



2015 | 16

A N N U A L C I T I Z E N S R E P O R T



GAUTENG PROVINCE
TREASURY
REPUBLIC OF SOUTH AFRICA

Who we are

The Gauteng Provincial Treasury (GPT) is mandated with ensuring strategic leadership in financial and fiscal matters in the province to ensure sustainable and inclusive social and economic development of the people of Gauteng so that all may enjoy value for money services of the highest quality.

What we do

We are an activist Treasury that enables and promotes quality service delivery for the citizens of Gauteng through:

- Sustainable funding that ensures developmentally focused allocation of resources and innovative revenue generation.
- Efficient cash management that ensures sustainable liquidity levels in the province.
- Effective financial management and reporting that ensures responsible stewardship and transparent resource utilization and expenditure.
- A well-structured governance framework that ensures accountability, transparency and fiscal discipline in line with statutory obligations.

Our leadership

The Member of Executive Council (MEC) for Finance is Ms. Barbara Creecy, who is 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.

Our Services

GPT is committed to providing services as follows:

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

Key Achievements

Transformation of the State and Governance

The department is mandated to promote good governance through the provision of sound fiscal stewardship in the province and has continued to implement the strategic pillars, which are aligned to the Transformation, Modernisation and Re-industrialisation (TMR) agenda. In the 2015/16 financial year, the department cemented the foundation work that commenced in the 2014/15 financial year, to contribute towards the attainment of the TMR Programme which enables Gauteng to become an integrated, socially cohesive and economically inclusive city region. The departments' key achievements in support of the TMR were as follows:

Promoting better planning and budgeting synergy across all spheres of government

- The department hosted various sittings with provincial departments to improve synergy in planning and budgeting. These included the Budget Lekgotla, Budget Fora, Medium Term Expenditure Committee (MTEC) and the Premier's Budget Committee (PBC).
- Draft and final budget assessments were undertaken to ensure alignment of the municipal Integrated Development Plans (IDP) and capital budgets to the TMR and the five corridors. In addition, MEC/MMC engagements were held. Meetings were held with Gauteng Department of Cooperative Governance and Traditional Affairs through various IGR structures, to ensure that all relevant stakeholders participate in streamlining planning and resourcing synergy across all spheres of government.

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

- The implementation of the revenue enhancement strategy to supplement funding received from the national government has resulted in the achievement of a 10.7% over collection in the provincial own revenue.

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

- To ensure that personnel spending does not crowd out the goods and services budget, the wage bill was stabilised at 54%.
- The spending on infrastructure and conditional grants, were 97% and 98%, respectively.
- Instilling prudent cash management practices (cash outflow did not exceed provincial revenue streams) has resulted in sustainable liquidity levels in the province.

Supporting all departments, entities and municipalities to achieve unqualified audits:

- The department continued to support and assist provincial departments, public entities and local municipalities by reviewing interim financial statements and conducting risk management reviews and ensuring the implementation of action plans.
- Structured and targeted training was also provided to both provincial departments and local municipalities.
- These efforts resulted in 19 departments and public entities achieving clean audit status for the 2014/15 financial year. A total of 16 of these sustained clean audits from the previous year and the province did not incur any unauthorised expenditure during this period. The unqualified audit outcomes for local municipalities were maintained.
- 95% of audit recommendations were implemented by entities and departments before the next audit cycle.
- 99% percent of the internal audit plan were implemented.
- Intensified efforts to assist concerning departments towards improving their audit outcomes.

Reducing fraud and corruption and promoting clean government across the province:

- The department has improved on its fraud and corruption prevention and detection capabilities, with 100% of investigations completed as per letters of engagements.
- The contract management framework was implemented in 14 institutions (7 departments, 3 entities and 4 local municipalities).
- The open tender system was implemented for 15 projects within 5 Departments.

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

- The Department received a clean audit status for the 2014/15 financial year.
- There was a 100% compliance with regulatory and legislated reporting requirements.
- GPT was the best performing department for the 1.4 Management Performance Assessment Tool (MPAT) and achieved 89% compliance for MPAT 1.5.
- 98% of service providers were paid within 30 days upon receipt of final and correct invoice.

