



GAUTENG PROVINCE

TREASURY
REPUBLIC OF SOUTH AFRICA

Adv. M. Maloka
Secretary to the Legislature
Gauteng Provincial Legislature
Cnr President and Loveday Streets
Johannesburg
2000

Dear Adv. M. Maloka,

5. FN027: Regarding funds surrendered by GPG departments for the 2024/25 financial year, could the MEC please indicate:

Question 1

What is the total under-expenditure for the 2024/25 financial year? Provide a breakdown per department?

Answer:

Gauteng Department	Appropriation		Actual to end of Mar R'000'	Percentage %	Balance R'000'	Outcome R'000'
	Main 2024/25 R'000'	Adjusted 2024/25 R'000'				
GDE	65 842 939	66 142 939	65 825 584	100%	317 355	317 355
GDoH	64 837 043	66 017 675	65 293 028	99%	724 647	724 647
DSD	5 466 262	5 810 376	5 707 398	98%	102 978	102 978
OOP	671 534	807 066	806 558	100%	508	508
GPL	844 925	898 590	841 236	94%	57 354	57 354
DED	1 760 170	1 776 465	1 749 183	98%	27 282	27 282
CoGTA	1 016 812	1 016 812	953 033	94%	63 779	63 779
GDHS	5 767 478	5 641 565	5 349 514	95%	292 051	292 051
DRT	9 433 562	9 813 401	9 776 965	100%	36 436	36 436
DCS	2 330 550	2 567 149	2 480 963	97%	86 186	86 186
GDARD	1 035 140	1 106 429	1 048 068	95%	58 361	58 361
SACR	1 090 000	1 117 006	1 057 511	95%	59 495	59 495
E-Gov	1 677 914	1 830 723	1 760 605	96%	70 118	70 118
GPT	816 980	811 718	787 407	97%	24 311	24 311
DID	3 221 480	3 405 823	3 404 612	100%	1 211	1 211
Total	165 812 789	168 763 737	166 841 665	99%	1 922 072	1 922 072

The total under-expenditure for the 2024/25 financial year was R1.922 billion or 99 per cent of the allocated budget of R168.763 billion, disaggregated as follows:

- Gauteng Department of Education total under-expenditure amounted to R317.3 million
- Gauteng Department of Health total under-expenditure amounted to R724.6 million
- Gauteng Department of Social Development total under-expenditure amounted to R102.9 million
- Gauteng Office of the Premier total under-expenditure amounted to R508 thousand
- Gauteng Provincial Legislature total under-expenditure amounted to R57.3 million.
- Gauteng Department of Economic Development total under-expenditure amounted to R27.2 million
- Gauteng Department of Cooperative Governance and Traditional Affairs total under-expenditure amounted to R63.7 million.
- Gauteng Department of Human Settlements total under-expenditure amounted to R292.0 million.
- Gauteng Department of Roads and Transport total under-expenditure amounted to R36.4 million.
- Gauteng Department of Community Safety total under-expenditure amounted to R86.1 million.
- Gauteng Department of Agriculture, Rural Development and Environment total under-expenditure amounted to R58.3 million.
- Gauteng Department of Sport, Arts, Culture and Recreation total under-expenditure amounted to R59.4 million.
- Gauteng Department of e-Government total under-expenditure amounted to R70.1 million.
- Gauteng Provincial Treasury total under-expenditure amounted to R24.3 million.
- Gauteng Department of Infrastructure Development total under-expenditure amounted to R1.2 million.

Question 2

Which departments surrendered unspent funds to the Provincial Revenue Fund (PRF) and/or to National Treasury during the 2024/25 financial year?

Answer:

The underspending is split into two parts - conditional grants and equitable share. The conditional grants are the funds provided by national government for concurrent functions and if there is underspending the funds must be surrendered to the National Revenue Fund (NRF).

The total underspending on conditional grants amounted to R381.5 million of which R295.7million has been approved provisionally as rollover back to the province. This means that Gauteng Provincial Government will surrender R85.8million to the NRF.

