



## Gauteng Provincial Treasury ANNUAL CITIZENS REPORT 2020 | 21



**GAUTENG PROVINCE**  
TREASURY  
REPUBLIC OF SOUTH AFRICA



**GGT2030**  
GROWING GAUTENG TOGETHER

## Foreword By MEC



**Ms Nomantu Nkomo-Ralehoko**

MEC of Finance and e-Government

The financial year 2020/21 was a challenging one for the department. This was due to the outbreak of Covid-19, which worsened the economic performance of the country and led to further decline in government revenues. This was in addition to the devastating impact that Covid-19 pandemic had on the economy due to successive lockdowns which caused businesses to close, people to lose their jobs; and further increased the number of citizens living in poverty and without food.

The net effect of this was an increasing demand for quality government services from citizens in Gauteng, a province with the largest population in the country that was also the epicentre of Covid-19 infections in South Africa. In difficult times, people look to government than ever before for the provision of basic services including healthcare and social service.

As the Gauteng Provincial Treasury, we effectively intervened and tabled the Special Adjustments Budget, which made resources available to fight the spread of Covid-19 and fund measures to boost economic recovery. We enhanced these resources during the Medium-Term Budget Policy Statement and the main Budget in March. We did all of these, which continuing to fund the implementation of Growing Gauteng Together – Vision 2030, which is our main plan to grow the economy, create jobs and reduce unemployment.

It was encouraging to see that the department managed to collect 10% of the adjusted appropriation amounting to R6.5 billion in the year under review. This means that we exceeded our annual target of 5.3% of revenue collected. Own revenue is very important because it enables us to fund the priorities of the province at the time when national government transfers are declining. In the year under review, we also managed to pay all our suppliers within 30 days from the receipt of invoices. In fact, 93% of our suppliers were paid within 15 days.

As part of our contribution to radical economic transformation, we have continued with our work to engage township entrepreneurs and registered them on the Centralised Supplier Database. We also conducted How to Tender Workshops to prepare these companies to access future business opportunities in the public sector. We also registered suppliers on the E-Invoicing platform to ensure that they are able to upload and track their invoices facilitating faster payment timelines.

Furthermore, the department continued to implement various initiatives to reduce youth unemployment. This included providing external bursaries to deserving students, providing hands on work experience to graduates through in-service training. We also recruited and trained 60 learners from various municipalities as part of Municipal SCM Learnership Programme to boost the capacity of supply chain management in local government.

**Ms. Nomantu Nkomo-Ralehoko**  
MEC: Finance and E-Government

## Who we are

Mandated with ensuring strategic leadership in financial and fiscal matters for GPG.

## What we do

An activist Treasury that enables and promotes quality service delivery through:

- Sustainable funding.
- Efficient cash management.
- Effective financial management.
- Governance framework that ensures accountability, transparency and fiscal discipline.



## Our services

The Gauteng Provincial Treasury is committed to providing services as follows:

Programmes	Key Services
<b>Administration</b>	<ul style="list-style-type: none"> <li>• Provide administrative support service to internal operations</li> <li>• Provide capacity development services to GPG</li> </ul>
<b>Sustainable Fiscal Resource Management</b>	<ul style="list-style-type: none"> <li>• Provision of budget oversight</li> <li>• Provide oversight on provincial revenue</li> <li>• Provide oversight on provincial expenditure</li> </ul>
<b>Financial Governance</b>	<ul style="list-style-type: none"> <li>• Provide accounting service support to departments and entities</li> <li>• Provide advisory services and oversight on PFMA compliance</li> </ul>
<b>Provincial Supply Chain Management &amp; Asset Management</b>	<ul style="list-style-type: none"> <li>• Provide oversight on supply chain management process in the province</li> <li>• Provide supply chain development services</li> <li>• Provide SCM governance advisory service</li> </ul>
<b>Municipal Finance Governance</b>	<ul style="list-style-type: none"> <li>• Provide accounting service support to municipalities</li> <li>• Provide advisory services and oversight on MFMA compliance</li> </ul>
<b>Gauteng Audit Service Services</b>	<ul style="list-style-type: none"> <li>• Provide audit services to GPG departments, entities and municipalities</li> </ul>

