



GAUTENG
LEGISLATURE

Your View — Our Vision

“Following up on our commitment
to the people of Gauteng”



PUBLIC PARTICIPATION



OVERSIGHT

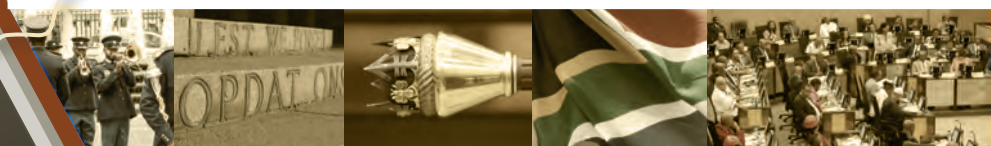


LAW-MAKING



CO-OPERATIVE GOVERNANCE

ANNUAL REPORT 2016/17



GAUTENG PROVINCIAL LEGISLATURE

Meaningful Involvement
by the People

Responsive Laws

Coherent Legislative
Sector


Public Confidence in
Governance





ANNUAL REPORT 2016/17

*“Following up on our commitment
to the people of Gauteng”*



The Gauteng Provincial Legislature (GPL)
is the parliament of the people of Gauteng.
The GPL has the constitutional mandates
of law-making, oversight and scrutiny,
public participation and cooperative governance.

The GPL therefore makes laws that address the
specific needs of Gauteng, conducts oversight
over Gauteng Provincial Departments to
support the improvement of service delivery,
conducts public participation interventions
to ensure public involvement in the
GPL business processes and promotes
cooperative governance for coherent
decision-making across spheres of
government.



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*“Following up on our commitment
to the people of Gauteng”*

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“Following up on our commitment
to the people of Gauteng”

PART A



LEGISLATIVE INFORMATION



ACRONYMS

AFS.....	Annual Financial Statements	LGBTI.....	Lesbian, Gay, Bisexual, Transgender and Intersexual
AGSA.....	The Auditor-General of South Africa	LoGB.....	Leader of Government Business
APPs.....	Annual Performance Plans	LR.....	Labour Relations
ARC.....	Audit and Risk Committee	LSA.....	Legislature Service Act
ATCR.....	Announcements, Tabling and Committee Reports	LSB.....	Legislature Services Board
AV.....	Audio Visual	LSS.....	Legislative Sector Support
BBBEE.....	Broad-Based Black Economic Empowerment	M&E.....	Monitoring and Evaluation
BEE.....	Black Economic Empowerment	MAC.....	Members Affairs Committee
BSC.....	Balanced Scorecard	MAD.....	Members Affairs Directorate
CBO.....	Community Based Organisation	MECs.....	Members of Executive Councils
CCTV.....	Closed Circuit Television	MPL.....	Member of the Provincial Legislature
CFO.....	Chief Financial Officer	MPAC.....	Municipal Public Accounts Committee
CI.....	Constitutional Imperatives	MTEF.....	Medium-Term Expenditure Framework
CIO.....	Chief Information Officer	MSS.....	Management Self-Service
CoC.....	Chairperson of Committees	NACH.....	National Anti-Corruption Hotline
COSO.....	The Committees of Sponsoring Organisations of the Treadway Commission	NCOP.....	National Council of Provinces
COVAC.....	Committees Oversight and Accountability Framework	NCSL.....	National Conference of State Legislatures
CPOF.....	Capital Projects Oversight Forum	NEHAWU.....	National Education Health and Allied Workers Union
CPA.....	The Commonwealth Parliamentary Association	NIA.....	National Intelligence Agency
CPC.....	Commonwealth Parliamentary Conference	NICSA.....	National Interfaith Council of South Africa
CPS.....	Centre for Policy Studies	PGO.....	Project Governance Office
CRC.....	Citizen Responsibility Campaign	PI.....	Performance Information
CRM.....	Customer Relations Management	POs.....	Presiding Officers
CSOs.....	Civil Society Organisations	PPF.....	Public Participation Forum
CSS.....	Corporate Support Services	PPP.....	Public Participation and Petitions
CSSL.....	Committee on the Scrutiny of Subordinate Legislation	PSC.....	Public Service Commission
CSU.....	Committee Support Unit	PSOM.....	Public Service Oversight Model
Dep. CoC.....	Deputy Chairperson of Committees	PSTN.....	Public Switched Telephone Network
DMS.....	Document Management System	RIF.....	Register of Interest Forms
EAP.....	Employee Assistance Programme	RMC.....	Risk Management Committee
ECC.....	Events Coordinating Committee	SADC.....	Southern African Development Community
ED.....	Executive Director	SAHRA.....	South African Heritage Resources Agency
EEA.....	Employment Equity Act	SALSA.....	Secretaries Association of Legislatures in South Africa
EEF.....	Employment Equity Forum	SANGONET.....	South African Non-Governmental Organisation Network
EFT.....	Electronic Funds Transfer	SAP.....	Systems Applications Processes
EMS.....	Emergency Medical Services	SALS.....	South African Legislative Sector
ERP.....	Enterprise Resource Planning	SAPS.....	South African Police Services
EU.....	European Union	SCOPA.....	Standing Committee on Public Accounts
EULSP.....	European Union Legislature Services Programme	SDA.....	Skills Development Act
FMPPLA.....	Financial Management of Parliament and Provincial Legislatures Act	SETA.....	Sector Education and Training Authority
FIS.....	Focused Intervention Studies	SLA.....	Service Level Agreement
FPC.....	Fraud Prevention Committee	SLIS.....	Special Libraries and Information Sector
GPG.....	Gauteng Provincial Government	SMMEs.....	Small, Medium and Micro-sized Enterprises
GPL.....	Gauteng Provincial Legislature	SMS.....	Senior Management Services
GRAP.....	Generally Recognised Accounting Practice	TMALI.....	Thabo Mbeki African Leadership Institute
GSF.....	Gauteng Speakers Forum	UJ.....	University of Johannesburg
King III Report.....	King III Code of Corporate Practices and Conduct	UNISA.....	University of South Africa
LAC.....	Legislature Adjudication Council	VoIP.....	Voice over Internet Protocol
LAC.....	Legislature Acquisitions Council	Wits.....	University of Witwatersrand

YOUR VIEW ~ OUR VISION

The Gauteng Provincial Legislature (GPL) was established in 1994 in terms of the 1993 Interim Constitution of the Republic of South Africa. The legislature now exists in terms of section 108 of the 1996 Constitution of the Republic of South Africa (the Constitution). The GPL is an autonomous institution, empowered by the Constitution to make laws, oversee the performance of the Gauteng Provincial Government, promote cooperative governance and carry out public participation for the electorate of the Gauteng Province. Since its establishment, the GPL has focused its energies on building an institution that gives effect to its constitutional mandate. This has not been a static process. Increasingly, the GPL had to gear itself up to respond to broader developments within the national and provincial environment.

The GPL is located in a province characterised by a rapid process of transition, growth and development. South Africa's second decade of democracy has brought with it high expectations from the people of Gauteng, that the vision of a "better life for all" will become a reality. In this context, there is an increasing expectation that government should deliver on its promises through effective governance and efficient service delivery. In line with this expectation, it is the strategic choice of the GPL to be more visible and active in its role as the voice of the people. The GPL has chosen to assert its role as a key institution of democracy.

To achieve this, it has to, amongst other tasks:

- » deliver on its constitutional mandate;
- » position itself as the voice of the people;
- » ensure that the public understands its roles and functions;
- » harness, coordinate and motivate its internal resources; and
- » report and communicate its achievements to the people of Gauteng.