The breakdown per department of unspent conditional grants is as follows:

- Gauteng Department of Education (GDE) total under-expenditure amounted 21.1 million, of which National Treasury has approved a rollover of R20.363 million. GDE will surrender R724 Thousand to the National Treasury.
- Gauteng Department of Health total under-expenditure amounted to R280.3 million of which R261.1 million has been provisionally approved by National Treasury. As a result, Gauteng Department of Health will surrender R19.2 million to the National Treasury
- Gauteng Department of Cooperative Governance and Traditional Affairs total under-expenditure amounted to R600 Thousand and the amount will be surrendered to the National Treasury.
- Gauteng Department of Human Settlements total under-expenditure amounted to R8.1 million. The amount will be surrendered to the National Treasury.
- Gauteng Department of Roads and Transport total under-expenditure amounted to R3.9 million. This amount will be surrendered to the National Treasury.
- Gauteng Department of Community Safety total under-expenditure amounted to R46 thousand.
- Gauteng Department of Agriculture, Rural Development and Environment total under-expenditure amounted to R51.089 million of which R12.8 million has been provisionally approved for rollover by the National Treasury. As a result, R38.3 million will be returned to National Treasury.
- Gauteng Department of Sport, Arts, Culture and Recreation total under-expenditure amounted to R16.3 million of which R1.4 million has been approved provisionally for Rollover. As a result, R14.9 million will be surrendered back to the National Treasury

The under spending in the Equitable share allocation is surrendered to the Provincial Revenue Fund (PRF). The total PRF underspending amounted to R1.3 billion

- Gauteng Department of Education total under-expenditure amounted to R296.3 million of which R90.9 million has been approved for rollover and R205.3 will be surrendered to the PRF.
- Gauteng Department of Health total under-expenditure amounted to R444.333 million of which R33 Thousand was approved as a rollover, an amount of R444.3 million has will be returned to the PRF.
- Gauteng Department of Social Development total under-expenditure amounted to R102.9 million of which R26.3 million has been approved for a rollover. As a result, R76.7 million will be surrendered to the PRF.
- Gauteng Office of the Premier total under-expenditure amounted to R508 thousand, and the amount will be surrendered to the PRF.

- Gauteng Department of Economic Development total under-expenditure amounted to R27.3 million of which R8.2 million has been approved as a rollover while R19.1 million will be surrendered to the PRF.
- Gauteng Department of Cooperative Governance and Traditional Affairs total under-expenditure amounted to R63.2 million of which R29.4 million has been approved as a rollover while R33.7 million will be surrendered to the PRF.
- Gauteng Department of Human Settlements total under-expenditure amounted to R283.9 million and the amount will be surrendered to the PRF.
- Gauteng Department of Roads and Transport total under-expenditure amounted to R32.4 million and the amount will be surrendered to the PRF.
- Gauteng Department of Community Safety total under-expenditure amounted to 86.1 million of which R44.7 million has been approved for a rollover and R41.5 million will be surrendered to the PRF.
- Gauteng Department of Agriculture, Rural Development and Environment total under-expenditure amounted to R7.2 million and the funds will be surrendered to the PRF.
- Gauteng Department of Sport, Arts, Culture and Recreation total under-expenditure amounted R43.2 million of which R11.9 million has been approved for a rollover and R31.2 million will be surrendered to the PRF.
- Gauteng Department of e-Government total under-expenditure amounted to R70.1 million and the amount will be surrendered to the PRF.
- Gauteng Provincial Treasury total under-expenditure amounted to R24.3 million and the amount will be surrendered to the PRF.
- Gauteng Department of Infrastructure Development total under-expenditure amounted to R1.2 million and the funds will be surrendered to the PRF.

Question 3

What was the total amount surrendered by each department? Please provide a breakdown per department;

Answer:

Refer to (ii) above

Question 4

What were the main reasons cited for the under-expenditure that resulted in funds being surrendered?