## Our leadership





MEC

The Member of Executive Council (MEC) for Finance is

**Ms. Nomantu Nkomo Ralehoko** who is the Executive Authority in terms of the Public Service Act.



HOD

The Head of the Department is

**Ms Ncumisa Mnyani**, who is the Accounting Officer in terms of the Public Finance Management Act.



## Overview of the Operations of the Department

The Gauteng Provincial Government formulated a provincial plan under the theme 'Growing Gauteng Together' that is cascaded from the 2019 – 2024 MTSF, hence it is aligned to the NDP. The Growing Gauteng Together 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
- Sustainable development for future generations.

The Gauteng Provincial Treasury has formulated four key priority outcomes that support and is totally align to the Provincial Plan. The four key priority outcomes are as follows:

- Enhanced sound finances in the province
- Increased compliance with legislated prescripts
- Sustainable local government finances
- Reduced youth employment

The Performance against these four priorities is detailed below. It should be noted that the financial year 2020/21 was an extraordinary year as it started almost simultaneously with the advent of Covid-19 that this resulted in the declaration of the State of Disaster by the President four days before the beginning of the financial year. Due to the resultant lockdown, the Department adapted to the prevailing conditions and staff were able to work from home and as the lockdown levels were relaxed, managed to bring back the numbers of staff in line with the requirements of the prevailing level. It is with this background that the performance of the Department as outlined below should be viewed.

### 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 as well as improving revenue collection.

The Department aimed to ensure effective functioning of the Provincial Revenue Fund

and credible cash flow projections that resulted in optimal performance of the Provincial Investment Portfolio and a sustainable liquidity position in the Province. To this end, the cash disbursements to departments were maintained below provincial revenue streams.

The Department continued to implement cost-cutting measures on identified budget items; this was done during both budget formulation and operations. The appropriate fiscal policy was used to inform budgets and performance management reviews for compensation of employees (CoE). The emphasis was on outcome, impact, efficiency, and productivity gains which were considered for budget formulation. This enabled the management of the wage bill to 53% of total budget against a set target of not more than 60%. During the 2020/21 financial year, the department tabled three (3) adjustment budgets and one (1) main budget. The one adjustment budget was tabled in response to Covid-19, where the department ensured that the Gauteng Provincial Government was adequately resourced to address the challenges of the pandemic. The Gauteng Provincial Covid-19 Response Plan was based on the following six pillars: Comprehensive Health Response, Support to Education, Food Security and Social Relief, Enforcement and Compliance measures, Economic Response and Social Mobilization and Social Solidarity. This Provincial Special Adjustments Budget was aimed at addressing the following three areas:

- Provide funding to the Gauteng Provincial Covid-19 Response Plan.
- Safeguard the implementation of the Growing Gauteng Together (GGT2030) interventions of the province to grow the economy and create jobs; and
- Maintain fiscal sustainability in the province.

The Medium-Term Budget Policy Statement was tabled together with a detailed report on the Socio-Economic Review and Outlook (SERO) for the Province.

The optimisation and diversification of own revenue collection was critical in augmenting the equitable shares and conditional grant funding allocations that the Province receives. The GPT spearheaded the development and implementation of an enhanced revenue strategy which aimed to enhance, diversify, and expand provincial revenue streams. This was to assist GPG to alleviate some of its financial constraints and provide resources where they are critically needed. Despite the negative economic consequences of the Covid-19 pandemic, the GPG managed to collect 10% of adjusted appropriation, a total of R6.5 billion for the 2020/21 financial year, that resulted in the target of 5.3% being exceeded.

## Increased compliance with legislated prescripts

This key focus area is critical as it aims to promote and enforce transparency and effective supply chain management processes in the Province. Furthermore, it is to enhance and protect organisational value in terms of legislated compliance and improved governance. This was achieved by providing independent, objective assurance and consulting services that added value to the operations of GPG departments and entities through systematic evaluation of governance, risk management and controls that fuelled a culture of good governance in the province. In this regard, the department conducted risk compliance assessments on all 14 departments and continued its oversight by tracking implementation of identified risk action plans.