Modernisation of the Public Service

- The In Year Monitoring (IYM) Report was successfully automated to improve the accuracy and efficiency in the overall provincial reporting system and generate more credible financial information.
- The online payroll certificate system was successfully deployed to provincial departments, with the system being planned to be deployed to public entities in the ensuing financial year. The system aims to prevent salary overpayments and enforce compliance with Treasury regulations.
- A fraud detection and case management system to report and monitor progress with regards to fraud investigations was developed.
- Several Business Intelligence (BI) tools were developed and deployed to improve efficiencies in financial management.
 - The BI tool to track and trace accruals, commitments and irregular expenditure was deployed to 8 Departments (Community Safety, Economic Development, Education, Infrastructure, and Office of the Premier, Sports, E-Gov and Treasury).
 - The BI tool to track spending against SCM procurement plans was developed and piloted with 5 Departments (Education, Human Settlement, Agriculture, e-Gov and Social Development).

Radical Economic Transformation

- The Procurement-card system was implemented in 40 institutions (mainly Health, Education and DID regional Offices), against a target of 36.
- The GPG surpassed the 12% target for procurement from township enterprises, to reach an actual procurement of 14.1% through the combined efforts of GPG Departments, entities and local municipalities, to support the Township Economy Revitalisation (TER) Strategy.
- The GPG procurement strategy in support of the TER was approved that includes supplier development, which will be undertaken in conjunction with key stakeholders in the new financial year. It is envisaged that this intervention will increase the utilisation of township suppliers by increasing opportunities for more suppliers to benefit from public procurement spend.
- There was a significant increase in the number of suppliers registered on the GPG database. This increases the pool of suppliers available to do business with government. As at end March 2016, 5 679 township-based suppliers were registered on the database, through alignment with Ntirhisano Roadshows and Qondis Ishishini Lakho campaigns.
- In order to improve the payment of suppliers within 30 days, the following interventions were implemented:
 - Electronic Invoice Submission
 - Web board invoice tracking

Main services	Beneficiaries	Current/Actual Standard of Service	Desired Standard of Service	Actual Achievement
Capacitate stakeholders through Supply Chain Management (SCM) development initiatives	SCM practitioners – departments, entities and municipalities	Provide 23 workshops and advisory support to all GPG departments and municipalities on SCM	Provide 28 workshops and advisory support to all GPG departments and municipalities on SCM	Conducted 21 workshops on Procurement Planning, Demand Management and Bid Evaluation to departments and municipalities
Supplier management and development	GPG Client Departments and Citizens	98% of procure to pay supplier applications accurately registered in the Supplier database within 12 working days	100% of supplier applications accurately registered in the Supplier database within 12 days from receipt of application form	100% (6832) of Suppliers registered within 12 days from receipt of application.

How we intend to improve services

The intention of developing the SDIP is to facilitate the commitment of the state institutions to continuous implementation improvement of service delivery including the actual service being provided and the manner of providing the service. The department (GPT) has an approved three year SDIP plan and the relevant units report progress on the plan each quarter as per the directive by the Department of Public Service & Administration (DPSA).

Two key areas of improvement were identified within GPT's Programme 4, Provincial Supply Chain Management and Assets Management. These are SCM Policy Norms & Standards and Strategic Procurement. Improvement in the two sub-units was achieved by the support provided in capacitating GPT's stakeholders through training. GPT as an interventionist department also recorded significant improvement in procurement related matters in the province.

SDIP: PERFORMANCE REPORT

PROGRAMME: PROVINCIAL SUPPLY CHAIN MANAGEMENT

1. PROVINCIAL SUPPLY CHAIN

KEY SERVICE	SERVICE BENEFICIARY	DESIRED STANDARD 2015/16		ANNUAL PERFORMANCE 2015/16
<p>Capacitate stakeholders through SCM development initiatives</p> <p>Capacitate Stakeholders through SCM development initiatives</p>	<p>SCM practitioners – departments, entities and municipalities</p> <p>SCM practitioners – departments, entities and municipalities</p>	Quantity	Provide 28 workshops and advisory support to all GPG departments and municipalities on SCM	Conducted 21 workshops on Procurement Planning, Demand Management, SCM governance and Bid Evaluation to departments and municipalities
			Quality	Monitor the development of training plan and implementation for SCM units.
		Consultation	Conduct skills gap analysis to ensure relevant training is provided in line with SCM elements	Skills gap analysis conducted, 21 workshops were held to identify training needs for departments and municipalities
			Conduct quarterly SCM Forums to engage municipal and provincial SCM practitioners on prevalent issues and new reforms	Coordinated and facilitated 2 SCM forums for departments and municipalities
		Access	Provide SCM helpdesk services	Maintained SCM Helpdesk and responded to 83 SCM related queries from departments and municipalities.
			<p>Issue guidelines on SCM processes</p> <p>Upload SCM policies and directives on the GPG website</p> <p>Publish FAQ's on the website</p>	<p>Developed Bid Committee Charters for departments and entities</p> <p>SCM policies and directives are accessible on the PSCM shared-drive</p> <p>Assessment of FAQ's in progress</p>