Answer:

The main reasons cited for the under-expenditure that resulted in funds being surrendered are as follows:

- Gauteng Department of Education total under-expenditure was due to unpaid ICT invoices, delays in the delivery of books in the last quarter, slow progress in the implementation of 18 Early childhood centres and delays in procurement of furniture due to nonexistence of space and delays of invoices by external examination.
- Gauteng Department of Health total under-expenditure was due to delays in the completion of projects and submission of invoices by contractors and the delivery of machinery and equipment.
- Gauteng Department of Social Development total under-expenditure was due to delays in the implementation of the Victim empowerment and substance abuse programme and the finalisation of the tender for food parcels
- Gauteng Office of the Premier total under-expenditure was due to delays in forensic investigation as billing is based on existing case progress.
- Gauteng Provincial Legislature does not surrender funds to the PRF.
- Gauteng Department of Economic Development total under-expenditure was due to vacant positions.
- Gauteng Department of Cooperative Governance and Traditional Affairs total under-expenditure was due to delays in the completion of the work done by City Power under the energy project funds.
- Gauteng Department of Human Settlements total under-expenditure was due to late submission of invoices and unfilled posts of the new structure.
- Gauteng Department of Roads and Transport total under-expenditure was due to minimisation of GG vehicles.
- Gauteng Department of Community Safety total under-expenditure was due to freezing of vacant posts as per the DPSA directive.
- Gauteng Department of Agriculture, Rural Development and Environment total under-expenditure was due to reprioritisation made to cover stipends for the EPWP green army participants.
- Gauteng Department of Sport, Arts, Culture and Recreation total under-expenditure was due to slow implementation of departmental programmes.
- Gauteng Department of e-Government total under-expenditure was due to delays in filling vacant posts and non-payment of invoices.
- Gauteng Provincial Treasury total under-expenditure amounted was due to commitments that did not realise expenditure

- Gauteng Department of Infrastructure Development total under-expenditure was due to delays in the payment of invoices.

Question 5

How much was approved for roll-over? Please provide a breakdown per department.

Answer:

Conditional grants rollover approval by National Treasury amounted to R295.6 million.

Equitable share rollover approval amounted to R211.5 million

Department	2024/25 Adjusted Budget	Expenditure	Balance	Underspending, of which:		ES Cash Available	Rollover Request		Rollover Recommendations	
				Conditio nal Grant	Equitable Share		Conditio nal grant	Equitable Share	Conditio nal grant	Equitable Share
R'000										
Vote 1: OoP	807 066	806 558	508	-	508				-	-
Vote 2: GPL	898 590	841 236	57 354	-	57 354				-	-
Vote 3: DED	1 776 465	1 749 183	27 282	-	27 282	21 670		21 937	-	8 209
Vote 4: GDoH	66 017 675	65 293 028	724 647	280 314	444 333	695 710	265 992	101 315	261 147	33
Vote 5: GDE	66 142 939	65 825 584	317 355	21 087	296 268	111 290	20 363	280 800	20 363	90 927
Vote 6: DSD	5 810 376	5 707 398	102 978	-	102 978	97 990	-	26 277	-	26 277
Vote 7: CoGTA	1 016 812	953 033	63 779	600	63 179	63 880		61 616	-	29 422
Vote 8: DHS	5 641 565	5 349 514	292 051	8 083	283 968		7 815		-	-
Vote 9: DRT	9 813 401	9 776 965	36 436	3 967	32 469	79 660			-	-
Vote 10: DCS	2 567 149	2 480 963	86 186	46	86 140	61 910	-	44 675	-	44 675
Vote 11: GDARD	1 106 429	1 048 068	58 361	51 089	7 272	35 260	12 779	-	12 779	-
Vote 12: SACR	1 117 006	1 057 511	59 495	16 324	43 171	57 550	1 918	23 464	1 376	11 924
Vote 13: e-Gov	1 830 723	1 760 605	70 118	-	70 118	15 400			-	-
Vote 14: GPT	811 718	787 407	24 311	-	24 311	13 710			-	-
Vote 15: DID	3 405 823	3 404 612	1 211	-	1 211	4 550			-	-
Total	168 763 737	166 841 665	1 922 072	381 510	1 540 562	1 258 580	308 867	560 084	295 665	211

Question 6

How much in unspent conditional grants was surrendered to National Departments.