In view of the above, the GPL has accelerated its political mandate of mobilising social forces around public participation, whilst also transforming itself into an agent of change, and representing a democratic institution ready to discharge its key role in social transformation. This was achieved by encouraging public participation in the core activities of the GPL, thus soliciting the views of the electorate and ultimately converting this vision into reality.

Vision Statement

A modern and transformative legislature that fosters public pride and confidence in democracy and enhances service delivery to the people of Gauteng.

Mission Statement

In observing its constitutional obligations, the GPL:

- » is a modern and dynamic African Legislature of the 21st Century;
- » is a caring, responsive, activist and transformative legislature;
- » reflects the values, aspirations and cultures of the South African people;
- » is the most competent, accessible, transparent and accountable legislature;
- » fosters ethical and good governance;
- » attracts, develops and retains skilled and professional staff;
- » recognises staff contributions, rewards their achievements and provides a stimulating environment.

Values

We believe and strive for:

Moral integrity: Being honourable and following ethical principles.

Goal orientation: Working diligently to achieve results.

Teamwork: Being cooperative and working well with others.

Courtesy: Being polite and having respect for individual dignity.

Development: Encouraging the achievement of personal growth, learning and development.

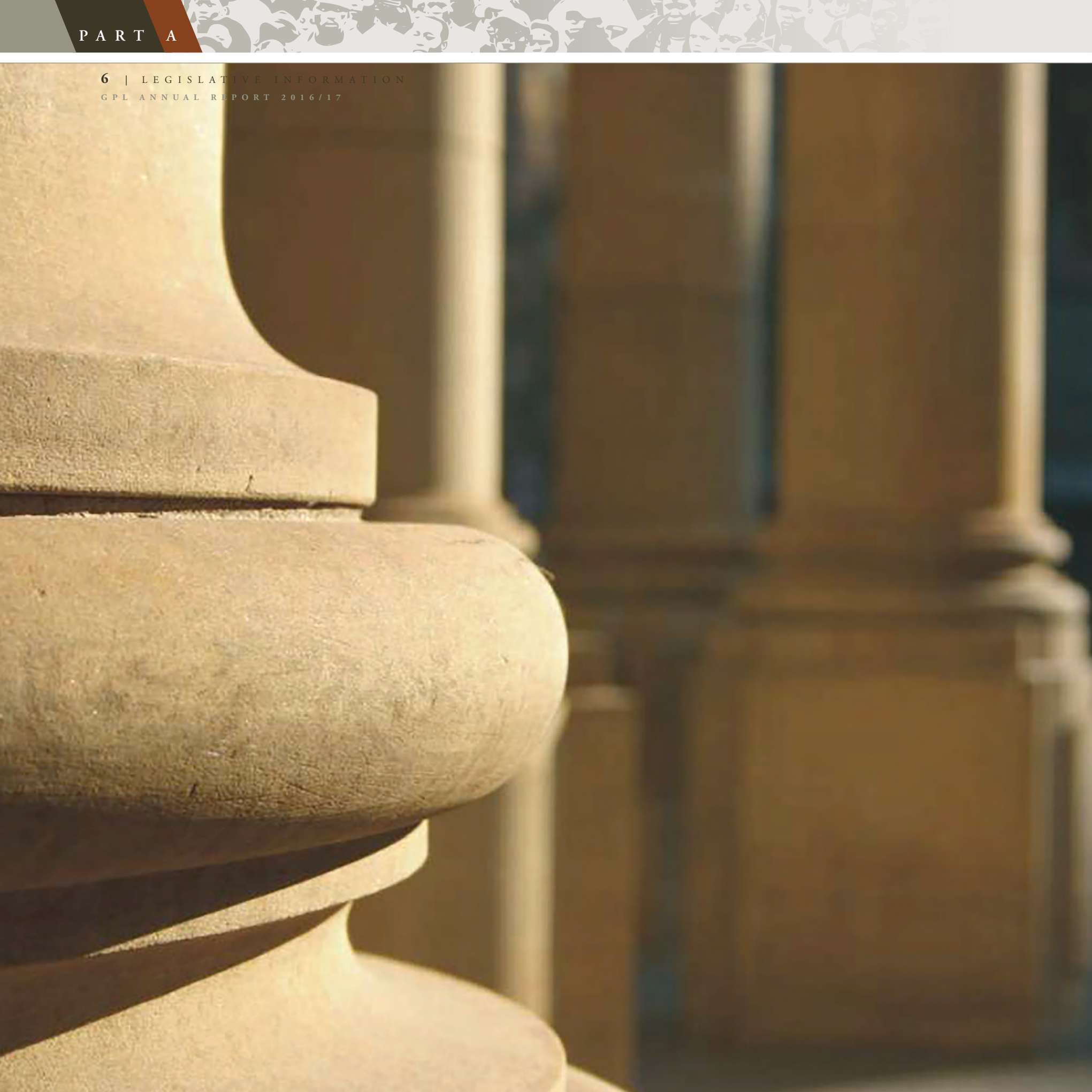
Economy: Using public resources economically, effectively and efficiently.

Excellence: Continuous improvement in performance and standards.

Transparency: Openness and accountability, i.e. being sincere and candid in discussions.

Participation: Fostering popular involvement in decision-making processes.

Social equity: Promoting non-racialism, non-sexism, gender equality and respect for religious and cultural diversity.



PREAMBLE TO THE CONSTITUTION

*“We, the people of South Africa,
Recognise the injustices of our past;
Honour those who suffered for justice and freedom in our land;
Respect those who have worked to build and develop our country; and
Believe that South Africa belongs to all who live in it, united in our diversity.
We therefore, through our freely elected representatives, adopt this Constitution as the supreme law of the Republic so as to -*

*Heal the divisions of the past and establish a society based on democratic values, social justice and fundamental human rights;
Lay the foundations for a democratic and open society in which government is based on the will of the people and every citizen is
equally protected by law;*

*Improve the quality of life of all citizens and free the potential of each person; and
Build a united and democratic South Africa able to take its rightful place as a sovereign state in the family of nations.*

*May God protect our people.
Nkosi sikelel' i-Afrika. Morena boloka setjhaba sa heso.
God seën Suid-Afrika. God bless South Africa.
Mudzimu fhatutshedza Afurika. Hosi katekisa Afrika.”*

“Following up on our commitment
to the people of Gauteng”

PART B

SECTION I/II/III





GAUTENG
LEGISLATURE
Your View ~ Our Vision

THE YEAR UNDER REVIEW



FOREWORD BY THE SPEAKER



HON. L N MEKGWE
Speaker Of The Gauteng Legislature

It is indeed an honour and privilege to introduce the Annual Report of the Gauteng Provincial Legislature (GPL) for the 2016/17 Financial Year to the people of Gauteng. This annual report provides a detailed account of our achievements during the year under review, in the implementation of the GPL Five-Year Strategic Plan for 2014 - 2019. We present the report during the year when the South African Nation is celebrating 23 years of freedom and democracy. To this end, the report becomes an important yardstick to measure the progress we have registered as a nation to build a non-racial, non-sexist, prosperous and democratic society. This is, in particular, with respect to the role of the legislature as a custodian of democratic governance and representation in the province.

The annual report is presented during the year when we have witnessed the Fees Must Fall student protests. While we fully support the right to peaceful protest for just causes, we have during the year and continue to condemn in the strongest terms the destruction of property and injury caused as a result of such protests. Destruction of education infrastructure and facilities jeopardizes and compromises the greater education infrastructure. Any analysis of the year 2016/17 cannot be complete without mentioning the 2016 Local Government Elections. We congratulate the Independent Electoral Commission (IEC) and the South African electorate at large for delivering a free and fair Local Government Elections. This is indeed an accolade for our blossoming democracy.