KEY SERVICE	SERVICE BENEFICIARY	DESIRED STANDARD 2015/16		ANNUAL PERFORMANCE 2015/16
		Courtesy	Develop and maintain Stakeholder relationships through SCM forums to ensure timeous, responsive and proactive solutions to client's needs	Conducted 2 SCM forums for departments and municipalities.
		Openness & Transparency	Newly communicated practice notes, instruction notes, circulars, and any other developments will be disseminated to all stakeholders as and when required	Issued communication on updated SCM baseline study to departments and municipalities
		Information	Provide advisory and support services	Advisory and support services provided, responded to 83 SCM related queries
			Quarterly Report on capacity development Provide advisory and support services	Quarterly Report on capacity development compiled
			Quarterly Report on capacity development	
		Redress	Address logged operational queries within 24 hours and technical queries within 7 days through the help desk	Responded to 72 SCM related enquiries through help desk within the specified timelines
			Conduct quarterly client satisfaction surveys in order to improve assistance provided	Questionnaires for assessment were provided to attendees during the accredited training conducted on Strategic Sourcing
		Value for Money	Review biannual compliance reports to verify improvement in SCM performance	Biannual compliance review conducted
Human Resources	Team of 4 officials	Team of 3 officials		
Time	12 Months	12 Months		
Cost	As per the finance report	As per the finance report		

SDIP: PERFORMANCE REPORT

PROGRAMME: PROVINCIAL SUPPLY CHAIN MANAGEMENT 2. STRATEGIC PROCUREMENT

KEY SERVICE	SERVICE BENEFICIARY	DESIRED STANDARD 2015/16		ANNUAL PERFORMANCE 2015/16
Supplier Management and Development	GPG Client Departments and Citizens	Quantity	100% of supplier applications accurately registered in the Supplier database with 12 days from receipt of application form	100% (6832) suppliers registered within 12 days from receipt of application
Supplier Management and Development		Quality	Requests for supplier registrations will be authorized after meeting the following mandatory requirements as contained in the application form: Tax clearance certificate CK document and share certificate from CIPRO Certified copies of ID Valid banking details Vetting of suppliers at Helpdesk Electronic verification of the following: •Tax clearance certificate •CK document and share certificate from CIPRO •Certified copies of ID •Valid banking details •Conflict of interest through Peral verification •Supplier credit rating •Fraud listing	Requests for supplier registrations were authorized based on the validity of: Tax clearance certificate CK document and share certificate from CIPRO Certified copies of ID Valid banking details Peral verification Fraud listing
Supplier Management and Development		Consultation	14 meetings for GPG, per quarter to consult them on supplier database developments	14 meetings per quarter were held with GPG Departments
Supplier Management and Development		Access	The suppliers use Supplier Management Helpdesk to access information regarding: •Registration Status •Completion of Forms •Updating of Supplier Profiles •Cubicles with Electronic Access	The suppliers use Supplier Management Helpdesk to access information regarding •Registration Status •Completion of Forms •Updating of Supplier Profiles •Cubicles with Electronic Access •Registration Status on Centralized Supplier Database (CSD)

