



treasury

Department
Treasury
PROVINCE OF KWAZULU-NATAL

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KWAZULU-NATAL PROVINCIAL TREASURY

ANNUAL REPORT TO CITIZENS DEPARTMENT OF KWA-ZULU NATAL PROVINCIAL TREASURY

REPORT TO CITIZENS: [2018 - 2019]

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 2018-2019:

SERVICES	SERVICE STANDARD	ACHIEVEMENTS FOR 2018/2019
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"> ▪ Provide quarterly assessment reports to Departments on the status of bank related suspense accounts ▪ Produce monthly reconciled bank recons per Dept ▪ Produce quarterly report on bank withdrawals from Municipal Bank accounts ▪ Conduct quarterly quality training and workshops (tax) 	<ul style="list-style-type: none"> ▪ 100% achieved – 56 assessment reports produced ▪ 100% achieved – 168 reconciled ▪ 100% achieved ▪ 100% achieved
Provide technical, financial and legal advice in support of all PPP Projects within the Province	<ul style="list-style-type: none"> ▪ Conduct 2 x workshops and seminars to all Provincial Depts and Municipalities ▪ Produce quarterly reports to Mngt and National Treasury – 3 per quarter ▪ Produce contract mngt reports on closed deals – 3 per quarter 	<ul style="list-style-type: none"> ▪ 3 seminars conducted – target exceeded ▪ 12 reports produced ▪ 12 reports produced
Support and monitor adherence of state institutions to SCM prescripts	<ul style="list-style-type: none"> ▪ Carry out 12 training information sessions per financial year ▪ Carry out 76 compliance assessments of all Municipalities and Departments ▪ Review and develop 4 x SCM related policies ▪ Carry out 130 contract management reviews 	<ul style="list-style-type: none"> ▪ 38 sessions delivered – target exceeded ▪ 90 assessments completed – target exceeded ▪ 8 policies reviewed and updated – target exceeded ▪ 100% achieved
To provide Policies in the form of Practice Notes for the Province	<ul style="list-style-type: none"> ▪ Review 2 practice notes per quarter ▪ Review 5 policies per quarter ▪ All Depts assessed and monitored in each quarter 	<ul style="list-style-type: none"> ▪ 8 instruction notes ▪ 25 policies reviewed – target exceeded ▪ 14 Depts assessed in each Quarter
Assist Departments and Municipalities in the attainment of a clean audit outcome for the Province	<ul style="list-style-type: none"> ▪ Timeous tabling of Consolidate AFS of Provincial Depts to Legislature. (annually) ▪ Timeous tabling of Consolidate AFS of Public Entities to Legislature. (annually) ▪ Intensive onsite Financial Management support to 6 municipalities every quarter ▪ Pre-audit review of AFS in 7 x Public Entities ▪ Pre-audit assessment reports in 4 x municipalities 	<ul style="list-style-type: none"> ▪ 100% achieved ▪ 100% achieved ▪ Over achieved – 10 municipalities supported per/quarter ▪ 100% achieved ▪ Target exceeded. Pre-audit assessment carried out in 12 municipalities.