Through our Citizens Responsibility Campaign (CRC) and its Voter Registration drive, we have created awareness on the importance of registering and voting in our elections, especially with respect to the involvement of the youth from our society. The focus on the youth is

premised on the fact that their energies, vibrancy and determination grooms them perfectly to be the leaders of generations that will follow. Thus an investment in the youth is an investment in our future. The Presiding Officers have identified priorities against which to develop the Institutional Strategic Plan 2014 – 2019. These priorities have been developed into 6 pillars which are closely aligned with the Transformation, Modernization and Re-Engineering (TMR) imperatives, the GPL Mandate as well as its Strategic Goal and Objectives.

These six pillars of an activist and transformative legislature have been identified as:

-  **1** Transformation of the legislature governance processes.
-  **2** Modernisation of legislature business of oversight, public participation and law-making practices
-  **3** Re-engineered public participation beyond slogans
-  **4** Transformation of the legislative sector in the context of Integrated Global City-Region and connected government
-  **5** Transformation of the law-making processes
-  **6** Consolidating oversight practices of the legislature

During the year under review, the GPL has made important strides towards implementing its mandate of law-making, public participation and oversight. Our public participation processes have matured to ensure that all groups and sectors in society have an equal and meaningful say in legislative matters. We have continued to reach out and convene dialogues with all sectors including the religious Sector, The Lesbian, Gay, Bisexual, Transgender and Intersex (LGBTI) sector, commercial sex workers' Sector, senior citizens' and children's Sector engagements. We continuously prove our commitment to ensuring that all people of this province are included in our governance processes, thereby giving full effect to the first clause of the Freedom Charter "THE PEOPLE SHALL GOVERN!"

We have been hard at work to undo social fragmentation that is so prevalent in our societies, for we have acknowledged that social fragmentation widens disparities and inequalities; and places huge strain on individuals, families, communities

and institutions to contribute meaningfully to the development agenda in our province and country as a whole. Our public participation processes have made it possible for the people of Gauteng to make inputs on laws that are being considered by the legislature. This ensures that legislation passed in Gauteng is inclusive and considerate of the views and inputs of the people they are meant to serve. We have taken our legislature to the people to ensure that we reach out to communities to assess and monitor areas of service delivery and challenges which we then address by routing to the appropriate departments and maintain constant oversight thereof. Public participation in the GPL includes receiving complaints and concerns from members of the public because the legislature is indeed a beacon of the people. The GPL Petitions System thus allows citizens of Gauteng to submit their concerns with regard to various governance matters, including on issues of service delivery thereby enabling the people of Gauteng to be part of processes of holding their government to account.

The annual report for the period under review proves that our oversight role over the Executive is achieving the desired results of ensuring that government is held to account on its commitments, plans and budget expenditure. The accountability of the government is achieved through direct questions on service delivery during House Sittings; presenting quarterly and annual performance reports for scrutiny by the legislature and implementing the resolutions of the House that are aimed at improving the capacity of the government departments to deliver services. There are additional mechanisms that were introduced to strengthen the oversight work of the legislature, including an increased number of unannounced oversight visits to service delivery sites such as hospitals and schools and conducting hearings on critical service delivery issues. The Committee Inquiries Process and Focused Intervention Studies are but some of the areas that the GPL uses to dig deep into the analysis of executive service delivery.

In line with the National Speaker's Forum directive on giving effect to the separation of powers, we have been instrumental in the province in facilitating the establishment of local legislatures through the Gauteng Speaker's Forum (GSF). On this note, we share with pleasure the establishment of the Chairperson of Committees Sub Forum and the Ethics Sub Forum of the Gauteng Speakers Forum during the year under review. The establishment of these two Sub Fora is


an important milestone to ensure that structures at local legislatures are established and capacitated thereby creating the enabling environment for strong oversight and scrutiny by the local legislatures over the Municipal Executive, ultimately towards enhancing service delivery at grassroots level.

To create an activist and transformative Legislature that puts people first means that the GPL is constantly adapting, moulding and reengineering its processes and procedures to respond to the changing needs of the people as well as to the changing dynamics of the province, the country and the world. In this regard, our Members have spent much more time in conversations with the people who elected them into power in order to develop programs and plans of action to respond thereto.

We have also performed well in terms of raising relevant issues from provincial level to national level through the process of the National Council of Provinces (NCOP). In so doing we ensure that our voices at a provincial level are heard and amplified at a national level thereby making all our process truly responsive to the needs of the people.

On a more sombre note, during the year under review, we have witnessed the passing of Hon. Thandi Mahlangu, a distinguished Member of the legislature who diligently served the people of Gauteng during her tenure. Her hard work and dedication to build a non-racial, non-sexist, prosperous and democratic society is indeed exemplary and should stand as a model against which to strive for. Obviously we cannot do this alone and thus we have during the year under review and going forward will continue to build sustainable partnerships with various sectors in society work together to moving our province forward.

Thus and in dedication to the Members of the legislature, our staff and most importantly, the people of Gauteng, we can never rest in the complacency of achievements as we always need to strive for more and aim higher, putting people first.


Hon. L N Mkgwe
Speaker Of The Gauteng Legislature
Your View ~ Our Vision



Presiding Officers



Hon. Lentheng Ntombi Mekgwe
Speaker Of The Gauteng Legislature



Hon. Uhuru Moiloa
Deputy Speaker



Hon. Nomantu Nkomo Ralehoko
Chairperson of Committees



Hon. Mike Madlala
Deputy Chairperson of Committees

Chairpersons of Portfolio Committees



Hon. Sochayile Khanyile
Community Safety Committee



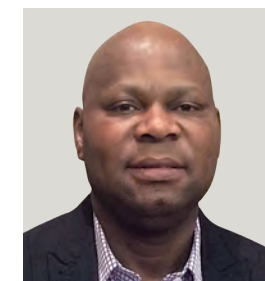
Hon. Mohatla Alfred Tseki
Co-operative Governance, Traditional
Affairs and Human Settlements
Committee



Hon. Errol Magerman
Economic, Environment, Agriculture
and Rural Development Committee



Hon. Joe Mpisi
Education Committee



Hon. Sakhiwe Khumalo
Finance Committee

Leaders of Political Parties



Hon. Brian Hlongwa
ANC



Hon. John Moodey
DA



Hon. Mandisa Mashego
EFF



Hon. Bonginkosi Dhlamini
IFP



Hon. Philip Van Staden
FFP

Chairpersons of Standing Committees



Hon. Nomantu Nkomo Ralehoko
Chairperson of Committees



Hon. Lentheng Ntombi Mekgwe
Rules and Programming Committee



Hon. Uhuru Moiloa
Privileges and Ethics Committee



Hon. Godfrey Tsotetsi
Oversight Committee on the Premier's
Office and the Legislature



Hon. Refilwe Mogale
Petitions Committee



Hon. Mbongeni Radebe
Public Accounts Committee



Hon. Jacqueline Mofokeng
Committee on the Scrutiny
of Subordinate Legislation

Leader of Government Business



Hon. Barbara Creecy

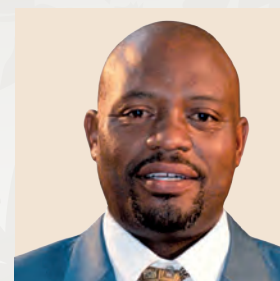
Chairperson of Portfolio Committees



Hon. Nompoti Nhlapo
Health Committee



Hon. Lindiwe Lasindwa
Infrastructure Development Committee



Hon. Jacob Khawe
Roads and Transport Committee



Hon. Thuliswa Nkabinde
Social Development Committee



Hon. Joyce Pekane
Sports, Arts, Culture and
Recreation Committee

Whips of Political Parties



Hon. Brian Hlongwa
Chief Whip
ANC



Hon. Thoko Magagula
Deputy Chief Whip
ANC



Hon. Maggie Tlou
ANC



Hon. Busisiwe Mncube
ANC



Hon. Mike Moriarty
Chief Whip
DA



Hon. Fred Nel
DA



Hon. Janet Semple
DA



Hon. Glenda Steyn
DA



Hon. Kate Lorimer
DA



Hon. Lindiwe Dzimba
EFF



Hon. Hoffinel Ntobeng
EFF





Official Opening of the Legislature

Front row left to right:

