and estimates | 84 545 | 96 648 | 107 996 | 124 266 | 136 766 | 135 959 | 128 117 | 137 983 | 147 922 |

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

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates | | |
|--------------------------------------|---------|---------|---------|--------------------|------------------------|------------------|-----------------------|---------|---------|
| | 2016/17 | 2017/18 | 2018/19 | | | | 2020/21 | 2021/22 | 2022/23 |
| Current payments | 84 109 | 86 427 | 97 794 | 124 266 | 136 666 | 135 859 | 128 117 | 137 983 | 147 922 |
| Compensation of employees | 59 913 | 72 542 | 76 465 | 96 550 | 82 885 | 82 301 | 105 507 | 115 651 | 124 510 |
| Goods and services | 24 196 | 13 885 | 21 329 | 27 716 | 53 781 | 53 558 | 22 610 | 22 332 | 23 412 |
| Interest and rent on land | | | | | | | | | |
| Transfers and subsidies to: | 430 | 10 214 | 10 202 | | 100 | 100 | | | |
| Non-profit institutions | | 10 000 | 10 000 | | | | | | |
| Households | 430 | 214 | 202 | | 100 | 100 | | | |
| Land and sub-soil assets | | | | | | | | | |
| Software and other intangible assets | | | | | | | | | |
| Payments for financial assets | 6 | 7 | | | | | | | |
| Total economic classification | 84 545 | 96 648 | 107 996 | 124 266 | 136 766 | 135 959 | 128 117 | 137 983 | 147 922 |

The expenditure of the Provincial Supply Chain Management programme increased from R84.5 million in 2016/17 financial year to R107.9 million in 2018/19. The main budget allocation in 2019/20 amounts to R124.2 million catering for the implementation of the interventions to improve supply chain management in the province. The allocations over the MTEF amount to R130 million in 2020/21, R137.4 million in 2021/22 and R142.4 million in 2022/23. 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 increased from R60 million in 2016/17 to R76.4 million in line with the requirements of the new organisational structure. The budget in 2019/20 amounts to R96.5 million. The budget increases

from R102 million in 2020/21 to R118.4 million in 2022/23 to capacitate the various business units within the programme (namely: SCM Policy, Norms and standards, governance, SCM compliance monitoring and evaluation and SCM Client Support).

Spending on goods and services decreased from R24.2 million in 2016/17 to up to R21.3 million in 2018/19 due to the reduction in payment of open tender process. The main allocation for 2019/20 amounts to R27.7 million.

The allocation over the MTEF is as follows: R22.6 million for 2020/21; R22.3 for 2021/22 and R23.4 million for 2022/23. The main focus will be probity audit services required for open tenders in departments and entities, implementation of TER strategy, other SCM interventions as well as other operational requirements.

SERVICE DELIVERY MEASURES

PROGRAMME 4: PROVINCIAL SUPPLY CHAIN MANAGEMENT

| Programme performance measures | Estimated performance | Medium-term estimates | | |
|---|-----------------------|-----------------------|---------|---------|
| | 2019/20 | 2020/21 | 2021/22 | 2022/23 |
| Number of SCM risk compliance assessment completed for Departments | New Indicator | 1 | 1 | 1 |
| Number of SCM risk compliance assessment completed for entities | New Indicator | 1 | 1 | 1 |
| % of SCM risk compliance action plans tracked within 14 departments | New Indicator | 100% | 100% | 100% |
| % of SCM risk compliance action plans tracked within 8 entities | New Indicator | 100% | 100% | 100% |

PROGRAMME 5: MUNICIPAL FINANCIAL GOVERNANCE

Programme description

To oversee, assist and support all delegated municipalities with the implementation of the Municipal Finance Management Act.

Programme objective

- The Local Government Financial Services function is to oversee, assist, support all delegated municipalities in the development and the implementation of municipal budgets.
- The Municipal Accounting, Reporting and Asset Management function is to oversee, assist, support all delegated municipalities on municipal accounting, auditing, internal audit and asset management.
- The Municipal Compliance and Financial Management Support function is to oversee, assist, support all delegated municipalities with the implementation of the Municipal Finance Management Act and the institution in interventions.
- The Municipal Fiscal Planning and Policy function is to promote, assist and support all delegated municipalities with better fiscal and long - term financial planning and policy development across all spheres of government and ensure the development of policies.

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 | | |
|--|---------|---------|---------|--------------------|------------------------|------------------|-----------------------|---------|---------|
| | 2016/17 | 2017/18 | 2018/19 | | | | 2020/21 | 2021/22 | 2022/23 |
| 1. Programme Support/Office Of The DDG | 37 075 | 43 471 | 44 955 | 13 504 | 54 317 | 54 184 | 10 939 | 12 353 | 12 935 |
| 2. Local Government Financial Services | | | | 22 460 | | | 23 568 | 24 982 | 26 181 |
| 3. Municipal Accounting And Asset Management | | | | 19 933 | | | 21 129 | 22 397 | 23 472 |
| 4. Municipal Compliance And Financial Management Support | | | | 16 420 | | | 20 649 | 23 688 | 28 952 |
| Total payments and estimates | 37 075 | 43 471 | 44 955 | 72 317 | 54 317 | 54 184 | 76 285 | 83 420 | 91 540 |

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 | | |
|--------------------------------------|---------|---------|---------|--------------------|------------------------|------------------|-----------------------|---------|---------|
| | 2016/17 | 2017/18 | 2018/19 | | | | 2020/21 | 2021/22 | 2022/23 |
| Current payments | 37 034 | 43 428 | 44 944 | 72 317 | 54 217 | 54 084 | 76 285 | 83 420 | 91 540 |
| Compensation of employees | 29 903 | 40 307 | 42 250 | 64 760 | 48 660 | 48 145 | 71 890 | 79 770 | 87 726 |
| Goods and services | 7 131 | 3 121 | 2 694 | 7 557 | 5 557 | 5 939 | 4 395 | 3 650 | 3 814 |
| Interest and rent on land | | | | | | | | | |
| Transfers and subsidies to: | 41 | 43 | 5 | | 100 | 100 | | | |
| Provinces and municipalities | | | | | | | | | |
| Households | 41 | 43 | 5 | | 100 | 100 | | | |
| Software and other intangible assets | | | | | | | | | |
| Payments for financial assets | | | 6 | | | | | | |
| Total economic classification | 37 075 | 43 471 | 44 955 | 72 317 | 54 317 | 54 184 | 76 285 | 83 420 | 91 540 |

Municipal Financial Governance spending increased from R37 million in 2016/17 to R44.9 million in 2018/19. The 2019/20 budget allocation is R72.3 million and it increases to up to R85 million in 2022/23.