KEY SERVICE	SERVICE BENEFICIARY	DESIRED STANDARD 2015/16		ANNUAL PERFORMANCE 2015/16
Supplier Management and Development	GPG Client Departments and Citizens	Quantity	100% of supplier applications accurately registered in the Supplier database with 12 days from receipt of application form	100% (6832) suppliers registered within 12 days from receipt of application
		Quality	<p>Requests for supplier registrations will be authorized after meeting the following mandatory requirements as contained in the application form:</p> <ul style="list-style-type: none"> Tax clearance certificate CK document and share certificate from CIPRO Certified copies of ID Valid banking details Vetting of suppliers at Helpdesk Electronic verification of the following: <ul style="list-style-type: none"> •Tax clearance certificate •CK document and share certificate from CIPRO •Certified copies of ID •Valid banking details •Conflict of interest through Persal verification •Supplier credit rating •Fraud listing 	<p>Requests for supplier registrations were authorized based on the validity of:</p> <ul style="list-style-type: none"> Tax clearance certificate CK document and share certificate from CIPRO Certified copies of ID Valid banking details Persal verification Fraud listing
		Consultation	14 meetings for GPG, per quarter to consult them on supplier database developments	14 meetings per quarter were held with GPG Departments
		Access	<p>The suppliers use Supplier Management Helpdesk to access information regarding:</p> <ul style="list-style-type: none"> •Registration Status •Completion of Forms •Updating of Supplier Profiles •Cubicles with Electronic Access 	<p>The suppliers use Supplier Management Helpdesk to access information regarding</p> <ul style="list-style-type: none"> •Registration Status •Completion of Forms • Updating of Supplier Profiles •Cubicles with Electronic Access •Registration Status on Centralized Supplier Database (CSD)

KEY SERVICE	SERVICE BENEFICIARY	DESIRED STANDARD 2015/16		ANNUAL PERFORMANCE 2015/16
Supplier Management and Development	GPG Client Departments and Citizens	Courtesy	Conduct an annual customer satisfaction survey with client departments. A quarterly business unit level Customer Satisfaction survey with end-users or client departments (75%)	Annual satisfaction survey not conducted due to unit movement from e-Gov to Treasury.
		Openness and Transparency	The Departments are given access to the SAP system database for procurement purposes	Access was provided from the 2nd quarter to all departments
		Information	The following is published on our website on a weekly basis: Tax Clearance Certificates (TCC's) to expire in 30 Days •B-BBEE Status Expiry •TCC Expiry Classification Information Vendor Number of Supplier registered for the week Quarterly Service Standard reports will be made available to all client departments	The following was published on the website on a weekly basis: •TCC's to expire in 30 Days •B-BBEE Status Expiry •TCC Expiry •Classification Information Quarterly Service Standard reports are made available to all client departments
		Redress	All Supplier management queries, enquiries and compliments are directed to a centralized procurement services email address. SMrequest@gauteng.gov.za All complaints and compliments can also be forwarded to our GPG Premier Hotline. All queries are responded to within 48 hours	Queries were received through SMrequest@gauteng.gov.za and the GPG Premier Hotline. All queries were responded to within 48 hours as part of the GPG Premier Hotline standards
		Value for Money	Management and maintenance of GPG supplier database assists in ensuring database availability of potential service providers that contains accurate and reliable data	Supplier database continuously maintained to ensure accurate and reliable information
		Human Resources	43 employees	43 employees
		Time	12 Months	12 Months
		Cost	As per the finance report	As per the finance report

Our Organisation and Staffing:

Figure 1: Total number of Employees

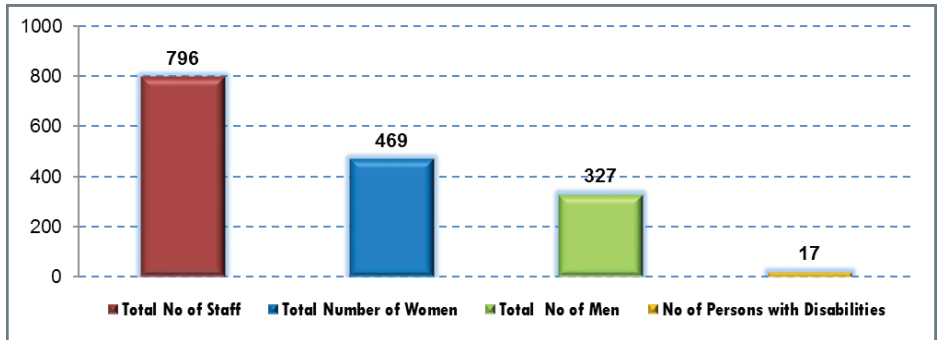
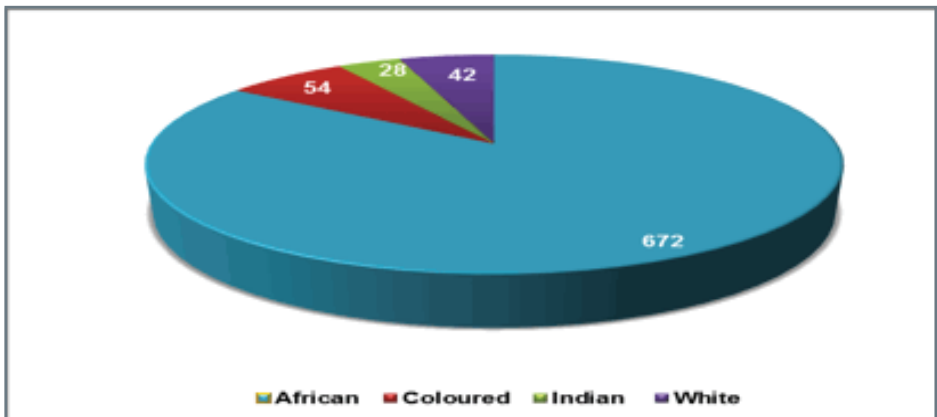