Hon. J. Moodey (DA Party Leader), Hon. I. Vadi (MEC: Transport), Hon. J. Mamabolo (MEC: COGTA), Hon. P. Mashatile (MEC: Human Settlement), Hon. S. Nkosi-Malobane (MEC: Community Safety), Hon. B. Creecy (MEC: Finance), Hon. D. Makhura (Premier), Hon. N. H. Mekgwe (Speaker of the Legislature), Hon. U. Moiloa (Deputy Speaker of the Legislature), Hon. G. Ramokgopa (MEC: Health), Hon. L. Maile (MEC: Economic Development), Hon. N. Mayathula-Khoza (MEC: Infrastructure), Hon. P. Lesufi (MEC: Education), Hon. F. Mazibuko (MEC: SRAC), Hon. B. Hlongwa (Chief Whip: ANC).

2nd row left to right:

Hon. P. Mncube (MPL), Hon. C. Ranoka (MPL), Hon. M. Radebe (Chairperson: SCOPA), Hon. M. Radebe (Chairperson: SCOPA), Hon. M. Radebe (Chairperson: SCOPA), Hon. L. Lasindwa (Chairperson: Infrastructure Development), Hon. J. Khawe (Chairperson: Roads & Transport), Hon. M. Madlala (Deputy Chairperson of Committees), Hon. S. Khanyile (Chairperson: Community Safety), Guest, Hon. G. Tsotetsi (Chairperson: OCPOL), Hon. J. Mofokeng (Chairperson: CSSL), Hon. J. Mpisi (Chairperson: Education), Hon. T. Magagula (Deputy Chief Whip: ANC), Hon. M. Tlou (MPL), Hon. N. Nkomo-Ralehoko (Chairperson of Committees), Hon. R. Mogale (Chairperson: Petitions), Hon. T. Nkabinde (Chairperson: Social Development).

3rd row left to right:

Mr. P. Skosana (Secretary to the Legislature), Hon. D. Mashego (MPL), Late Hon. S. Makama (MPL), Hon. M. Mafika (MPL), Hon. K. Ramulifho (MPL), Hon. G. Steyn (MPL), Hon. M. Tseki (Chairperson: Human Settlement), Hon. K. Lorimar (MPL), Hon. B. Dhlamini (IFP Party Leader), Hon. M. Cirota (MPL), Hon. N. Nhlapo (Chairperson: Health), Hon. M. Clarke (MPL), Hon. V. Mbatha (MPL), Hon. S. Khumalo (Chairperson: Finance), Hon. J. Pekane (SRAC), Guest.

Back row from left to right:

Hon. K. Chabalala (MPL), Hon. P. van Staden (FFP Party Leader), Guest, Hon. R. Ntsekhe (MPL), Hon. M. Moriarty (DA Whip), Hon. P. Willemburg (MPL), Hon. I. Cilliers (MPL), Hon. A. Randall (MPL), Hon. E. Magerman (Chairperson: Economic Development), Dr. N. Campbell (MPL), Hon. J. Semple (MPL), Hon. M. Kanyane (MPL), Hon. G. Gersbach (MPL), Hon. J. de Goede (MPL), Hon. F. Nel (MPL), Hon. A. Fuchs (MPL), Hon. J. Engelbrecht (MPL), Hon. L. More (MPL), Hon. A. Sarupen (MPL).



LEGISLATIVE OVERVIEW

Corporate Governance Statement

Background

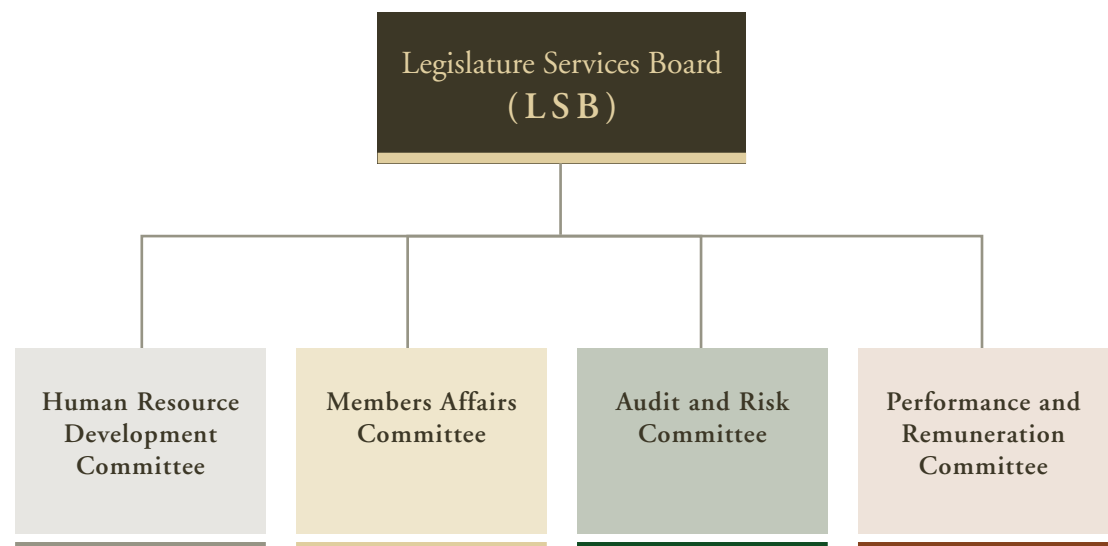
The Legislature Services Board (LSB) was established in terms of the Legislature Services Act (Act No. 5 of 1996), the Public Finance Management Act (Act 1 of 1999), and the recommendations of the King III, the Protocol on Corporate Governance for Public Entities. The Board of Directors is appointed in terms of section (4)1 of the Legislature Act and comprises of the Speaker of the Legislature, who acts as Chairperson of the Board, the Deputy Speaker, Chairperson of Committees, Leader of the Democratic Alliance, Leader of IFP, Leader of the ANC, two independent members nominated as per the recommendation of the Governance Review Audit, the Chairperson of the Audit and Risk Committee and the Secretary to the Legislature. To ensure its efficient operation and in compliance with best practices and legislative requirements, the board has appointed a Legislative Board Secretary (LSB Secretary) to assist the organisation in carrying out its mandate. The LSB has 4 subcommittees as depicted below.

The Governance Structure Of The Lsb

Background
The Legislature Services Board (LSB) was established in terms of the Legislature Services Act (Act No. 5 of 1996), the Public Finance Management Act (Act 1 of 1999), and the recommendations of the King III, the Protocol on Corporate Governance for Public Entities. The Board of Directors is appointed in terms of section (4)1 of the Legislature Act and comprises of the Speaker of the Legislature, who acts as Chairperson

of the Board, the Deputy Speaker, Chairperson of Committees, Leader of the Democratic Alliance, Leader of IFP, Leader of the ANC, two independent members nominated as per the recommendation of the Governance Review Audit, the Chairperson of the Audit and Risk Committee and the Secretary to the Legislature. To ensure its efficient operation and in compliance with best practices and legislative requirements, the board has appointed a Legislative Board Secretary (LSB Secretary) to assist the organisation in carrying out its mandate. The LSB has 4 subcommittees as depicted below.