Personnel spending amounted to R29.9 million in 2016/17, R40.3 million in 2017/18 and R42.2 million in 2018/19. The budget increases from R64.7 million in 2019/20 to R82.4 million in 2022/23 to provide for the additional capacity under Municipal Compliance and Financial Management Support and for personnel costs of filled posts. The programme is affected by budget cuts as well.

Expenditure on goods and services amounted to R7.1 million in 2016/7 and it reduced to R2.6 million in 2018/19 due to re-allocation of Hands-on-Support from Consultants to Compensation of Employees. The main allocation for 2019/20 is R7.5 million, the allocation is to cater for Compliance dashboard tool/ database management tool, Government Debt Verifications and MSCOA Hands-on-Support.

The budget over the MTEF decreases from R4.4 million to R3.8 million in 2022/23 due to budget cuts. The provision for the printing of gazettes, travel expenditure to municipalities, Municipal IQ software licenses as well as external training and development for municipalities. The projects that will be supported by the programme are MSCOA Hands-on Support, (Government Debt Verifications) and external trainings namely : Annual Financial Statements; GRAP and IIA. The Gauteng municipalities will be supported by introduction of Asset Maintenance Master Plans/ Strategies Develop, Local Government analytical tool/ Database management tool and during 2021/22, the development of Long-Term Financial Policies may be implemented. Taking into consideration the previous year's expenditure trends, the programme is in the difficult position to deliver on its mandate on the revised allocation on goods and services.

SERVICE DELIVERY MEASURES

PROGRAMME 5: MUNICIPAL FINANCIAL GOVERNANCE

| Programme performance measures | Estimated performance | Medium-term estimates | | | |
|---|-----------------------|-----------------------|---------|---------|--|
| | 2019/20 | 2020/21 | 2021/22 | 2022/23 | |
| Number of IGR engagements with relevant stakeholders | New Indicator | 20 | 20 | 20 | |
| Number of training workshops provided for delegated municipalities in Gauteng | New Indicator | 5 | 5 | 5 | |
| Number of assessments conducted on MFMA compliance by delegated municipalities in Gauteng | New Indicator | 32 | 32 | 32 | |
| Number of municipal budget assessments conducted | 24 | 24 | 24 | 24 | |
| Number of publications on provincial grants allocated to Gauteng Municipalities | New Indicator | 3 | 3 | 3 | |

PROGRAMME 6: GAUTENG AUDIT SERVICES**Programme description**

To render audit services in the GPG departments.

Programme objective

- To conduct quality assurance reviews to ensure audit compliance with the international standards for the professional practice of internal auditing of the Institute of Internal Auditors.
- To manage and ensure performance of risk and compliance audit for the GPG.
- To manage and conduct performance and computer audits for GPG departments.

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

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates | | |
|---|---------|---------|---------|--------------------|------------------------|------------------|-----------------------|---------|---------|
| | 2016/17 | 2017/18 | 2018/19 | | | | 2020/21 | 2021/22 | 2022/23 |
| 1. Programme Support/Office Of The DDG | 11 237 | 6 956 | 11 465 | 20 928 | 13 928 | 13 367 | 15 417 | 14 717 | 13 857 |
| 2. Risk And Compliance Audit Services(Cluster1,2,3) | 21 398 | 23 238 | 26 131 | 41 755 | 28 730 | 28 240 | 44 785 | 48 245 | 50 561 |
| 3. Risk And Compliance Audit Services(Cluster 4,5,6) | 25 048 | 25 143 | 28 018 | 29 475 | 31 500 | 31 688 | 28 437 | 30 386 | 32 522 |
| 4. Performance And Computer Audit Services | 18 979 | 21 462 | 22 915 | 38 426 | 27 426 | 26 945 | 40 731 | 43 175 | 45 247 |
| 5. Audit Centre Of Excellence | | | | | | | | | |
| 6. Financial Audit And Risk Compliance | | | | | | | | | |
| Total payments and estimates | 76 662 | 76 799 | 88 529 | 130 584 | 101 584 | 100 240 | 129 370 | 136 523 | 142 187 |

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

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates | | |
|-------------------------------|---------|---------|---------|--------------------|------------------------|------------------|-----------------------|---------|---------|
| | 2016/17 | 2017/18 | 2018/19 | | | | 2020/21 | 2021/22 | 2022/23 |
| Current payments | 76 548 | 76 412 | 87 583 | 130 584 | 101 334 | 99 624 | 129 370 | 136 523 | 142 187 |
| Compensation of employees | 67 347 | 71 439 | 77 290 | 120 791 | 89 391 | 87 929 | 125 756 | 134 317 | 141 441 |
| Goods and services | 9 201 | 4 973 | 10 293 | 9 793 | 11 943 | 11 695 | 3 614 | 2 206 | 746 |
| Interest and rent on land | | | | | | | | | |
| Transfers and subsidies to: | 114 | 387 | 908 | | 250 | 616 | | | |
| Provinces and municipalities | | | | | | | | | |
| Households | 114 | 387 | 908 | | 250 | 616 | | | |
| Machinery and equipment | | | | | | | | | |
| Payments for financial assets | | | 38 | | | | | | |
| Total economic classification | 76 662 | 76 799 | 88 529 | 130 584 | 101 584 | 100 240 | 129 370 | 136 523 | 142 187 |

Spending under this programme increased from R76.6 million in 2016/17 to R88.5 million in 2018/19. 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 increased from R67 million in 2016/17 to a projected amount of R120 million in 2019/20. The budget increases from R125.7 million in 2020/21 to R140 million in 2022/23. Over the MTEF, the programme envisaged to increase its staff complement to 187. 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.