The open tender process has been implemented successfully in the Province, with all departments and six entities having implemented this process. Its implementation has culminated 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. To ensure effective supply chain management during the early stages of the COVID-19 pandemic, the Department developed guidelines on emergency procurement and intensified monitoring of the process. Regarding the appeal by the Minister of Finance of the ruling by the Supreme Court of Appeals in November 2020 that sets aside the implementation of Preferential Procurement Policy, the Department continues to implement the Regulations while waiting for the outcome of the appeal and will be guided by National Treasury subsequent to the appeal.

The department also promoted 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 the institutions of GP and all GPG departments and entities managed to submit their annual financial statements in line with timelines. In working to improve audit outcomes, the GPT strengthened internal controls throughout the Province and continued to provide assurance through the implementation of internal audits. All planned internal audits were conducted and more adhoc audits conducted, especially related to Covid-19 procurement. Implementation of AG audit follow-ups, recommendations from internal audits and internal control assessments were also conducted.

The Department continued to monitor the payment of suppliers by provincial departments, to ensure compliance with the 30 days supplier payment policy, with GPT managing to



pay 100% of received invoices within the stipulated 30 days and 93% of invoices were paid within 15 days.

As GPG, the performance on 30 days payment is 65% with 34% invoices paid within 15 days (excluding the 2 lowest performing departments, it goes up to 96% and 81%). In supporting payment of suppliers on time, the Department ensured that 83% of supplier invoices were submitted electronically against the target of 70%.

### **Sustainable local government finances**

The objective of this outcome is to build capacity and capability to strengthen financial management practices in municipalities. This was 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 the accountability cycle).

In support of municipalities, the Department held intergovernmental relations (IGR) engagements with relevant stakeholders on a continuous basis, resulting in 31 engagements in the 2020/21 financial year. During the lockdown with Covid-19 restrictions, engagements mainly took place virtually using available online platforms. As part of improving MFMA compliance by Gauteng delegated municipalities (across the accountability cycle) quarterly assessments were conducted on all eight delegated municipalities to determine their MFMA compliance. Further, assessments were carried out on the municipalities' draft and adopted budgets to assess their financial health and all budget transfers from the provincial government to local government were gazetted as required by law

### **Reduced youth unemployment**

The Department aimed to contribute to youth employment and skills development in support of the Tshepo 1 Million initiative through internship and learnership programmes that promote skills development and workplace experiential learning.

As part of Tshepo 1 Million initiative to reduce youth unemployment, the Department has ensured that for the 2020/21 financial year, 84 youth were placed on development

programmes. This includes the Department providing external bursaries to deserving students. The focus of youth development programmes is to expose the graduates to real-time hands-on work experience to be better prepared for the labour market. Through the capacity building initiative of the Department, 60 learners were successfully recruited and enrolled for the Municipal SCM Learnership Programme.

### Summary of Departmental Performance

Programme Name	No. of Targets	No. of Targets Achieved	% Achievement
Administration	4	4	100%
Sustainable Resource Management	11	9	82%
Financial Governance	5	5	100%
Provincial Supply Chain Management	3	2	67%
Municipal Financial Governance	4	4	100%
Gauteng Audit Services	5	5	100%
<b>Total</b>	<b>32</b>	<b>29</b>	<b>91%</b>

### Service Delivery Improvement Plan - Services and Standards

Main services	Beneficiaries	2019/20 Achievement	Desired Standard 2020/2021	2020/21 Achievement
<b>Provision of training for the development of suppliers</b>	Township enterprises	1777 suppliers underwent development programme.  5 week rolling training conducted for 43 weeks of the year	100 suppliers undergoing development programme with partners 5 week rolling training for 44 weeks of the year	16 suppliers underwent development programme with partners  16 virtual sessions were held during the FY and 4 weeks of physical contact training was conducted
<b>GPG Capacity Development</b>	GPG staff	16 SCM training workshops were provided and 1 training workshop on the Amendments to the Public Audit Act was provided to GPT officials.	Provide training on the identified no. of courses	60 learners successfully recruited and enrolled for the Municipal SCM Learnership Programme (2020-2021)  Learners have commenced with attendance of classes (combination of online and face to face methods where possible)  1 virtual SCM non-accredited training workshop ( <b>SCM Bid Committees</b> ) was provided to officials from selected provincial departments via MS Teams platform (March 2021)