SERVICES	SERVICE STANDARD	ACHIEVEMENTS FOR 2018/2019
To Provide Provincial Budget Management Services to all Departments.	<ul style="list-style-type: none"> ▪ Complete 15 chapters in MTEC report ▪ Table estimates of Provincial Revenue & Expenditure ▪ Table adjusted estimates of Provincial Revenue & Expenditure ▪ Produce 12 IYM reports – Section 32 reports ▪ Quarterly performance reports for Provincial Departments 	<ul style="list-style-type: none"> ▪ 100% achieved ▪ 100% achieved ▪ 100% achieved ▪ 100% achieved ▪ 100% achieved
To improve revenue generated by the Province	<ul style="list-style-type: none"> ▪ Quarterly reports on monitoring of Departmental revenue collection ▪ Conduct annual Provincial Revenue Forums ▪ Annual Revenue input into EPRE & OPRE 	<ul style="list-style-type: none"> ▪ 100% achieved ▪ 100% achieved ▪ 100% achieved
To promote effective and optimal financial resource allocation for Provincial Gvt	<ul style="list-style-type: none"> ▪ Submit timeous input into the revision & maintenance of DORA ▪ Institutionalize framework for the monitoring of provincial public entities 	<ul style="list-style-type: none"> ▪ 100% achieved ▪ 100% achieved
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"> ▪ 12 Section 71 (6) reports ▪ 4 Section 71(1)7 quarterly budget performance reports ▪ 10 municipalities to be supported through the MSP Programme 	<ul style="list-style-type: none"> ▪ 100% achieved ▪ 100% achieved ▪ Target exceeded. 22 Municipalities supported
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"> ▪ Produce 4 provincial department economic reports ▪ Produce 1 socio economic review & outlook report ▪ Produce 9 district socio economic reports ▪ Produce 4 economic research reports ▪ Annual input into EPRE 	<ul style="list-style-type: none"> ▪ 100% achieved ▪ 100% achieved ▪ 100% achieved ▪ Target exceeded. 5 produced ▪ 100% achieved
To ensure efficient Infrastructure Planning and Management in the Province	<ul style="list-style-type: none"> ▪ Annual assessment reports on User Asset Mngt plans & Infrastructure Prog Mngt Plan ▪ Quarterly Reports on the implementation of IDMS in the Province ▪ Quarterly reports on Infrastructure budget & delivery plans ▪ Quarterly reports on site visits ▪ Annual input into EPRE 	<ul style="list-style-type: none"> ▪ 100% achieved ▪ 100% achieved ▪ 100% achieved ▪ 100% achieved ▪ 100% achieved

SERVICES	SERVICE STANDARD	ACHIEVEMENTS FOR 2018/2019
To provide an effective and efficient Assurance service in Internal Auditing to State Institutions within the Province	<ul style="list-style-type: none"> ▪ Produce 14 Internal Audit operational plans and a 3 year rolling strategic plan. ▪ Annual Audit Risk Committee report ▪ Produce 148 risk based audit reports for 18/19. 	<ul style="list-style-type: none"> ▪ Target underachieved - 12 reports produced ▪ 100% achieved ▪ Target underachieved - 134 reports produced
To promote good governance within the Province, through effective risk management	<ul style="list-style-type: none"> ▪ Conduct 20 Training sessions on governance and risk management ▪ Conduct 50 risk assessments for Departments ▪ Conduct 20 risk assessments for Municipalities ▪ Produce 30 risk maturity review reports ▪ Conduct 30 reviews on OHS and BCM ▪ Conduct 1 x risk forum per quarter 	<ul style="list-style-type: none"> ▪ Target exceeded - 29 w/shops conducted ▪ Target exceeded – 53 assessments conducted ▪ Target exceeded – 24 assessments conducted ▪ 100% achieved ▪ 100% achieved ▪ Target exceeded – 5 forums held
To promote a culture of zero tolerance to fraud & corruption in the Province	<ul style="list-style-type: none"> ▪ Issue 32 Forensic Audit reports ▪ Quarterly updated registers on Forensic Investigations ▪ Conduct 60 follow ups on completed investigations 	<ul style="list-style-type: none"> ▪ Target exceeded – 58 reports produced ▪ 100% achieved ▪ 100% achieved

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

<ul style="list-style-type: none"> ▪ Produce 14 Internal Audit operational plans and a 3 year rolling strategic plan. ▪ Produce 148 risk based audit reports for 18/19. 	<ul style="list-style-type: none"> ▪ These targets were underachieved in 18/19 due to capacity constraints within the Unit. Additional contract capacity has been employed which will assist the Department to meet its planned outputs relating to Assurance Services 	2019/2020
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OUR ORGANISATION AND STAFFING

We employ **377 permanent** staff within the Department, and 163 contract staff which is inclusive of our Youth development programs. In respect of the permanent staff, **241 members** are located at Treasury House (Chief Albert Luthuli Street), AND **114 members** are located at Nomalanga House (Langalabilele Street) **22 members** are located at Natalia Building (Office of the MEC) (Langalabilele Street)

The 377 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; isiXhosa; Tswana; and Sotho.

OUR BUDGET

Our budget for 2018/2019 was **R681 900 000,00**. This is how we spent it:

Staff salaries **R299 644 000,00**

Other running costs [equipment, training, etc] **R331 826 000,00**

TOTAL BUDGET SPENT IN 2018/2019 WAS R657 620 000,00

For more information please contact **MRS KOGIE CHETTY – DIRECTOR: HRM – 0338974399 / 0825183596 / kogie.chetty@kzntreasury.gov.za**



HEAD OF DEPARTMENT

SIMISO MAGAGULA

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