The budget for goods and services decreases from R10.3 million in 2018/19 to R746 000 in 2022/23. 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 decrease in the MTEF allocation is due to the budget cuts that were implemented. The programme won't be in the position to conduct the audit assignments with the budget for goods and services over the MTEF.

SERVICE DELIVERY MEASURES

PROGRAMME 6: GAUTENG AUDIT SERVICES

| Programme performance measures | Estimated performance | Medium-term estimates | | |
|---|--|-----------------------|---------|---------|
| | 2019/20 | 2020/21 | 2021/22 | 2022/23 |
| % of audit reports issued to departments and entities | % of risk based audit reviews on the approved Audit Plan completed by Internal Audit | 95% | 95% | 95% |
| Number of Audit Committee approved audit plans issued to departments and entities | New Indicator | 19 | 19 | 19 |
| % of IA recommendations tracked at departments and entities | 100% | 100% | 100% | 100% |
| Number of AG follow-up reports produced | New Indicator | 19 | 19 | 19 |
| Number of annual internal control assessments conducted | New Indicator | 19 | 19 | 19 |

9. OTHER PROGRAMME INFORMATION

9.1 Personnel numbers and costs

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

[illegible]

| R thousands | Actual | | Revised estimate | | | Medium-term expenditure estimate | | | | Average annual growth over MTEF | | | | | |
|---|--------------------------------|-------|--------------------------------|-------|--------------------------------|----------------------------------|--------------|------------------|--------------------------------|---------------------------------|--------------------------------|-------|-----------------------|-------------------|------------------|
| | 2016/17 | | 2017/18 | | 2018/19 | | 2019/20 | | 2020/21 | | 2021/22 | | 2022/23 | | |
| | 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 growth rate | Costs growth rate | % Costs of Total |
| Engineering Professions and related occupations | | | | | | | | | | | | | | | |
| Medical and related professionals | | | | | | | | | | | | | | | |
| Therapeutic, Diagnostic and other related Allied Health Professionals | | | | | | | | | | | | | | | |
| Educators and related professionals | | | | | | | | | | | | | | | |
| Others such as interns, EPWP, learnerships, etc | | | | | | | | | | | | | | | |
| Total | | | | | | | | | | | | | | | |

The department's personnel costs increased from R406.2 million in 2016/17 to R474.3 million in 2018/19; personnel numbers increased from 815 in 2016/17 employees to 911 in 2018/19. Projected personnel numbers increase from 1 011 in 2019/20 to 1 050 in 2022/23. The increase is in line with the department's plan to fill vacant posts and implement the new structure. The growth costs demonstrate an anticipated increase in inflation and other personnel related costs. The purpose of the significant growth in personnel costs and numbers is to ensure that the department continues to provide oversight and technical support to GPG departments. Compensation of Employees is affected by the budget cuts, which includes a reduction in head counts.

9.2 Training

TABLE 14.19: INFORMATION ON TRAINING: GAUTENG PROVINCIAL TREASURY

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation 2019/20 | Revised estimate | Medium-term estimates | | |
|---|--------------|--------------|--------------|--------------------|-----------------------------------|------------------|-----------------------|--------------|--------------|
| | 2016/17 | 2017/18 | 2018/19 | | | | 2020/21 | 2021/22 | 2022/23 |
| Number of staff | 781 | 879 | 779 | 944 | 944 | 944 | 1 065 | 1 065 | 1 065 |
| Number of personnel trained | 500 | 525 | 555 | 586 | 586 | 586 | 619 | 619 | 619 |
| of which | | | | | | | | | |
| Male | 180 | 189 | 200 | 211 | 211 | 211 | 223 | 223 | 223 |
| Female | 320 | 336 | 355 | 375 | 375 | 375 | 396 | 396 | 396 |
| Number of training opportunities | 710 | 746 | 789 | 833 | 833 | 833 | 879 | 879 | 879 |
| of which | | | | | | | | | |
| Tertiary | 350 | 368 | 389 | 411 | 411 | 411 | 434 | 434 | 434 |
| Workshops | 300 | 315 | 333 | 352 | 352 | 352 | 371 | 371 | 371 |
| Seminars | 60 | 63 | 67 | 70 | 70 | 70 | 74 | 74 | 74 |
| Other | | | | | | | | | |
| Number of bursaries offered | 200 | 210 | 222 | 235 | 235 | 235 | 248 | 248 | 248 |
| | 45 | 55 | 55 | 55 | 55 | 55 | 55 | 55 | 55 |
| Number of learnerships appointed | 25 | 28 | 28 | 28 | 28 | 28 | 28 | 28 | 28 |
| Number of days spent on training | | | | | | | | | |
| Payments on training by programme | | | | | | | | | |
| 1. Administration | 2 999 | 1 177 | 1 604 | 1 760 | 1 760 | 1 885 | 1 646 | 842 | 909 |
| 2. Sustainable Fiscal Resource Management | 370 | 749 | 594 | 785 | 784 | 840 | 528 | 738 | 666 |
| 3. Financial Governance | 2 234 | 626 | 1 285 | 1 424 | 1 303 | 1 589 | 503 | 586 | 593 |
| 4. Provincial Supply Chain Management | 1 821 | 383 | 839 | 1 532 | 1 532 | 1 421 | 1 616 | 1 705 | 1 795 |
| 5. Municipal Financial Governance | 188 | 660 | 241 | 1 955 | 3 236 | 3 781 | 1 166 | 787 | 825 |
| 6. Gauteng Audit Services | 859 | 757 | 659 | 867 | 867 | 860 | 915 | 165 | 73 |
| Total payments on training | 8 471 | 4 352 | 5 222 | 8 323 | 9 482 | 10 376 | 6 374 | 4 823 | 4 861 |

The Skills Development Act No.97 of 1998 as amended stipulates that the Department must set aside at least a minimum of 1% of personnel budget for Training and Development (T&D) to capacitate and develop its workforce. GPT, being a policy department, has been budgeting and spending over 1% yearly given the extent of its development mandate. This has been for internally and externally focused training programmes. In 2019/20, 316 employees enrolled for under- and post-graduate qualifications, 110 interns were appointed, 11 external bursary holders were funded and there were 8 Work Integrated Learning (WIL) learners and 20 on a South African Institute of Professional Accountants (SAIPA) Trainee Accountant programme.

