

GAUTENG PROVINCIAL TREASURY
ANNUAL CITIZENS REPORT 2013/14



GAUTENG PROVINCE
PROVINCIAL TREASURY
REPUBLIC OF SOUTH AFRICA



ANNUAL CITIZEN'S REPORT: [2013/14]

Who we are?

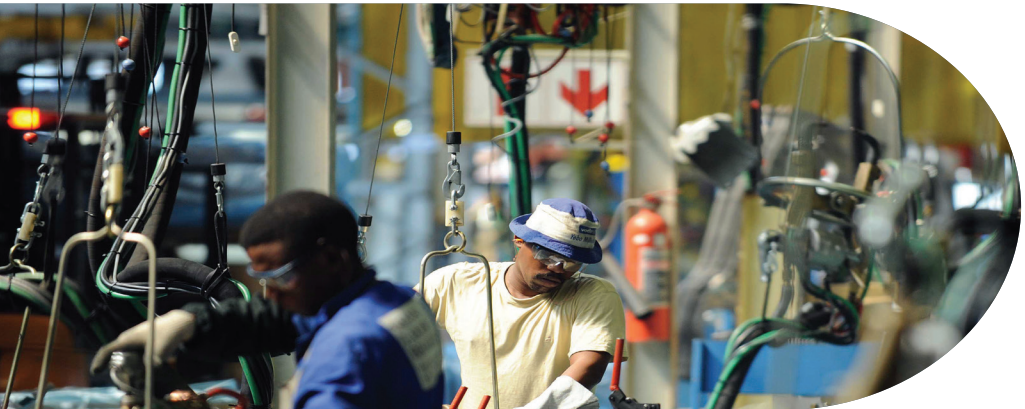
We are Gauteng Provincial Treasury (GPT) providing good governance in all financial matters in the province. In essence, we ensure that strategies are being funded through projects and other initiatives which are aligned to the provincial priorities and the outcomes approach.

What we do?

- Support and demonstrate the alignment of provincial priorities to programmes/projects;
- Allocate resources to areas that supports economic development and job creation, as well as social service delivery in the province;
- Create value for money by providing technical assistance and analysis to spending agencies through efficiency studies, cost-benefit analysis and the Social Accounting Matrix; and
- Promote transparency and access to inform through publications such as the Medium-Term Budget Policy Statement, the Budget Statement and budget inserts in the local newspapers during the budget speech.
- Promote good governance by providing stewardship on all financial matters in the province.

Our Leadership?

The MEC for Finance is Ms. Barbara Creecy, who is the Member of the Executive Authority in terms of the Public Service Act. The Head of the Department is Ms. Nomfundo Tshabalala, who is the Accounting Officer in terms of the Public Finance Management Act.



Key Achievements

Operational Clean Audit

The department remained committed to the achievement of clean audits in departments, entities and municipalities in the province. In line with our stated view of consolidating our work, GPT has managed to maintain a clean audit status as well as sustained and improved the audit outcomes of 6 departments and 13 provincial entities for the 2013/14 financial year. Operational Clean Audit is an ongoing process, GPT will improve on the previous GPG audits by reviewing the monthly, quarterly and yearly financial reports in order to reduce material misstatement; and providing early warning reports to prevent or minimise unauthorised expenditure. The department has also developed a comprehensive plan to proactively address the 2013/14 audit outcomes. This plan will be customised to deal with specific AG findings per department and entity.

Support to Municipalities

At local government level, GPT succeeded in strengthening the capacity of municipal internal audit units, assets management units and audit committees. These measures have assisted in ensuring that the department achieves clean audits and improve service delivery to the people. GPT continues to roll out the municipal finance hands-on support programme, which entails deploying suitably qualified financial advisers to each local municipality in Gauteng, in an effort to improve the performance and audit outcomes of municipalities.

GPT has conducted vigorous bilateral engagements between the MEC for Finance, MEC of Local Government and Housing and Members of the Mayoral Committee for Finance to ensure coordination and continued support. Furthermore, the Debt Management Committee continued to receive great support from both municipalities and provincial departments as a key platform to resolving outstanding government debt owed to municipalities for rates, taxes and service charges.

Payment of Suppliers within 30 Days

Payment of suppliers within 30 days from the date of receiving the invoice is compulsory. This enables suppliers, in particular small businesses to manage cash flows as part of their business. The GPT have worked tirelessly on improving the provincial performance on the payment of suppliers within 30 days. The Department has tightened the administrative loopholes throughout the whole value chain of procurement and interventions have been put in place to ensure that this happens. There still remains a great deal of work that will continue to improve this requirement as per legislation.

Conditional grants, infrastructure funds and transfers to municipalities and non-governmental organisations have been ring-fenced to optimal utilisation and that suppliers are paid on time.