## PROGRAMME: Provincial Supply Chain Management

### 6.1 Key Service 1: Provision of training for the development of suppliers

Performance Area	Current Standard	Desired Standard 2020/2021	2020/21 Achievement
<b>Quantity</b>	1777 suppliers undergoing development programme with partners  5 week rolling training for 43 weeks of the year	100 suppliers undergoing development programme with partners  5 week rolling training for 44 weeks of the year	16 suppliers underwent development programme with partners  16 virtual sessions were held during the FY and 4 weeks of physical contact training was conducted
<b>Professional Standards – Quality</b>	Monitor and evaluate the activities of supplier development partners	Monitor and evaluate the activities of supplier development partners	Quarterly report compiled and submitted. Training attendance registers collected and reviewed for correctness.

Batho Pele Principles	Current Standard	Desired Standard 2020/2021	2020/21 Achievement
<b>Consultation</b>	Conduct 5 SCM quarterly consultation sessions with departments and municipalities	Conduct 4 SCM quarterly consultation sessions with departments and municipalities	12 SCM consultation sessions were held with departments and municipalities
<b>Courtesy</b>	8 meetings held with stakeholders to maintain stakeholder relations and plans shared to ensure integration of capacity development efforts.	Develop and maintain stakeholder relationships through constant engagements to ensure timeous, responsive and proactive solutions to clients' needs  Ensure integrated capacity development efforts	Stakeholder meetings were held through MS Teams to ensure capacity development efforts are integrated
<b>Access</b>	The department is accessible through its physical address, telephone and email	The department is accessible through its physical address, telephone and email	The department was accessible through, telephone and email (due to Covid restrictions the building was inaccessible for training).  Training was accessed online (MS Teams) and also at small scale physically
<b>Information</b>	Information on the development programme training is published on the intranet, website and tender bulletin	Information on the 5-week rolling training is published on intranet, website, and tender bulletin	5-week rolling training was advertised on Provincial website and Tender document to inform suppliers about the training. The information was also sent through emails
<b>Openness &amp; Transparency</b>	Suppliers can access the supplier development programme. Information is provided on the intranet, website and tender bulletin.	Suppliers can access the supplier development programme. Information is provided on the intranet, website and tender bulletin.	Suppliers accessed the supplier development programme and information was provided on the intranet, website and tender bulletin
<b>Redress</b>	An evaluation of the training is conducted at the end of each session to identify any improvement opportunities and address any challenges the suppliers may have documented	An evaluation of the training is conducted at the end of each session to identify any improvement opportunities and address any challenges the suppliers may have documented	Participants completed the evaluation forms after training. Data was analysed to identify opportunities for improvement.

Batho Pele Principles	Current Standard	Desired Standard 2020/2021	2020/21 Achievement
<b>Value for money</b>	Evaluation of each training is conducted per session	An annual assessment of the satisfaction of beneficiaries of the supplier development programme will be conducted.	The sample size for a customer satisfaction survey was very low for it to be conducted
<b>Human resources</b>	Team of 4 officials – Director, Deputy Director, Assistant Director and Practitioner	Team of 4 officials – Director, Deputy Director, Assistant Director and Practitioner	Team of 4 officials – Director, Deputy Director, Assistant Director and Practitioner
<b>Cost</b>	As per budget	As per budget	As per expenditure report
<b>Time</b>	31st March 2020	31st March 2021	31st March 2021

## PROGRAMME: Administration

### 6.2 Key Service 2: GPG Capacity Development

Performance Area	Current Standard	Desired Standard 2020/2021	2020/21 Achievement
<b>Quantity</b>	16 SCM training workshops were provided and 1 training workshop on the Amendments to the Public Audit Act was provided to GPT officials.	Provide training on the identified no. of courses	60 learners successfully recruited and enrolled for the Municipal SCM Learnership Programme (2020-2021) Learners have commenced with attendance of classes (combination of online and face to face methods where possible) 1 virtual SCM non-accredited training workshop ( <b>SCM Bid Committees</b> ) was provided to officials from selected provincial departments via MS Teams platform (March 2021)
<b>Professional Standards – Quality</b>	Ongoing monitoring of SCM Internship Programme to 25 unemployed graduates (24 months contract ending June 2020). Accredited Municipal SCM learnership programme provided to 50 municipal employees.	Provide accredited training  Ensure submission of portfolio of evidence for recognition of training	Recruitment for SCM Internship (20 SCM Interns) took place during January and February 2021