Over the MTEF, the focus will be on completing the current cycle of 20 SAIPA learners and facilitating a new intake; employing 100 interns and learners; funding 11 external university students; and registering around 250 professionals with relevant professional bodies. GPT will continue funding the internal bursary programme and other internal skills

development initiatives linked to the Workplace Skills Plan. Given GPT's multiple functions and projects, 1% of expenditure on training and development threshold is not sufficient to meet all training and development commitments.

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 | Revised estimate | Medium-term estimates | | |
|--|---------|---------|---------|--------------------|------------------------|------------------|-----------------------|---------|---------|
| | 2016/17 | 2017/18 | 2018/19 | | | | 2020/21 | 2021/22 | 2022/23 |
| Tax receipts | | | | | | | | | |
| Sales of goods and services other than capital assets | 833 | 834 | 1 041 | 1 173 | 1 153 | 1 137 | 1 238 | 1 306 | 1 369 |
| Sale of goods and services produced by department (excluding capital assets) | 833 | 834 | 1 041 | 1 173 | 1 153 | 1 137 | 1 238 | 1 306 | 1 369 |
| Sales by market establishments | 833 | 834 | 1 041 | 1 173 | 1 153 | 1 137 | 1 238 | 1 306 | 1 369 |
| Transfers received from: | | | | | | | | | |
| Public corporations and private enterprises | | | | | | | | | |
| Fines, penalties and forfeits | | | | | | | | | |
| Interest, dividends and rent on land | 657 747 | 619 878 | 819 944 | 500 000 | 845 000 | 719 645 | 550 000 | 580 250 | 608 102 |
| Interest | 657 747 | 619 878 | 819 944 | 500 000 | 845 000 | 719 645 | 550 000 | 580 250 | 608 102 |
| Sales of capital assets | | 95 | 5 | | 20 | 20 | | | |
| Other capital assets | | 95 | 5 | | 20 | 20 | | | |
| Transactions in financial assets and liabilities | 445 | 633 | 468 | 528 | 528 | 159 918 | 557 | 588 | 616 |
| Total departmental receipts | 659 025 | 621 440 | 821 458 | 501 701 | 846 701 | 880 720 | 551 795 | 582 144 | 610 087 |

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

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates | | |
|---|---------|---------|---------|--------------------|------------------------|------------------|-----------------------|---------|---------|
| | 2016/17 | 2017/18 | 2018/19 | | | | 2020/21 | 2021/22 | 2022/23 |
| Current payments | 484 026 | 523 627 | 549 368 | 720 721 | 655 105 | 649 811 | 738 086 | 790 789 | 843 748 |
| Compensation of employees | 388 565 | 434 733 | 453 736 | 600 616 | 508 785 | 503 525 | 647 202 | 703 741 | 761 043 |
| Salaries and wages | 342 014 | 383 207 | 399 223 | 515 475 | 437 104 | 436 382 | 554 147 | 600 022 | 644 996 |
| Social contributions | 46 551 | 51 526 | 54 513 | 85 141 | 71 681 | 67 143 | 93 055 | 103 719 | 116 047 |
| Goods and services | 95 461 | 88 894 | 95 632 | 120 105 | 146 320 | 146 286 | 90 884 | 87 048 | 82 705 |
| Administrative fees | 82 | 948 | 1 224 | 666 | 907 | 1 367 | 703 | 742 | 777 |
| Advertising | 5 739 | 7 589 | 9 095 | 7 614 | 7 590 | 7 416 | 7 112 | 5 327 | 4 850 |
| Minor assets | 119 | 1 202 | 266 | 300 | 150 | 62 | 317 | 334 | 350 |
| Audit cost: External | 3 444 | 3 315 | 3 372 | 4 690 | 4 690 | 4 589 | 4 235 | 4 467 | 4 682 |
| Bursaries: Employees | 3 196 | 4 528 | 4 043 | 5 348 | 5 348 | 5 228 | 4 915 | 4 545 | 3 214 |
| Catering: Departmental activities | 775 | 1 011 | 1 057 | 1 145 | 1 514 | 1 633 | 1 210 | 1 279 | 1 340 |
| Communication (G&S) | 3 129 | 3 023 | 3 137 | 3 593 | 3 598 | 3 139 | 3 591 | 3 750 | 3 892 |
| | 9 115 | 13 457 | 7 212 | 9 264 | 9 517 | 9 426 | 9 532 | 10 573 | 8 513 |
| Consultants and professional services: Business and advisory services | 29 162 | 25 022 | 37 778 | 52 691 | 76 809 | 75 762 | 31 967 | 30 836 | 31 887 |
| Legal services | 6 255 | 4 247 | 3 030 | 1 536 | 1 536 | 1 691 | 620 | 709 | 791 |
| Contractors | 517 | 489 | 399 | 582 | 892 | 1 190 | 614 | 647 | 677 |
| Fleet services (including | 384 | 583 | 757 | 624 | 624 | 684 | 659 | 695 | 728 |