Figure 1 above and Figure 2 below show the total number of staff in the department at 796 employees. A gender breakdown of staff complement shows that there are 469 women in the department, which is 59% of total staff. The department is also keeping up with efforts to recruit persons with disabilities and in that regard, has managed to achieve a level of 2% of total staff.

Figure 2: Total number of employees by ethnic group



Our Budget

Programme expenditure:

Programme Name	2015/2016			2014/2015		
	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	120 853	106 291	14 562	95 152	92 036	3 116
Sustainable Resource Management	194 232	183 041	11 191	121 744	120 584	1 160
Financial Governance	128 746	124 477	4 269	123 727	117 649	6 078
Provincial Supply Chain Management and Movable Assets	61 352	56 456	4 896			
Municipal Financial Governance	32 777	29 995	2 782	28 739	28 525	214
Gauteng Audit Services	71 311	55 724	15 587			
Total	609 271	555 984	53 287	369 362	358 794	10 568

The department expenditure was recorded at R556 million or 91% of the final appropriation. The department's under-spending was recorded at R53 million or 9% of the final appropriation, this was attributed to unfilled vacant posts, as well as delays in the procurement of goods and services.

Unauthorised, fruitless and wasteful expenditure

- The department did not have any unauthorised, fruitless and wasteful expenditure.

Contact Information

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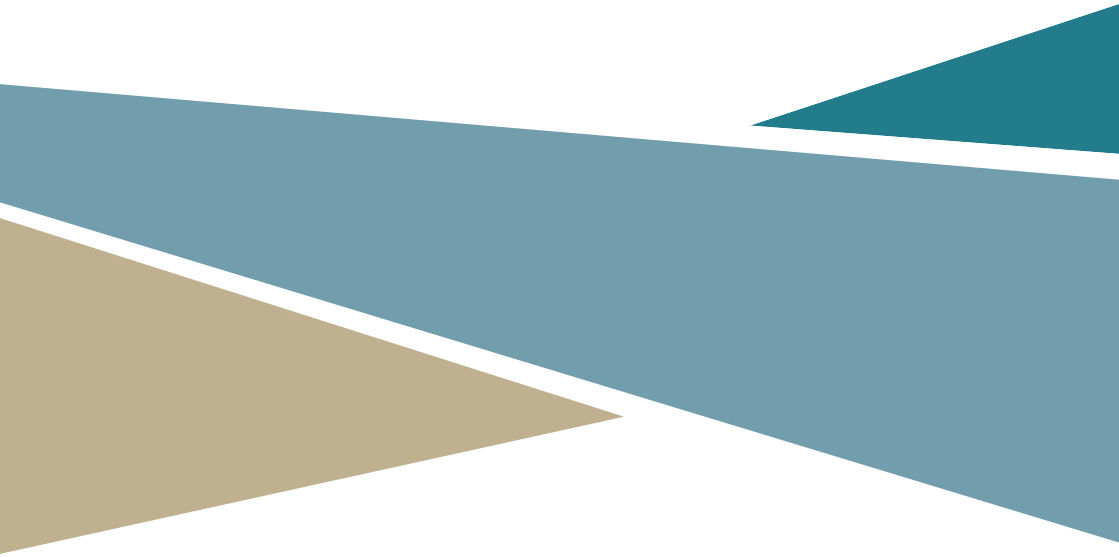
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