The Governance Structure Of The LSB



Compliance To Financial Management Of Parliament Amendment Act, 2014

In executing its mandate, the board has an obligation to formulate strategic, annual and operational plans; to allocate resources for the implementation of those plans and to monitor and report the results. The Financial Management of Parliament and Provincial Legislatures Act (FMPPLA), 2009 provides guidance with respect to the preparation of the strategic and annual performance plans and on reporting on the achievement of those plans. The purpose of the Act recognises that parliaments and legislatures must be governed by the democratic values and principles enshrined in the Constitution in order to promote and maintain a high standard of professional ethics in the financial management; to promote efficient, economic, and effective use of resources allocated to parliament and to ensure the transparent, accountable and sound management of the revenue, expenditure, assets and liabilities of parliaments and legislatures.

The Act replaced the Gauteng Legislatures compliance to the Financial Management of Gauteng Provincial Legislature Act, 2009 (FAMLA) since it was constitutionally declared null and void. During the financial year of 2014/15, the Legislature started to comply with the provisions of the Financial Management of Parliament and Provincial Legislatures Act (FMPPLA), and continued to comply in the 2015/16, 2016/17 Financial Year.

The role and functions of the LSB

The LSB is ultimately responsible and accountable for the affairs and performance of the GPL and for ensuring the sustainability of the institution into the future.

The board's role includes, but is not limited to the following:

- » to ensure that appropriate systems and procedures are in place to enable the GPL to conduct its business in an honest, ethical and responsible manner;
- » to ensure that effective audit, risk management and compliance measures are in place;
- » to review, assess and guide management in setting group strategy and business plans;
- » to review and approve strategic plans, policies and operating budgets as well as to monitor financial performance and expenditure; and
- » to ensure accurate, concise, transparent and timely reporting.

The LSB executes its responsibility by delegating authority to the LSB subcommittees and management. The functions of the LSB subcommittees are described comprehensively in the charters of these subcommittees.



Powers delegated to management are prescriptive and controlled through delegations of authority to include only limited financial decision-making capacity without prior approval by the LSB.

**LEGISLATURE SERVICES BOARD MEMBERS**

Ntombi Lentheng Mekgwe
Speaker Of The Gauteng Legislature



Nomantu Nkomo Ralehoko
Non-Executive Member



Jack Bloom
Non-Executive Member



Uhuru Moiloa
Non-Executive Member



Bonginkosi Dhlamini
Non-Executive Member



Brian Hlongwa
Non-Executive Member



Ms Nandipha Madiba
Independent Non-Executive Member



Sandile Luthuli
Independent Non-Executive Member



Hlaleleni Dlepu
Independent Non-Executive Member



Peter Skosana
Secretary to the Legislature

The chairperson is appointed in terms of Section 4 of the Legislature Services Act. The role of the LSB Chairperson is to lead the LSB and provide overall leadership and strategic direction; to oversee the adoption of appropriate governance and financial management rules and principles; to manage oversight on the implementation of the GPL strategy; to ensure that any potential conflicts of interest are managed properly and to ensure that the LSB meets the target goals for each financial year. The chairperson functions with the office of the Board Secretary who provides both administrative and professional support from a legal and governance perspective.



MEMBERS OF THE BOARD SUBCOMMITTEES



UHURU MOILOA
Deputy Speaker

Performance And Remuneration Committee

Ntombi Lentheng Mekgwe (Chairperson), Uhuru Moiloa, Thokozile Magagula, Joyce Pekane, Nomantu Nkomo-Ralehoko, Mpapa Kanyane (Non-Executive Member), Zola Fihlani (Independent), Given Sibiya (Independent) and Peter Skosana (Secretary to the Legislature).

Human Resource Development Committee

Uhuru Moiloa (Chairperson), Nomantu Nkomo-Ralehoko, Siphiwe Mgcina, Phillip Van Staden, Joyce Pekane, (Non-Executive Members), Tshokolo Nong (Independent), Siphelele Zulu (Independent) and Peter Skosana (Secretary to the Legislature).

Members' Affairs Committee

Ntombi Lentheng Mekgwe (Chairperson), Uhuru Moiloa, Brian Hlongwa, Nomantu Nkomo-Ralehoko, Mike Madlala, Thokozile Magagula, Pinkie Mncube, Maggie Tlou, Thandi Mahlangu, Mandisa Mashego, Phillip van Staden, Janet Semple, Refiloe Ntseke, Khume Ramulifho, Mike Moriarty, Bonginkosi Dhlamini and Peter Skosana (Secretary to the Legislature).

Audit And Risk Committee

Alwyn Martin (Independent), Roy Mnisi (Independent), Lindiwe Lasindwa, Mike Madlala, Nandipha Madiba and Peter Skosana (Secretary to the Legislature). Mr John Davis resigned as Chairperson of the Audit and Risk Committee in November 2016 as he had served his term and he was replaced by Ms Nandipha Madiba.

Charters

Each committee is governed by its own charter being its terms of reference that flows from the LSB Charter,

which determines its mandate. Meetings of the LSB and its subcommittees are on an annual schedule and the LSB is required to conduct a minimum of four meetings a year. The subcommittees make recommendations to the LSB, which is the final decision-making structure on policy and strategic issues.

Statement Of Commitment To King III

The board recognises the need to conduct the organisation in accordance with the principles of the King Code of Corporate Practices and Conduct ('King III'). These principles include discipline, independence, responsibility, fairness, social responsibility, transparency and the accountability of directors to all stakeholders.

A number of these principles are entrenched in the Group's internal controls and policy procedures governing corporate conduct. The board is satisfied that every effort has been made in the financial year ended 31 March 2016/17 to comply in all material aspects with King III. As part of enhancing the member's skills, the board unit undertook its annual governance training on the 24 February 2017.

Appointment And Induction Of LSB Members

The board requires individuals with the necessary competence in order to fulfil their strategic role as custodians of the institution's good governance. In exercising its duties, the board is expected to act with due diligence and skill and members are required to have a sound understanding of the business of the legislature. Directors are appointed based on their proven record of accomplishment in public and private sector leadership roles and a wide-range of expertise gained in different fields. In addition, appointments

to the board reflect provincial and national demographics. In moving with the spirits and objects of good governance, the Committee of Performance and Remuneration was also restructured with the Chairperson Hon Ntombi Mekgwe who is also the chairperson of the board, resigning making way for an independent chairperson to lead the committee. In this position, Mr Sandile was appointed to lead this committee. Mr Luthuli is also a board member. An orientation programme for new directors is in place and was undertaken in this financial year to ensure that board members are adequately trained and have the required knowledge of the structure and mandate of the institution, operations and policies, to enable them to fulfil their duties and responsibilities.

Fees for non-Executive Members

Only external members (Non-Executive Directors) receive a fee for their contribution as members of the respective LSB subcommittees. Fee structures are recommended to the LSB by the Chairperson of the Performance and Remuneration Committee, based on market research of trends and levels for directors' remuneration.

Evaluation of the LSB

The LSB carries out a self-evaluation process on an annual basis facilitated by Internal Auditors. The evaluation focuses on whether the LSB is fulfilling its mandate as contained in the LSB Charter as well as examining the effectiveness of the LSB. The conclusions from the evaluation are reviewed by the LSB and, where appropriate, best practice recommendations are implemented. During the financial year of 2016/17, the Board Unit undertook an exercise of self-evaluating the Board. Questioners we sent out to all Board members to evaluate the performance of the Chairperson, role of the Secretary to the Legislature, role of the Board Secretariat Unit in determining efficiencies.