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation 2019/20 | Revised estimate | Medium-term estimates | | |
|--|----------------|----------------|----------------|--------------------|-----------------------------------|------------------|-----------------------|----------------|----------------|
| | 2016/17 | 2017/18 | 2018/19 | | | | 2020/21 | 2021/22 | 2022/23 |
| government motor transport) | | | | | | | | | |
| Consumable supplies | 249 | 650 | 728 | 270 | 442 | 451 | 284 | 300 | 314 |
| Consumable: Stationery, printing and office supplies | 4 605 | 2 277 | 1 881 | 2 949 | 2 532 | 2 466 | 2 861 | 2 450 | 2 531 |
| Operating leases | 5 538 | 4 956 | 6 581 | 5 429 | 5 429 | 5 925 | 5 728 | 5 121 | 3 367 |
| Property payments | 5 923 | 5 577 | 4 231 | 7 295 | 6 930 | 6 830 | 3 024 | 2 965 | 2 871 |
| Travel and subsistence | 2 063 | 2 167 | 2 623 | 2 471 | 2 599 | 2 815 | 2 202 | 2 324 | 2 313 |
| Training and development | 8 921 | 4 352 | 4 118 | 8 323 | 9 483 | 10 376 | 6 374 | 4 823 | 4 861 |
| Operating payments | 2 224 | 2 284 | 2 086 | 2 852 | 2 913 | 2 658 | 2 808 | 2 922 | 2 724 |
| Venues and facilities | 4 021 | 1 217 | 1 918 | 2 279 | 2 629 | 2 359 | 1 934 | 2 034 | 1 808 |
| Transfers and subsidies | 104 424 | 67 399 | 70 648 | 63 014 | 63 714 | 64 086 | 68 005 | 71 675 | 74 391 |
| Departmental agencies and accounts | 102 650 | 55 385 | 58 544 | 61 940 | 61 940 | 61 940 | 66 872 | 70 480 | 73 139 |
| Provide list of entities receiving transfers | 102 650 | 55 385 | 58 544 | 61 940 | 61 940 | 61 940 | 66 872 | 70 480 | 73 139 |
| Non-profit institutions | | 10 000 | 10 000 | | | | | | |
| Households | 1 774 | 2 014 | 2 104 | 1 074 | 1 774 | 2 146 | 1 133 | 1 195 | 1 252 |
| Social benefits | 1 033 | 1 090 | 1 092 | | 700 | 1 101 | | | |
| Other transfers to households | 741 | 924 | 1 012 | 1 074 | 1 074 | 1 045 | 1 133 | 1 195 | 1 252 |
| Payments for capital assets | 4 083 | 4 196 | 4 460 | 4 364 | 8 380 | 8 380 | 1 687 | 1 944 | 2 181 |
| Machinery and equipment | 4 083 | 4 168 | 4 460 | 4 364 | 8 380 | 8 380 | 1 687 | 1 944 | 2 181 |
| Other machinery and equipment | 4 083 | 4 168 | 4 141 | 4 364 | 8 350 | 8 350 | 1 687 | 1 944 | 2 181 |
| Software and other intangible assets | | 28 | | | | | | | |
| Payments for financial assets | 50 | 8 | 63 | | | | | | |
| Total economic classification | 592 583 | 595 230 | 624 539 | 788 099 | 727 199 | 722 277 | 807 778 | 864 408 | 920 320 |

TABLE 14.22: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ADMINISTRATION

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation 2019/20 | Revised estimate | Medium-term estimates | | |
|-----------------------------------|----------------|----------------|----------------|--------------------|-----------------------------------|------------------|-----------------------|----------------|----------------|
| | 2016/17 | 2017/18 | 2018/19 | | | | 2020/21 | 2021/22 | 2022/23 |
| Current payments | 116 349 | 127 669 | 127 310 | 159 554 | 144 038 | 143 759 | 168 546 | 178 221 | 193 212 |
| Compensation of employees | 77 152 | 87 154 | 90 807 | 118 388 | 102 872 | 102 341 | 133 905 | 144 404 | 163 551 |
| Salaries and wages | 68 094 | 77 133 | 80 068 | 100 430 | 88 914 | 88 445 | 110 473 | 118 279 | 130 784 |
| Social contributions | 9 058 | 10 021 | 10 739 | 17 958 | 13 958 | 13 896 | 23 432 | 26 125 | 32 767 |
| Goods and services | 39 197 | 40 515 | 36 503 | 41 166 | 41 166 | 41 418 | 34 641 | 33 817 | 29 661 |
| Administrative fees | 64 | 254 | 165 | 112 | 131 | 120 | 119 | 126 | 132 |
| Advertising | 3 543 | 225 | 448 | 445 | 445 | 412 | 470 | 496 | 520 |
| Minor assets | 119 | 1 202 | 266 | 300 | 150 | 62 | 317 | 334 | 350 |
| Audit cost: External | 2 624 | 2 462 | 2 440 | 3 231 | 3 231 | 3 225 | 2 696 | 2 844 | 2 981 |
| Bursaries: Employees | 3 196 | 4 528 | 4 043 | 5 348 | 5 348 | 5 228 | 4 915 | 4 545 | 3 214 |
| Catering: Departmental activities | 296 | 355 | 403 | 307 | 349 | 522 | 276 | 291 | 305 |