Batho Pele Principles	Current Standard	Desired Standard 2020/2021	2020/21 Achievement
<b>Consultation</b>	The training plan is developed in conjunction with departments and municipalities	The training plan is developed in conjunction with departments and municipalities	The developed and approved plan was shared with selected departments and municipalities
<b>Courtesy</b>	Develop and maintain Stakeholder (internal and external) relationships	Develop and maintain stakeholder relationships through constant engagements to ensure timeous, responsive and proactive solutions to clients' needs  Ensure integrated capacity development efforts	There were consultations with internal and external stakeholders to maintain stakeholder relationships and ensure that capacity development efforts are integrated
<b>Information</b>	Provide information to departments and municipalities through quarterly engagements	Provide information to departments and municipalities through the website and quarterly engagements	Information was provided to departments and municipalities through emails and telephonically
<b>Openness &amp; Transparency</b>	The training plan is developed in conjunction with departments and municipalities	Progress of development programme is reported to municipalities and departments bi-annually	Progress of development programme was shared with municipalities, departments and reported quarterly.
<b>Redress</b>	Stakeholders can lodge complaints through the department's complaints process, managed by GPT Communications	All complaints will be responded to within 15 working days of acknowledgement of receipts.	There were no complaints received during 2020/21FY
<b>Value for money</b>	Participants completed evaluation forms after successful training	Training satisfaction surveys will be conducted bi-annually	Evaluation of both the module content and the facilitator / courses leader conducted upon completion of every module.
<b>Human Resources</b>	4 officials	4 officials	4 officials
<b>Cost</b>	R10 m	As per budget	As per budget report
<b>Time</b>	31st March 2020	31st March 2021	31st March 2021

## Our Organisation and Staffing

Race	Female	% Female	Male	% Male	Total	% Total
<b>African</b>	394	54%	250	34%	644	88%
<b>Coloured</b>	24	3%	19	3%	43	6%
<b>Indian</b>	12	2%	9	1%	21	3%
<b>White</b>	15	2%	13	2%	28	3%
<b>Total</b>	<b>445</b>	<b>60%</b>	<b>291</b>	<b>40%</b>	<b>736</b>	<b>100%</b>



## Our Budget

Programme Name	Final Appropriation	Actual Expenditure
	R'000	R'000
Administration	146 031	132 517
Sustainable Resource Management	152 821	146 639
Financial Governance	125 476	109 580
Provincial Supply Chain Management	108 391	100 868
Municipal Financial Governance	45 106	39 448
Gauteng Audit Services	99 633	87 149
<b>Total</b>	<b>677 458</b>	<b>616 201</b>

The department expenditure was recorded at R616 million or 91% of the final appropriation of about R677 million. The savings resulted from vacant positions, an awarded tender that will start realising expenditure in the next financial year and other spending activities that have been scaled down or prohibited due to COVID-19 regulations. The filling of vacant positions was only limited to critical positions and the other activities that were scaled down included among others training, workshops, conferences, both local and foreign travel.

Notes:

This image shows a single sheet of white paper with horizontal blue or grey ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

# PLAY YOUR PART STOP THE SPREAD



## STAY SAFE

- Avoid close contact
- Wear a mask
- Wash your hands or use a sanitiser

**Always protect yourself and those around you**

### Contact Information

**Physical Address:**  
75 Fox Street, Imbumba House,  
Johannesburg  
2107

**Postal Address:**  
Private Bag X12,  
Marshalltown,  
Johannesburg,  
2107

**Switchboard:**  
011 227 9000

**EMAIL ADDRESS:**  
[GPTCommunications@gauteng.gov.za](mailto:GPTCommunications@gauteng.gov.za)

**Website Address:**  
[www.gauteng.gov.za](http://www.gauteng.gov.za)