Good Corporate Governance

In exercising good governance, the LSB has led the administration towards effective leadership based on an ethical foundation. Compliance, as any other business activity, took place within the context of strong leadership and sound governance principles. The board has strived to ensure its alignment with the Public Finance Management Act (PFMA) and King III Report on principles of good governance and improved accountability. The LSB ensures that

the GPL complies with all applicable laws and policies and adheres to codes and standards. All these compliance responsibilities are very onerous, especially where the state is involved. This is exacerbated by the fact that different single provisions in laws, policies, codes and standards cannot be read in isolation, but need to be interpreted in the context of the entire scope of compliance applicable to the GPL.

Management of risk

The specialist intervention of managing risk is handled by an internal audit function that is outsourced by the GPL. In line with the King III Report on Corporate Governance and FMPLA, internal audit provides the Audit and Risk Committee and the GPL management with independent and objective assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancement of the controls and processes. During the year under review, the LSB monitored the corporate governance review implementation plan based on the Ten Key Risk Areas identified for effective corporate governance.

The legislature continued to conduct a risk assessment which identified high level risks to which the institution was exposed. The outcome of this risk assessment was formally documented and approved by the Audit and Risk Committee and subsequently by the LSB. The legislature updated the risk register based on the strategic priorities of the institution. The risk register informed the development of the annual internal audit plan and the risk identification process within all streams, including action plans to mitigate such risks. The risk register now features as a standard agenda item of the Audit and Risk Committee, LSB and senior management meetings.

Technology governance

Technology governance is vital to striking the right balance between holding on to our technology lead and service delivery. In line with King III, technology governance forms part of our governance structures, policies and procedures. It forms part of the organisation's strategic and business processes and is managed by

the Information Technology unit. A well-defined technology strategy, which is clearly mapped to the IT governance principles of King III has been adopted. Each framework element is supported by evidence including aligning technology strategy and business needs, delivering value and managing performance, information security, information management, risk management, business continuity management and compliance.

Delegation of Authority

The Secretary to the Legislature (CEO) has the LSB's delegated authority for the management of the GPL and functions with the assistance of the Executive Directors. The delegated authority imposes certain restrictions and conditions appropriate for the effective exercise of such delegated powers. However, the LSB has not delegated its responsibility and accountability.

Meeting Attendance

The LSB Charter stipulates that the committee should meet at least 4 times per annum. Five meetings were held during the 2016/17 Financial Year.



OVERVIEW OF THE WORK OF COMMITTEES

Introduction

The Office of the Chairperson of Committees is the third of five sub-programs in Program 1 (Leadership and Governance) of the Gauteng Provincial Legislature. The Chairperson of Committees is accountable for strategic management of GPL standing and portfolio committee business in so far as it relates to oversight, public policy discourse, law making processes, public participation and stakeholder management as well as ensuring that the committee programmes are adhered to in line with GPL strategic goals and by extension with Global, National and Provincial Priorities.

Role of the Chairperson of Committees

The primary role of the Office of the Chairperson of Committees (OCoC) in essence, is to monitor and evaluate the discharge of mandates by the House Committees and to ensure strategic management of committees and committee business, thereby ensuring that the mandate of the institution as a whole is delivered. Thus, it is through the OCoC that the core objectives of the institution is realised since the very mandate of the institution is given effect to and executed through the House Committees, as strategically led by the OCoC. The OCoC monitors the impact of committee oversight initiatives and in addition ensures that committees drive their work in line with the objectives and programme of the legislature. The OCoC also ensures that there

is a qualitative approach to oversight and scrutiny, stakeholder management as well as law making and policy development.

According to Rule 174 of the Standing Rules of the GPL, the OCoC through the Standing Committee of Chairpersons is responsible for coordinating the work of the Committees of the Legislature, considering the annual programme of committees; and for making recommendations to the Rules Committee and the Programming Committee regarding any matter affecting the scheduling or functioning of any committee.

Focus of Office of The Chairperson of Committees and Deputy Chairperson Of Committees

Oversight

Oversight over the Provincial Executive is one of the core mandates of the GPL and is driven by the OCoC. The OCoC conducts its oversight over the Executive in line with the other core mandates of the institution, i.e. public participation, law-making and good governance. The GPL uses as an instrument of assessment the Sector Oversight Model of the South African Legislative Sector (SOM). The SOM, being a sector wide model is largely based on the GPL Programme Evaluation and Budget Analysis (PEBA) methodology. It empowers House Committees to scrutinise the performance of the Executive by endorsing the APPs and associated budgets and then evaluating the actual performance and



HON. NOMANTU NKOMO RALEHOKO
Chairperson of Committees

associated expenditure. One of the key responsibilities of the OCoC is therefore to manage oversight and accountability between committees and the Executive in a controlled and ordered manner; as well as to obtain reports/submissions from the Executive as they account to the GPL. During the period under review, the OCoC had continued with the implementation of SOM through Oversight Focus Areas of the Committees Oversight and Accountability Framework (COVAC). The oversight processes are developed and aligned to the Gauteng Provincial Government Ten (10) Priority Pillars, the key prescripts of the National Development Plan (NDP) as well as to the TMR Imperatives, i.e., Transformation, Modernization and Reindustrialization, thereby ensuring that oversight is aligned with National drivers and development imperatives.

In this regard committees of the GPL have recorded substantial progress towards the achievements of the goals they set out to accomplish in their Annual Performance Plans for the 2016/17 financial year. Committees have been hard at work in conducting oversight over the Provincial Executive and that have actively promoted Public Participation in their activities. Provincial as well as National Council of Provinces (NCOP) Bills have been processes and good cooperative governance has been encouraged in committee activities and processes. In the period under review, through the oversight work of committees, the legislature had convened over 90 House Sittings aimed at executing its work in line with the Constitution and Standing Rules. Considerable progress was made in the period under review with the GPL increasingly utilising its tools of oversight which had resulted positively in a marked increase in the number, and quality of resolutions passed by the House, motions and questions to the Executive.

Thus, the committee system has thus performed well in the period under review to oversee and sanction government departments and the institution as a whole has tremendously improved its methods of conducting oversight, moving even closer to full implementation of the Sector Oversight Model (SOM). Oversight and scrutiny through the SOM has ensured a systematic approach to monitoring and evaluating the performance of departments. Portfolio and relevant Standing Committees have engaged with their respective departments during planning stage, to agree on key policy proposals (contracting). Committees engaged departments on policy issues, through the submission of departmental five-year strategic plans as well as annual performance plans.

Committees have also monitored and evaluated the performance and the operations of the Gauteng Provincial Government (GPG) Departments with respect to performance-oriented budgeting. Over 200 reports on the analysis of executive performance have been tabled by committees to the House. It has been reported that the Portfolio Committees held several oversight engagements on departmental performance. In line with SOM the following imperatives were undertaken, the assessment of the departments' quarterly reports with one hundred and thirty-two (132) reports considered, and tabled in the House. A notable achievement for the period under review was the establishment of the Chairperson of Committees Sub Forum of the Gauteng Speaker's Forum. This Forum seeks to facilitate and contribute to the establishment of local legislatures in the province, as well as rendering support with processes and best practices thereby giving full effect to the Separation of Powers. The Forum also provides a voice to local legislatures to raise specific issues and requests for intervention to the Provincial Legislature and through the National Council of Provinces (NCOP) to the Parliament.