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates | | |
|---|----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2016/17 | 2017/18 | 2018/19 | | | | 2020/21 | 2021/22 | 2022/23 |
| Communication (G&S) | 3 129 | 3 023 | 3 137 | 3 593 | 3 598 | 3 139 | 3 591 | 3 750 | 3 892 |
| | 4 611 | 7 488 | 4 103 | 4 371 | 4 387 | 4 386 | 4 611 | 4 864 | 3 156 |
| Consultants and professional services: | | | | | | | | | |
| Business and advisory services | 1 216 | 441 | 324 | 997 | 997 | 895 | 903 | 946 | 983 |
| Legal services | 1 469 | 3 047 | 2 913 | 1 536 | 1 536 | 1 691 | 620 | 709 | 791 |
| Contractors | 491 | 455 | 325 | 582 | 892 | 1 190 | 614 | 647 | 677 |
| Fleet services (including government motor transport) | 384 | 583 | 757 | 624 | 624 | 684 | 659 | 695 | 728 |
| Consumable supplies | 248 | 642 | 723 | 270 | 430 | 436 | 284 | 300 | 314 |
| Consumable: Stationery, printing and office supplies | 1 258 | 1 481 | 1 051 | 1 487 | 1 487 | 1 475 | 1 319 | 1 355 | 1 384 |
| Operating leases | 5 538 | 4 956 | 6 581 | 5 429 | 5 429 | 5 925 | 5 728 | 5 121 | 3 367 |
| Property payments | 5 923 | 5 577 | 4 231 | 7 295 | 6 930 | 6 830 | 3 024 | 2 965 | 2 871 |
| Travel and subsistence | 661 | 1 106 | 1 255 | 866 | 825 | 874 | 714 | 754 | 771 |
| Training and development | 2 501 | 1 177 | 1 784 | 1 760 | 1 760 | 1 885 | 1 646 | 842 | 909 |
| Operating payments | 884 | 913 | 828 | 1 225 | 1 225 | 1 001 | 1 291 | 1 361 | 1 425 |
| Venues and facilities | 1 042 | 600 | 726 | 1 388 | 1 388 | 1 434 | 844 | 872 | 891 |
| Transfers and subsidies | 830 | 995 | 405 | 1 074 | 1 074 | 1 080 | 1 133 | 1 195 | 1 252 |
| Households | 830 | 995 | 405 | 1 074 | 1 074 | 1 080 | 1 133 | 1 195 | 1 252 |
| Social benefits | 89 | 71 | 112 | | | 35 | | | |
| Other transfers to households | 741 | 924 | 293 | 1 074 | 1 074 | 1 045 | 1 133 | 1 195 | 1 252 |
| Payments for capital assets | 4 083 | 4 196 | 4 460 | 4 364 | 8 380 | 8 380 | 1 687 | 1 944 | 2 181 |
| Machinery and equipment | 4 083 | 4 168 | 4 460 | 4 364 | 8 380 | 8 380 | 1 687 | 1 944 | 2 181 |
| Other machinery and equipment | 4 083 | 4 168 | 4 141 | 4 364 | 8 350 | 8 350 | 1 687 | 1 944 | 2 181 |
| Software and other intangible assets | | 28 | | | | | | | |
| Payments for financial assets | 44 | 1 | 19 | | | | | | |
| Total economic classification | 121 306 | 132 861 | 132 194 | 164 992 | 153 492 | 153 219 | 171 366 | 181 360 | 196 645 |

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

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates | | |
|---------------------------|---------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2016/17 | 2017/18 | 2018/19 | | | | 2020/21 | 2021/22 | 2022/23 |
| Current payments | 68 655 | 85 098 | 86 532 | 106 556 | 97 356 | 95 689 | 104 141 | 111 444 | 116 198 |
| Compensation of employees | 59 679 | 66 955 | 68 154 | 83 911 | 74 711 | 73 602 | 86 495 | 94 700 | 99 849 |
| Salaries and wages | 53 223 | 59 659 | 60 696 | 70 764 | 62 464 | 64 630 | 73 312 | 80 793 | 85 274 |
| Social contributions | 6 456 | 7 296 | 7 458 | 13 147 | 12 247 | 8 972 | 13 183 | 13 907 | 14 575 |
| Goods and services | 8 976 | 18 143 | 18 378 | 22 645 | 22 645 | 22 087 | 17 646 | 16 744 | 16 349 |
| Administrative fees | 5 | 450 | 808 | 536 | 736 | 739 | 565 | 596 | 624 |
| Advertising | 397 | 7 225 | 8 446 | 6 853 | 6 853 | 6 671 | 6 309 | 4 480 | 3 961 |
| Audit cost: External | 442 | 450 | 511 | 779 | 779 | 684 | 822 | 867 | 909 |

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates | | |
|---|----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2016/17 | 2017/18 | 2018/19 | | | | 2020/21 | 2021/22 | 2022/23 |
| Catering: Departmental activities | 54 | 178 | 178 | 410 | 410 | 354 | 433 | 457 | 479 |
| | 76 | 28 | 22 | 107 | 74 | 42 | 114 | 120 | 126 |
| Consultants and professional services: Business and advisory services | 4 675 | 7 328 | 6 836 | 10 563 | 10 396 | 10 157 | 6 524 | 7 043 | 7 063 |
| Legal services | | | | | | | | | |
| Contractors | 26 | 34 | | | | | | | |
| Consumable supplies | | | 1 | | | | | | |
| Consumable: Stationery, printing and office supplies | 1 935 | 303 | 278 | 545 | 545 | 545 | 575 | 607 | 636 |
| Travel and subsistence | 201 | 270 | 179 | 501 | 501 | 526 | 324 | 343 | 358 |
| Training and development | 184 | 749 | 81 | 785 | 785 | 840 | 528 | 738 | 666 |
| Operating payments | 910 | 845 | 872 | 1 122 | 1 122 | 1 054 | 984 | 999 | 1 009 |
| Venues and facilities | 71 | 283 | 90 | 260 | 260 | 260 | 274 | 289 | 303 |
| Transfers and subsidies | 102 765 | 55 460 | 58 598 | 61 940 | 62 140 | 62 140 | 66 872 | 70 480 | 73 139 |
| Departmental agencies and accounts | 102 650 | 55 385 | 58 544 | 61 940 | 61 940 | 61 940 | 66 872 | 70 480 | 73 139 |
| Provide list of entities receiving transfers | 102 650 | 55 385 | 58 544 | 61 940 | 61 940 | 61 940 | 66 872 | 70 480 | 73 139 |
| Households | 115 | 75 | 54 | | 200 | 200 | | | |
| Social benefits | 115 | 75 | 54 | | 200 | 200 | | | |
| Payments for capital assets | | | | | | | | | |
| Payments for financial assets | | | | | | | | | |
| Total economic classification | 171 420 | 140 558 | 145 130 | 168 496 | 159 496 | 157 829 | 171 013 | 181 924 | 189 337 |