Supply Chain Management

One of the most important areas that we focused on in the year under review is improving supply chain management processes in the province. This focus will continue over the medium term period. Our focus areas included monitoring implementation of policies, rules and regulations, reporting system across all departments to assess preferential procurement policy outcomes and ensuring that there is compliance with procurement plans.

Instilling Fiscal Discipline

In instilling fiscal discipline, GPT manage to focus on the following: Provincial spending has intensified the monitoring of conditional grant expenditure and outcomes in line with the grant frameworks as set out in the Division of Revenue Act. We ensured adherence to grant frameworks by grant managers, attainment of intended outcomes and value for money. Implementation of the various initiatives to enhance and encourage departments' spending. This initiative resulted in provincial government spending 97.2% of the total adjusted budget for 2013/2014 financial year.

Revenue Collection

As the provincial Treasury, GPT is entitled with the mandate of safeguarding Gauteng's Own Revenue generation to enable efficient resource provincial priorities. The department has thus optimised revenue collection from various sources and has assisted departments to not only collect revenue but also present credible revenue projections driven by sound fiscal policies. The provincial government has exceeded its targeted collection by 9.47% for the financial year under review.

Cash Management

The Department implemented robust cash management practices that have resulted in positive cash flow levels for the provincial government. This essentially means that the province has sufficient cash to fund the needs of departments. Equally important, prudent investment of our revenues has improved revenue position in the province.

Our standards- and how we met them

Standard	Results achieved
Provide quarterly report on financial systems users trained and user satisfaction surveys.	During the year under review the department trained 344 users on PERSAL and 47 on BAS.
Conduct integrated financial systems analysis on training to all 14 GPG departments.	Analysis has been conducted and comparison of all department code structures has been concluded.
Increased diversified portfolio of PPP to 12 projects with National treasury.	The department managed the diversified portfolio of 12 PPP projects.

How we intend to improve services

Two key areas of improvement were identified within GPT under financial Business Systems which is a sub-unit under Financial Governance Programme that ensures effective liaison with the municipalities, representing GPT as an intervening department. Public Private Partnerships is a sub-unit under the Sustainable Resource Management Programme which oversees efficient allocation of resources. The unit is responsible for identifying projects which can be implemented together with the private sector. It is explained on tables by programmes how the two units plan to improve in the MTEF period.



**SDIP: THREE YEAR PLAN
PROGRAMME: FINANCIAL GOVERNANCE**

1. FINANCIAL BUSINESS SYSTEMS

KEY SERVICE	SERVICE BENEFICIARY	CURRENT STANDARD 2014/2015		DESIRED STANDARD 2015/16
Co-ordination of Financial systems training	All Provincial Departments	Quantity	Conduct integrated financial systems analysis on training to all 14 GPG departments.	Conduct integrated financial systems analysis on training to all 14 GPG departments.
		Quality	To conduct financial analysis to ensure compliance with National Treasury requirements.	To conduct financial analysis to ensure compliance with National Treasury requirements.
		Consultation	User Group Forum, Financial systems practice notes, Circulars	User Group Forum, Financial systems practice notes, Circulars
		Access	Telephonically, emails, 75 Fox Street, Johannesburg.	Telephonically, emails, 75 Fox Street, Johannesburg.
		Courtesy	Conduct user satisfaction surveys, acknowledge receipt of submissions, listen and respond with civility.	Conduct user satisfaction surveys, acknowledge receipt of submissions, listen and respond with civility.
		Open & Transparency	Quarterly report on financial systems users trained and user satisfaction surveys.	Quarterly report on financial systems users trained and user satisfaction surveys.
		Information	Service performance reports and meetings based on the customer requests.	Service performance reports and meetings based on the customer requests.
		Redress	Acknowledge any related financial systems query in a professional manner upon receipts and respond to queries within 3 workings days in writing.	Acknowledge any related financial systems query in a professional manner upon receipts and respond to queries within 3 workings days in writing.
		Value for Money	To ensure through the group discussions that financial systems users understand the system functionality to ensure 100% resource utilization	To ensure through the group discussions that financial systems users understand the system functionality to ensure 100% resource utilization
		Time	31 March 2014	31 March 2015
Cost	6.5m	6.7m		

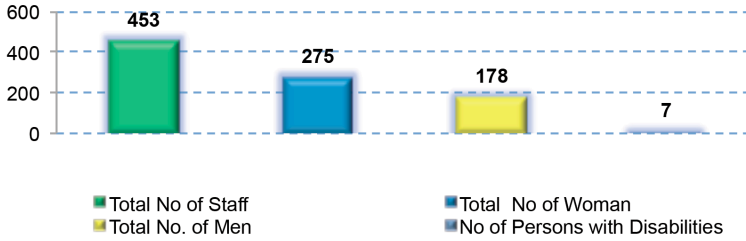
PROGRAMME: SUSTAINABLE RESOURCE MANAGEMENT