Please provide a breakdown per department.

Answer:

The unspent conditional grants surrendered to National Departments amounts to R85.8 million, of which:

- Gauteng Department of Education - R724 thousand
- Gauteng Department of Health - R19.1 million
- Gauteng Department of Cooperative Governance and Traditional Affairs - R600 thousand.
- Gauteng Department of Human Settlements - R8.0 million.
- Gauteng Department of Roads and Transport total - R3.9 million.
- Gauteng Department of Community Safety - R46 thousand.
- Gauteng Department of Agriculture, Rural Development and Environment - R38.3 million.
- Gauteng Department of Sport, Arts, Culture and Recreation - R14.9 million.

Question 7

What other surrenders were received by the Provincial Revenue Fund in the 2024/25 financial year. Please indicate entity and amount; and

Answer:

WORKING PAPER 3B

STATEMENT OF OTHER SURRENDERS

	2024/25
	Amount Surrendered
Name of Department	R'000
Unspent funds: Sedibeng District Municipality	1 838
Unspent funds: West Rand District Municipality	734
Unspent funds: City of Johannesburg	1 597
Unspent funds: Emfuleni Local Municipality	593
Unspent funds: Emfuleni Local Municipality	1 025
Unspent funds: City of Johannesburg	7 349
Unspent funds: Legislature retained income	366 564
Unspent funds: Liquor Board	10 817
Unspent funds: SAP	72 003
Unspent funds: West Rand District Municipality	2 589
Unspent funds: Merafong Library	3 813
Unspent funds: City of Johannesburg	2 929
Unspent funds: Liquor Board	15 630
Unspent funds: Liquor Board	5 446
Unspent funds: City of Tshwane	4 834
unspent finds : Liquor Board	13 921
Unspent Sedibeng District Municipality	6 050
Unspent funds : Lesedi Municipality	14 163
Unspent funds: Gauteng Liquor Board	35 930
Unspent funds: Gauteng Liquor Board	22 842
Unspent funds: Liquor Board	-
Unspent funds: Mogale City Local municipality	-
Unspent funds: Liquor Board	-
Unspent funds: Gauteng Enterprise Propeller	-
Unspent funds: City of Ekurhuleni	-
Unspent funds: Liquor Board	-
Unspent funds: Gauteng Growth and Development Agency	-
Unspent funds: Liquor Board	-
Unspent funds: Liquor Board	-
Unspent voted: Dinokeng Trading Entity	-
Unspent funds: City of Tshwane	-
Unspent funds: City of Johannesburg	-
	-
Total	590 667

The retention of surplus for 2024/25 financial year is still underway. The submission date for requests of retention of surplus was 15th September.

Question 8

What measures has the Gauteng Provincial Treasury put in place to prevent persistent under-expenditure and future surrendering of funds?

Answer:

Gauteng Provincial Treasury is implementing several measures to address the persistent underspending and surrendering of funds by Gauteng Provincial Government departments, including, inter alia:

1. **Enhanced Monitoring and Evaluation:** The Treasury is strengthening its monitoring and evaluation processes to ensure that departments are on track with their spending plans and can identify potential underspending issues early on.
2. **Capacity Building:** There is a focus on building the capacity of departmental staff through training and development programme, to enhance their financial management skills and ensure they can effectively manage and utilise allocated funds.
3. **Regular Reporting:** Departments are required to provide regular reports on their spending progress through the In-Year Monitoring (IYM) tool and those outlined in Conditional Grant frameworks, which assists in instituting timely interventions if any issues of concern are identified.
4. **Support and Guidance:** Gauteng Provincial Treasury provides support and guidance to departments that are struggling with spending their budgets, such as technical assistance and best practices for financial management.

This has resulted in more efficient use of resources and fewer instances of funds being returned unspent.

Yours sincerely.



MR LEBOGANG MAILE (MPL)

MEC FOR FINANCE AND ECONOMIC DEVELOPMENT

DATE: 31/10/2025