Law-making

In realizing the legislature key mandate of law-making, the Portfolio Committees dealt with the three (3) Provincial Appropriation Bills for the 2015/16 to 2016/17; the Division of Revenue (DoRA) Bills and the Division of Revenue Adjustment Bill for the same period. This includes consistently processing Provincial and National of Council of Provinces (NCOP) Bills whenever referred them by the Speaker throughout this reporting period. The Portfolio Committees further interrogated the provincial allocation through departmental budget hearings to ensure that public funds are allocated efficiently for effective service

delivery in the province for the budget cycles referred to above. Whenever required, committees undertook public hearings while processing the various bills to ensure meaningful involvement of the public in the legislative process.

Cooperative Governance

Strengthening cooperative governance in order to advance parliamentary oversight has become a key theme of the Gauteng Legislature since the beginning of the current term of office. Co-operative governance gives effect to the full realisation of socio-economic goals across different spheres of government and promotes coherent decision-making between spheres of government in support of service delivery. On national cooperation, committees have continued to work with the legislative programme through NCOP, and collaborated on areas of common interest between GPL and the Institutions Supporting Democracy, i.e. the South African Human Rights Commission (SAHRC), the Public Service Commissioner (PSC), Public Protector, the Auditor General and the Finance and Fiscal Commission (FFC); and Through the Gauteng Speakers' Forum work being done include, the Citizen Responsibility Campaign, voter registration and voter education).

Portfolio committees were heavily engaged on NCOP Provincial Week to independently track progress made at the local level. The inter-provincial legislature engagements have been conducted as part of knowledge sharing based on the portfolio committees' oversight responsibility. It includes formidable cooperation with the national, provincial and local departments (inter-governmental relations) in achieving common goals. The committees undertook various inter-provincial tours as part of realising this key mandate.



OVERVIEW OF THE WORK OF COMMITTEES

| CONTINUED |

Role Of The Deputy Chairperson Of Committees

The Office of the Deputy Chairperson of Committee Chairpersons (O-Dep-CoC) is the fourth of five Sub-Programs in Program 1 (Leadership and Governance). It is tasked with mobilizing civil society to participate in the work and business of the GPL especially public participation programs and to ensure implementation of the Re-engineering of Public Participation including the Stakeholder Management Strategy for Presiding Officers. Mandates of House committees on public participation function are to seek the views of broad sectors of the people of Gauteng, especially those representing vulnerable groups. In order to do this work, committees of the legislature have established dynamic relations with civil society organizations and draw them in when doing their legislative work of oversight and law-making. In addition, the O-Dep-CoC must ensure strategic coordination of committees with the work of the National Council of Provinces (NCOP). This coordination with the NCOP is an essential linkage between the Gauteng Provincial Legislature (GPL) as provincial parliament and national Parliament.

Public participation and Stakeholder management
The Office of the Deputy Chairperson of Committees (O-Dep-CoC) is tasked with mobilising civil society to participate in the work and business of the GPL especially public participation programmes and to ensure implementation of the Stakeholder Management Strategy for Presiding Officers. In addition, the O-Dep-CoC must ensure strategic coordination

of committees with the work of the National Council of Provinces (NCOP). This coordination with the NCOP is an essential linkage between the Gauteng Provincial Legislature (GPL) as provincial parliament and national parliament.

There has been substantial growth, development and evolution of the O-Dep-CoC during the period under review. Most notable among these were the renewed focus on re-engineering of public participation and the strategic management of NCOP business. To this end the O-Dep-CoC was capacitated and enhanced through the Public Participation Forum (PPF) which is a mechanism to implement its delegated role of leading and directing public participation process as well as being the political champion of public participation in the GPL.

Public participation and Stakeholder Management

Mandates of House committees on public participation function are to seek the views of broad sectors of the people of Gauteng, especially those representing vulnerable groups. In order to do this work, committees of the legislature have established dynamic relations with civil society organisations and draw them in when doing their legislative work of oversight and law-making. Portfolio committees continued to hold their committee meetings outside the legislature precinct, in poor communities and in Gauteng as part of fostering public participation and bringing the legislature closer to the people. There is an enhanced focus on creating more opportunities for the citizens of Gauteng to participate in legislative processes. In addition, the adoption of the Public Participation Strategy as well as the



HON. MIKE MADLALA
Deputy Chairperson of Committees

hosting of the International Conference on Public Participation have provided further impetus in this legislative function. Committees had interacted with their stakeholders through public participation processes, in order to improve and strengthen access and involvement by the people of Gauteng in oversight and law-making processes in GPL.

National Council of Province (NCOP)

GPL Committees also interact with the NCOP and parliament on a number of matters key amongst which are the oversight and public participation programmes of taking parliament to the people and the provincial oversight week. These programmes are mostly driven from the NCOP and the legislature's role primarily is facilitation, coordination and participation.

The following are the areas that the GPL and NCOP have interacted on during the period under review;

- » The provincial week
- » The taking parliament to the people
- » Negotiating mandates on the bills
- » Participation at NCOP workshops and seminars
- » Public hearings with the NCOP

In line with the GPL's legislative mandate, a number of NCOP bills which impact on the province were processed during the period under review. A total of 20 bills have been processed by the GPL through the NCOP. This was in addition to the more than 25 bills already processed by the GPL through the NCOP. The said pieces of legislation cover a wide spectrum and are mainly aimed at addressing the challenges the country is facing in line with the priority areas of the state. There has also been strong participation in the NCOP workshops and seminars as well as the negotiating mandates on the bills. Through supporting the NCOP programmes, it is evident that that coordination and alignment of programmes with the NCOP have drastically improved and it is envisaged that this improvement will grow further still.

Public outreach programs

Committee public outreach programs has been progressively increasing the space for people of Gauteng to participate in the processes of law-making and oversight through the Bua Le Sechaba Campaigns, Public Education Programs, committees public engagements, constituency work with MPLs visits to their (PCO's), Public hearings as well as sector engagements. These sector engagements have

been included into the legislature programme to ensure focussed support and proactive planning. The engagements are aimed at facilitating participation of different sectors of society; inform policy-making processes; facilitate feedback to different sectors of society; as well as offer the people of the province an opportunity to raise their issues with their public representatives. During the period under review, the institution had conducted Religious/Interfaith Parliament, Worker's Parliament, Youth Parliament, Children's Parliament, Women's Parliament, Senior Citizens' Parliament, Lesbian, Gay, Bisexual, Transgender & Intersex LGBTI Parliament, Commercial Sex Workers Parliament and Persons with Disabilities Parliament.

In this regard, the GPL had collaborated with local government in conducting sector parliaments, and ensuring that issues raised during sector parliaments are sent to the Executive. The number of participants to the various sector parliaments have increased during the period under review and the institution had also conducted feedback sessions on tracking resolutions and directives from the various sector parliaments whereby the public become drivers of our oversight processes and holding the Executive accountable. All relevant committees, have, where possible, practical

and relevant had held meetings in public during the annual report process. Committees have thus remained key in promoting an intensifying meaningful public involvement in legislature processes through the involvement of the public and key stakeholders in the SOM imperatives, particularly during the budget and annual report processes as well as the legislative process.

Conclusion

Having noted the considerable achievements made by committees during the period under review, it is clear that we have indeed delivered on our mandates and given effect to the constitutional provisions as well as the standing rules with respect to oversight, accountability, meaningful public involvement and stakeholder management. The relentless and in-depth focus on oversight proves that the GPL is serious about holding the Executive to account and thereby ensuring that planned performance is indeed achieved. However, no improvement is to be considered with complacency and relief, albeit with a sense of pride for the mission now at hand is to ensure that every annual performance report is an enhancement of the one before.



