



treasury

Department  
Treasury  
PROVINCE OF KWAZULU-NATAL

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## KWAZULU-NATAL PROVINCIAL TREASURY

### ANNUAL REPORT TO CITIZENS DEPARTMENT OF KWAZULU NATAL PROVINCIAL TREASURY

#### REPORT TO CITIZENS: [2016 - 2017]

##### WHO WE ARE

We are the Department of **KZN Provincial Treasury**

**OUR JOB IS TO** ensure equitable resource allocations for the Province of KwaZulu-Natal, analyse and monitor government (provincial and local, including their public entities) revenue and expenditure, and instil prudent financial management and good governance. Furthermore, through robust public policy research, the Provincial Treasury will contribute to the realisation of government policy priorities by ensuring that government interventions in the economy are targeted, efficient, and sustainable and empower our people.

##### WHAT WE DO

Our main services are:

- Mobilisation of funds for the Provincial Government;
- Allocation of funds to provincial departments;
- Preparation of annual and MTEF budgets;
- Province wide cash management;
- Provincial financial management through:
  - Budget monitoring and reporting;
  - Internal audit;
  - Financial accounting;
  - Systems maintenance.
- Advice on procurement policies and procedures in provincial government.

##### WHO IS IN CHARGE

The Honorable MEC for Finance is **Ms BF Scott**

She is an elected politician, who is responsible for directing the Department's activities in line with the National and Provincial Government's policies.

The Head of Department is **Mr Simiso Leslie Magagula**, a public servant, appointed to ensure that the Department implements the MEC's directives and National and Provincial policies efficiently and effectively.

##### OUR STANDARDS - AND HOW WE MET THEM

Our service standards are set in consultation with our customers. These are our service standards, and the results we achieved during 2016-2017:

SERVICES	SERVICE STANDARD	ACHIEVEMENTS FOR 2016/2017
To promote sound cash management practices & improve liquidity in the Province, as well as ensure an enhanced Asset Management Policy Framework and System	<ul style="list-style-type: none"> <li>• Provide quarterly assessment reports to Departments on the status of bank related suspense accounts</li> <li>• Produce monthly reconciled bank recons per Dept</li> <li>• Produce quarterly report on bank withdrawals from Municipal Bank accounts</li> <li>• Conduct quarterly quality training and workshops (tax)</li> </ul>	<ul style="list-style-type: none"> <li>• 100% achieved – 56 assessment reports produced</li> <li>• 100% achieved – 168 reconciled</li> <li>• 100% achieved</li> <li>• 100% achieved</li> </ul>
Provide technical, financial and legal advice in support of all PPP Projects within the Province	<ul style="list-style-type: none"> <li>• Conduct 2 x workshops and seminars to all Provincial Depts and Municipalities</li> <li>• Produce quarterly reports to Mngt and National Treasury – 3 per quarter</li> </ul>	<ul style="list-style-type: none"> <li>• 2 seminars conducted</li> <li>• 12 reports produced</li> </ul>
Support and monitor adherence of state institutions to SCM prescripts	<ul style="list-style-type: none"> <li>• Carry out 10 training information sessions per financial year</li> <li>• Carry out 76 compliance assessments of all Municipalities and Departments</li> <li>• Review and develop 4 x SCM related policies</li> </ul>	<ul style="list-style-type: none"> <li>• 16 sessions delivered – target exceeded</li> <li>• 87 assessments completed – target exceeded</li> <li>• 4 policies reviewed and updated</li> </ul>
To provide Policies in the form of Practice Notes for the Province	<ul style="list-style-type: none"> <li>• Review 7 practice notes/policies per quarter</li> <li>• All Depts assessed and monitored in each quarter</li> </ul>	<ul style="list-style-type: none"> <li>• Exceeded – 123 reviewed</li> <li>• 100% achieved</li> </ul>
Assist Departments and Municipalities in the attainment of a clean audit outcome for the Province	<ul style="list-style-type: none"> <li>• Consolidate AFS and Revenue fund for the entire Province (annually)</li> <li>• AFS support and training of all 16 Departments (annually)</li> <li>• Annual Provincial Audit outcome analysis</li> <li>• Financial Management support and monitoring to 12 public entities</li> <li>• General Financial management support to 10 identified Municipalities</li> </ul>	<ul style="list-style-type: none"> <li>• 100% achieved</li> <li>• 100% achieved</li> <li>• 100% achieved</li> <li>• Underachieved - 7 Public Entities Supported</li> <li>• Target exceeded. 11 municipalities supported</li> </ul>