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

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates | | |
|---|----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2016/17 | 2017/18 | 2018/19 | | | | 2020/21 | 2021/22 | 2022/23 |
| Current payments | 101 331 | 104 593 | 105 205 | 127 444 | 121 494 | 120 796 | 131 627 | 143 198 | 152 689 |
| Compensation of employees | 94 571 | 96 336 | 98 770 | 116 216 | 110 266 | 109 207 | 123 649 | 134 899 | 143 966 |
| Salaries and wages | 82 392 | 83 803 | 85 894 | 100 289 | 94 339 | 93 501 | 106 846 | 116 433 | 124 613 |
| Social contributions | 12 179 | 12 533 | 12 876 | 15 927 | 15 927 | 15 706 | 16 803 | 18 466 | 19 353 |
| Goods and services | 6 760 | 8 257 | 6 435 | 11 228 | 11 228 | 11 589 | 7 978 | 8 299 | 8 723 |
| Administrative fees | 7 | 3 | 4 | 13 | 13 | 10 | 14 | 15 | 16 |
| Advertising | | | | | | | | | |
| Minor assets | | | | | | | | | |
| Audit cost: External | 378 | 403 | 421 | 680 | 680 | 680 | 717 | 756 | 792 |
| Catering: Departmental activities | 121 | 154 | 157 | 120 | 201 | 202 | 127 | 134 | 140 |
| | 2 727 | 4 762 | 3 053 | 3 846 | 3 846 | 3 846 | 3 763 | 4 490 | 4 705 |
| Consultants and professional services: Business and advisory services | 1 605 | 2 015 | 1 553 | 4 610 | 4 610 | 4 700 | 2 289 | 1 723 | 1 854 |

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates | | |
|--|----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2016/17 | 2017/18 | 2018/19 | | | | 2020/21 | 2021/22 | 2022/23 |
| Consumable supplies | | 7 | 4 | | | | | | |
| Consumable: Stationery, printing and office supplies | 1 | | 10 | | 40 | 40 | | | |
| Travel and subsistence | 259 | 139 | 362 | 315 | 315 | 271 | 332 | 349 | 365 |
| Training and development | 1 578 | 626 | 307 | 1 424 | 1 303 | 1 589 | 503 | 586 | 593 |
| Operating payments | 84 | 97 | | 120 | 120 | 151 | 127 | 134 | 141 |
| Venues and facilities | | 51 | 482 | 100 | 100 | 100 | 106 | 112 | 117 |
| Transfers and subsidies | 244 | 300 | 530 | | 50 | 50 | | | |
| Households | 244 | 300 | 530 | | 50 | 50 | | | |
| Social benefits | 244 | 300 | 530 | | 50 | 50 | | | |
| Payments for capital assets | | | | | | | | | |
| Machinery and equipment | | | | | | | | | |
| Other machinery and equipment | | | | | | | | | |
| Payments for financial assets | | | | | | | | | |
| Total economic classification | 101 575 | 104 893 | 105 735 | 127 444 | 121 544 | 120 846 | 131 627 | 143 198 | 152 689 |

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

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates | | |
|---|---------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2016/17 | 2017/18 | 2018/19 | | | | 2020/21 | 2021/22 | 2022/23 |
| Current payments | 84 109 | 76 412 | 87 583 | 130 584 | 136 666 | 135 859 | 128 117 | 137 983 | 147 922 |
| Compensation of employees | 59 913 | 71 439 | 77 290 | 120 791 | 82 885 | 82 301 | 105 507 | 115 651 | 124 510 |
| Salaries and wages | 51 765 | 63 308 | 67 824 | 105 314 | 69 404 | 69 263 | 88 167 | 95 940 | 103 854 |
| Social contributions | 8 148 | 8 131 | 9 466 | 15 477 | 13 481 | 13 038 | 17 340 | 19 711 | 20 656 |
| Goods and services | 24 196 | 4 973 | 10 293 | 9 793 | 53 781 | 53 558 | 22 610 | 22 332 | 23 412 |
| Administrative fees | 2 | 3 | 1 | | 12 | 11 | | | |
| Advertising | 1 799 | | | | 292 | 287 | 333 | 351 | 369 |
| Catering: Departmental activities | 109 | 2 | 13 | | 118 | 111 | 124 | 131 | 137 |
| Consultants and professional services: Business and advisory services | 15 539 | 2 364 | 8 845 | 7 491 | 51 415 | 51 521 | 20 168 | 19 755 | 20 703 |
| Contractors | | | | | | | | | |
| Consumable: Stationery, printing and office supplies | 14 | | | | | | | | |
| Travel and subsistence | 109 | 146 | 292 | 121 | 117 | 126 | 103 | 109 | 114 |
| Training and development | 4 008 | 757 | 693 | 867 | 1 532 | 1 421 | 1 616 | 1 705 | 1 795 |
| Operating payments | 13 | 384 | 310 | 335 | 31 | 44 | | | |
| Venues and facilities | 2 603 | 138 | 105 | 279 | 252 | 24 | 266 | 281 | 294 |
| Transfers and subsidies | 430 | 387 | 908 | | 100 | 100 | | | |
| Non-profit institutions | | | | | | | | | |

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation 2019/20 | Revised estimate | Medium-term estimates | | |
|--------------------------------------|---------|---------|---------|--------------------|-----------------------------------|------------------|-----------------------|---------|---------|
| | 2016/17 | 2017/18 | 2018/19 | | | | 2020/21 | 2021/22 | 2022/23 |
| Households | 430 | 387 | 908 | | 100 | 100 | | | |
| Social benefits | 430 | 387 | 189 | | 100 | 100 | | | |
| Payments for capital assets | | | | | | | | | |
| Software and other intangible assets | | | | | | | | | |
| Payments for financial assets | 6 | | 38 | | | | | | |
| Total economic classification | 84 545 | 76 799 | 88 529 | 130 584 | 136 766 | 135 959 | 128 117 | 137 983 | 147 922 |