2. PUBLIC PRIVATE PARTNERSHIPS

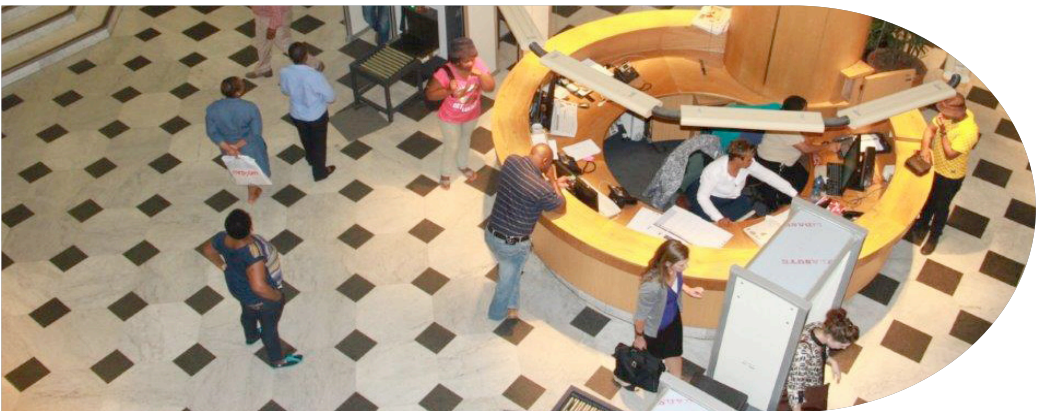
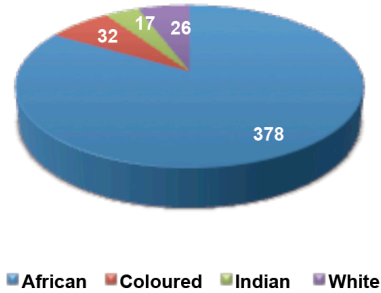
KEY SERVICE	SERVICE BENEFICIARY	CURRENT STANDARD 2014/2015		DESIRED STANDARD 2015/2016
To manage PPP initiatives in the form of continual appraisal and providing regulatory oversight	All Provincial Departments	Quantity	Increase diversified portfolio of PPP's to 12 projects with National Treasury	Increase diversified portfolio of PPP's to 13 projects with National Treasury
		Quality	To manage the PPP initiatives in the form of continual appraisal and providing regulatory oversight aimed at contributing to economic growth and development.	To manage the PPP initiatives in the form of continual appraisal and providing regulatory oversight aimed at contributing to economic growth and development.
		Consultation	Engage departments including their entities and municipalities for the purpose of identifying PPP opportunities	Engage departments including their entities and municipalities for the purpose of identifying PPP opportunities
		Access	Direct telephone, emails, 78 Fox street and fax.	Direct telephone, emails, 78 Fox street and fax.
		Courtesy	Prompt and courtesy response to queries and correspondence	Prompt and courtesy response to queries and correspondence
		Open & Transparency	Provide appraisals and approval submissions as and when requested to relevant stakeholders (project dependent). 2 engagements to departments/entities and 2 for municipalities	Provide appraisals and approval submissions as and when requested to relevant stakeholders (project dependent). 1 PPP conference. 2 engagements to departments/entities and 2 for municipalities
		Information	Provide quarterly and annual reports on PPP initiatives	Provide quarterly and annual reports on PPP initiatives
		Redress	Acknowledge receipts of any complaints and respond within 4 working days	Acknowledge receipts of any complaints and respond within 3 working days
		Value for Money	Ensure three regulatory tests of value for money (affordability, significant risk transfer on construction, operations, financial to private sector) are complied with within a PPP environment	Ensure three regulatory tests of value for money (affordability, significant risk transfer on construction, operations, financial to private sector) are complied with within a PPP environment
		Time	31 March 2014	31 March 2015
		Cost	Compensation of Employees and applicable S&T	Compensation of Employees and applicable S&T
Human Resources	4	4		

Our Organisation and Staffing: Total number of Employees

Number of Employees



Total Number of Employees by Ethnic Group



Our Budget

Programme expenditure:

Programme Name	2013/2014			2012/2013		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	80 156	79 878	278	63 019	59 766	3 253
Sustainable Resource Management	96 937	92 596	4 341	95 284	85 341	9 943
Financial Governance	91 895	84 265	7 630	36 482	35 994	488
Provincial Accounting services	53 435	50 205	3 230	43 825	43 824	1
Total	322 423	306 944	15 479	238 610	224 927	13 683





CONTACT INFORMATION

PHYSICAL ADDRESS:

75 FOX STREET, IMBUMBA HOUSE
JOHANNESBURG
2107

POSTAL ADDRESS:

PRIVATE BAG X 112
MARSHALLTOWN
2107

TELEPHONE NUMBERS:

0860 GAUTENG (4288364)
Switchboard: 011 227 9000

EMAIL ADDRESS:

GPTCommunications@gauteng.gov.za

WEBSITE ADDRESS :

www.treasury.gpg.gov.za