SERVICES	SERVICE STANDARD	ACHIEVEMENTS FOR 2016/2017
To Provide Provincial Budget Management Services to all Departments.	<ul style="list-style-type: none"> <li>• Complete 15 chapters in MTEC report</li> <li>• Table estimates of Provincial Revenue &amp; Expenditure</li> <li>• Table adjusted estimates of Provincial Revenue &amp; Expenditure</li> <li>• Produce 12 IYM reports – Section 32 reports</li> <li>• Quarterly performance reports for Provincial Departments</li> </ul>	<ul style="list-style-type: none"> <li>▪ 100% achieved</li> <li>• 100% achieved</li> <li>• 100% achieved</li> <li>• 100% achieved</li> <li>• 100% achieved</li> </ul>
To improve revenue generated by the Province	<ul style="list-style-type: none"> <li>▪ Quarterly reports on monitoring of Departmental revenue collection</li> <li>▪ Conduct annual Provincial Revenue Forums</li> <li>• Annual Revenue input into EPRE &amp; OPRE</li> </ul>	<ul style="list-style-type: none"> <li>▪ 100% achieved</li> <li>• 100% achieved</li> <li>• 100% achieved</li> </ul>
To promote effective and optimal financial resource allocation for Provincial Gvt	<ul style="list-style-type: none"> <li>▪ Submit timeous input into the revision &amp; maintenance of DORA</li> <li>▪ Institutionalize framework for the monitoring of provincial public entities</li> </ul>	<ul style="list-style-type: none"> <li>▪ 100% achieved</li> <li>• 100% achieved</li> </ul>
To monitor the budgets of municipalities ensuring sound fiscal management and to monitor and provide technical support to municipalities in financial distress	<ul style="list-style-type: none"> <li>▪ 12 Section 71 (6) reports</li> <li>▪ 4 Section 71(1)7 quarterly budget performance reports</li> <li>▪ 10 municipalities to be supported through the MSP Programme</li> </ul>	<ul style="list-style-type: none"> <li>▪ 100% achieved</li> <li>▪ 100% achieved</li> <li>• Target exceeded. 30 Municipalities supported</li> </ul>
To determine & evaluate economic parameters & socio economic imperatives to inform Provincial and Local resource allocation, and to provide a platform to enhance regional economic growth & development through quality research	<ul style="list-style-type: none"> <li>▪ Produce 4 provincial department economic reports</li> <li>▪ Produce 1 socio economic review &amp; outlook report</li> <li>▪ Produce 9 district socio economic reports</li> <li>▪ Produce 4 economic research reports</li> <li>▪ Annual input into OPRE</li> </ul>	<ul style="list-style-type: none"> <li>▪ 100% achieved</li> <li>▪ 100% achieved</li> <li>▪ 100% achieved</li> <li>• Target exceeded. 5 produced</li> <li>▪ 100% achieved</li> </ul>
To ensure efficient Infrastructure Planning and Management in the Province	<ul style="list-style-type: none"> <li>▪ Completion of Annual Provincial Infrastructure Plan</li> <li>▪ Quarterly Reports on the implementation of IDP in the Province</li> <li>▪ Quarterly reports on Infrastructure budget &amp; delivery plans</li> <li>▪ Quarterly reports on site visits</li> <li>▪ Annual input into OPRE</li> </ul>	<ul style="list-style-type: none"> <li>▪ 100% achieved</li> <li>▪ 100% achieved</li> <li>• 100% achieved</li> <li>• 100% achieved</li> <li>• 100% achieved</li> </ul>

SERVICES	SERVICE STANDARD	ACHIEVEMENTS FOR 2016/2017
To provide an effective and efficient Assurance service iro Internal Auditing to State Institutions within the Province	<ul style="list-style-type: none"> <li>Produce 21 IA operational plans and a 3 year rolling strategic plan.</li> <li>Annual Audit Risk Committee report</li> <li>154 risk based audit reports for 16/17.</li> </ul>	<ul style="list-style-type: none"> <li>Target exceeded 22 reports produced</li> <li>100% achieved</li> <li>Target exceeded 179 reports produced</li> </ul>
To promote good governance within the Province, through effective risk management	<ul style="list-style-type: none"> <li>Conduct 10 Training sessions on governance and risk management</li> <li>Produce 30 bi-annual risk follow up reports to clients</li> <li>Produce 15 risk mngt maturity gap analysis report iro public entities</li> </ul>	<ul style="list-style-type: none"> <li>Target exceeded 64 w/shops conducted</li> <li>Target exceeded 39 reports produced</li> <li>100% achieved</li> </ul>
To promote a culture of zero tolerance to fraud & corruption in the Province	<ul style="list-style-type: none"> <li>Conduct 16 reviews on the status of fraud management in the Departments</li> <li>Perform Forensic Audits as per clients request</li> <li>Quarterly updated registers on Forensic Investigations</li> <li>Conduct 60 follow ups on completed investigations</li> </ul>	<ul style="list-style-type: none"> <li>Target exceeded 20 reviews conducted</li> <li>100% achieved</li> <li>100% achieved</li> <li>Target exceeded 127 follow ups conducted</li> </ul>

**HOW WE INTEND TO IMPROVE SERVICES** Next year we plan to improve our services still further:

Assist Departments and Municipalities in the attainment of a clean audit outcome for the Province	<ul style="list-style-type: none"> <li>Financial Management support and monitoring to 12 public entities</li> </ul>	2017/2018
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## **OUR ORGANISATION AND STAFFING**

We employ **374** staff within the Department

**264 members** are located at Treasury House (Chief Albert Luthuli Street), AND

**90 members** are located at Nomalanga House (Langalabilele Street)

**20 members** are located at Natalia Building (Office of the MEC) (Langalabilele Street)

**The 374 members of staff are categorized in the following race groups:**

Blacks = **294**

Whites = **28**

Indians= **42**

Coloureds = **10**

**205** of our staff are women

We employ **3** persons with disabilities

All **374** of our staff are fully conversant in English. Other languages spoken within the Department are Afrikaans; isiZulu; isiXhoza; Tswana; and Sothu.

## OUR BUDGET

Our budget for 2016/2017 was **R649 404 000,00**. This is how we spent it:

Staff salaries **R256 250 000,00**

Other running costs [equipment, training, etc] **R343 966 000,00**

**TOTAL BUDGET SPENT IN 2016/2017 WAS R631 844 000,00**

For more information please contact **MRS KOGIE CHETTY – DIRECTOR: HRM –**  
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HEAD OF DEPARTMENT  
SIMISO LESLIE MAGAGULA  
29/09/2017