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

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation 2019/20 | Revised estimate | Medium-term estimates | | |
|---|---------|---------|---------|--------------------|-----------------------------------|------------------|-----------------------|---------|---------|
| | 2016/17 | 2017/18 | 2018/19 | | | | 2020/21 | 2021/22 | 2022/23 |
| Current payments | 37 034 | 43 428 | 44 944 | 72 317 | 54 217 | 54 084 | 76 285 | 83 420 | 91 540 |
| Compensation of employees | 29 903 | 40 307 | 42 250 | 64 760 | 48 660 | 48 145 | 71 890 | 79 770 | 87 726 |
| Salaries and wages | 26 914 | 36 439 | 38 565 | 55 709 | 44 634 | 44 061 | 61 865 | 68 198 | 75 599 |
| Social contributions | 2 989 | 3 868 | 3 685 | 9 051 | 4 026 | 4 084 | 10 025 | 11 572 | 12 127 |
| Goods and services | 7 131 | 3 121 | 2 694 | 7 557 | 5 557 | 5 939 | 4 395 | 3 650 | 3 814 |
| Administrative fees | 4 | 224 | 234 | 5 | 15 | 15 | 5 | 5 | 5 |
| Catering: Departmental activities | 193 | 201 | 225 | 190 | 386 | 393 | 200 | 211 | 221 |
| | 434 | | | 240 | 240 | 182 | 253 | 267 | 280 |
| Consultants and professional services: Business and advisory services | | | | 3 630 | 200 | 154 | 1 000 | 1 032 | 1 071 |
| Legal services | 4 786 | 966 | | | | | | | |
| Consumable supplies | 1 | 1 | | | | | | | |
| Consumable: Stationery, printing and office supplies | 902 | 493 | 541 | 917 | 460 | 406 | 967 | 488 | 511 |
| Travel and subsistence | 522 | 431 | 525 | 570 | 570 | 598 | 601 | 634 | 664 |
| Training and development | 187 | 660 | 781 | 1 955 | 3 236 | 3 781 | 1 166 | 787 | 825 |
| Operating payments | 27 | | 76 | 50 | 50 | 50 | 53 | 56 | 59 |
| Venues and facilities | 75 | 145 | 312 | | 400 | 314 | 150 | 170 | 178 |
| Transfers and subsidies | 41 | 43 | 5 | | 100 | 100 | | | |
| Households | 41 | 43 | 5 | | 100 | 100 | | | |
| Social benefits | 41 | 43 | 5 | | 100 | 100 | | | |
| Payments for capital assets | | | | | | | | | |
| Payments for financial assets | | | 6 | | | | | | |
| Total economic classification | 37 075 | 43 471 | 44 955 | 72 317 | 54 317 | 54 184 | 76 285 | 83 420 | 91 540 |

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

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation 2019/20 | Revised estimate | Medium-term estimates | | |
|------------------|---------|---------|---------|--------------------|-----------------------------------|------------------|-----------------------|---------|---------|
| | 2016/17 | 2017/18 | 2018/19 | | | | 2020/21 | 2021/22 | 2022/23 |
| Current payments | 76 548 | 76 412 | 87 583 | 130 584 | 101 334 | 99 624 | 129 370 | 136 523 | 142 187 |

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates | | |
|---|---------|---------|---------|--------------------|------------------------|------------------|-----------------------|---------|---------|
| | 2016/17 | 2017/18 | 2018/19 | | | | 2020/21 | 2021/22 | 2022/23 |
| Compensation of employees | 67 347 | 71 439 | 77 290 | 120 791 | 89 391 | 87 929 | 125 756 | 134 317 | 141 441 |
| Salaries and wages | 59 626 | 63 308 | 67 824 | 105 314 | 77 349 | 76 482 | 113 484 | 120 379 | 124 872 |
| Social contributions | 7 721 | 8 131 | 9 466 | 15 477 | 12 042 | 11 447 | 12 272 | 13 938 | 16 569 |
| Goods and services | 9 201 | 4 973 | 10 293 | 9 793 | 11 943 | 11 695 | 3 614 | 2 206 | 746 |
| Administrative fees | | 3 | 1 | | | 472 | | | |
| Advertising | | | | | | | | | |
| Catering: Departmental activities | 2 | 2 | 13 | | 50 | 51 | 50 | 55 | 58 |
| | 1 267 | 1 179 | 34 | 700 | 970 | 970 | 791 | 832 | 246 |
| Consultants and professional services: Business and advisory services | 6 127 | 2 364 | 8 845 | 7 491 | 9 191 | 8 335 | 1 083 | 337 | 213 |
| Consumable: Stationery, printing and office supplies | 495 | | | | | | | | |
| Travel and subsistence | 311 | 146 | 292 | 121 | 271 | 420 | 128 | 135 | 41 |
| Training and development | 463 | 757 | 693 | 867 | 867 | 860 | 915 | 165 | 73 |
| Operating payments | 306 | 384 | 310 | 335 | 365 | 358 | 353 | 372 | 90 |
| Venues and facilities | 230 | 138 | 105 | 279 | 229 | 227 | 294 | 310 | 25 |
| Transfers and subsidies | 114 | 387 | 908 | | 250 | 616 | | | |
| Households | 114 | 387 | 908 | | 250 | 616 | | | |
| Social benefits | 114 | 387 | 189 | | 250 | 616 | | | |
| Payments for capital assets | | | | | | | | | |
| Machinery and equipment | | | | | | | | | |
| Other machinery and equipment | | | | | | | | | |
| Payments for financial assets | | | 38 | | | | | | |
| Total economic classification | 76 662 | 76 799 | 88 529 | 130 584 | 101 584 | 100 240 | 129 370 | 136 523 | 142 187 |