EXECUTIVE SUMMARY

Introduction

The GPL is empowered by the Constitution of the RSA to fulfill three core functions; oversight, law-making and public participation. It is, therefore, central to the overall provincial governance framework, promoting good governance, and providing mechanisms to ensure that provincial executive organs of state are accountable to it.

The main objectives of governance goals - participation, accountability and transparency - are articulated in the GPL 2014-19 Strategic Plan as follows:

Gradually, through its annual performance plans, the 5-year strategic objectives are being realised. Despite adverse environmental factors that impede dynamic oversight, like migratory patterns, high unemployment rates, and other economic difficulties, the GPL, guided by the legislative sector Oversight Model (SOM), is steadfast in ensuring that the Executive and its agencies are accountable and responsive to the needs of the people of Gauteng. To this end, innovations in holding the Executive accountable, better planning and execution, focused support to the House and its Committees and increased support for MPLs to connect with stakeholders and strengthen relations with constituents have enabled the GPL to effectively work towards achieving its mandate.

-  **1** Improved Accountability by the Executive to the Legislature in respect of service delivery
-  **2** Improved meaningful involvement by the public in Legislature business
-  **3** Increased responsiveness of Laws to meet the needs of the people of Gauteng
-  **4** Fostered coherent and coordinated legislative sector
-  **5** Enhanced public confidence in the governance and leadership of the Legislature
-  **6** Modernised business practices towards supporting the functions of the Legislature

PETER SKOSANA
Secretary to the Legislature

Oversight and Scrutiny

Legislative oversight plays the all-important check and balance role and is crucial in giving effect to the principle of separation of powers. The graduation from PEBA to SOM has institutionalised toolkits and oversight tools like committee enquiries that enable the GPL to continue to innovate and lead in the sector. Studies indicate that an increase in the number of oversight tools is accompanied by greater transparency, accountability and higher levels of democracy.

The application of oversight tools found expression through committee enquiries, hearings, committee meetings, questions, motions, oversight visits and focus intervention studies. A total of 551 House Resolutions processed and 457 departmental responses processed. Nine hundred and five (905) Questions were processed and Eight hundred and ninety (890) Replies were processed. Forty five (45) Motions were processed in the reporting period.

In addition, legal opinions and procedural advice on the Unauthorised Expenditure Bill and preparation for the MTBPS; Subordinate legislation; motions; and all resolutions on Special Delegates to the NCOP & Joint Sittings of Parliament formed part of oversight and scrutiny during this period. Committees remain the backbone of the legislative oversight machinery and are responsible for ensuring that departments and agencies are accountable and transparent. Accordingly, the 2016/17 and 2017/18 financial years Annual Performance Plans (APPs) for Committees were reviewed and aligned with Performance Indicators from South African Legislative Sector (SALS). Furthermore, all 2016/17 departmental quarter reports that were received were referred, analysed and presented to respective committees.

Focus Intervention Studies linked to the Annual Report process for OCPOL and Community Safety were concluded and departmental submissions were independently verified by means of fieldwork. Departmental responses to House Resolutions for Finance, OCPOL, Social Development and CoGTA and Human Settlement Committees were also analysed. Furthermore, a concept document on a committee inquiry on poor service delivery in the subsidized bus contractors was developed.

Public involvement and stakeholder engagement

The GPL succeeded to use various mechanisms to mobilise and involve the people of Gauteng in legislative processes. This was through a number of interventions, including support to institutional public participation initiatives for committees and House activities, consideration of the Annual & Quarterly reports and the budget process. Sector Parliaments continue to be an important component of outreach and educating stakeholders on how legislatures function. A number of sector parliaments, including the LGBTI, Commercial Sex Workers, Senior Citizens, PwDs Sector Parliaments, were successfully hosted. Other public participation interventions implemented are public education workshops, Multi-Party Women Caucus activities, petitions processes, public hearings and Committee meetings held outside the GPL as well as NCOP activities such as Taking Parliament to the People and NCOP Plenaries.

The GPL Shayimpempe Campaign was also launched at Poortjie on the 24th November 2016 as part of the 16 days of Activism programme in partnership with Municipal MPWCs, which also included Women's Dialogue on Drug Abuse in Ekurhuleni, World Aids Day metal ribbon and a Pledge signed with school learners and members of the Community. Public participation at the GPL has become an integral part of House Sittings, Oversight and Law-making. Amongst others, interventions included CoGTA and Human Settlements Bua Le Sechaba Feedback Session, Reports tabled and adopted during the 1st quarter and the Roads and Transport Committee rail summit in Braamfontein held from 28 – 29 October 2016. The summit was aimed at exploring possible platforms and inputs in enhancing rail safety in the Province through the proposed amendment of Rail Safety Regulations. The following interventions were also conducted: CSSL and Petition Committees Workshop on the Gauteng Petitions Regulations; Health Committee assessment of the effectiveness of Health Awareness Campaign about teenage pregnancy in Gauteng, Soweto, and Money Bills A/B Procedure and Related Matters project as part of stakeholder consultation.

The completion of the Voter Education and Registration campaign reached out to 2 402 000 million potential voters and 248 793 households in

wards with low voter registration. The programme was conducted with a total of 750 Canvassers who were recruited from across all five regions in Gauteng and completed in time for the closing of the Voters' Roll. Furthermore, there was also a rollout of the Dialogues and Expos in Institutions of Higher Learning in Ekurhuleni East College campuses, Damelin College campuses in Tshwane, Westrand College campuses and the University of the Witwatersrand and contact was made with over 3000 students.

As part of the Re-engineering of Public Participation project, public participation mechanisms evaluation reports were also produced and will contribute to the further enhancement of public engagement processes in the GPL.

Law-making

The GPL continues to innovate in improving access and making it easier for the public to participate in public hearings. Pre-hearing briefings and public education are at an advanced stage of being rolled out in all public participation interventions. Guided by the GPL law-making framework, public hearings in law-making still provide one of the most effective tools used by legislatures to involve the public and solicit inputs into new legislation. In the period under review, committees of the House processed Section 76 bills, including Protection, Promotion, Development and Management of Indigenous Knowledge System Bills [B6-2016] as well as National Land Transport Amendment Bill [B7-2016]. Furthermore, Section 75 Insurance Bill [B1-2016]; Courts of Law Amendment Bill [B8-2016]; Border Management Authority Bill [B9-2016] and Liquor Products Amendment Bill [B10-2016] were also processed and a Section 77 Division of Revenue Bill (DORA) was considered. Regarding provincial bills, the following were considered: Gauteng Provincial Languages Bill; Unauthorised Expenditure Bill; Gauteng Provincial Appropriation Bill [G002-2016]; Gauteng Unauthorised Expenditure Bill 2016; Provincial Adjustment Appropriation Bill 2016; Gauteng Liquor Amendments Regulations as well as the Gauteng Petitions Regulations for the Scrutiny on Subordinate legislation.

Fostered coherent and coordinated legislative sector Guided by the inter-institutional strategic document, The GPL continued interacting and co-operating with

other institutions. These were mainly institutions within the legislative sector, nongovernmental bodies, private sector and civil society Organisations. The Institutional Strategy defines the domestic and international dimension of GPL's interaction with stakeholders. To this end, the GPL continued to participate in the National Speakers Forum and coordinated the Gauteng Speakers Forum. Also, support was provided to sector work on the draft Sector Bill on Co-operative Governance in the legislative sector. On the other hand, engagements took place with DEAFSA Gauteng with a view to capacitating MPLs in the use of Sign Language. The GPL, through the Hansard Unit, participated at the Pan South African Language Board (PanSALB) and the National Department of Arts and Culture respectively and made presentations at the celebrations of the International Translation Day in Pretoria. Globally, the GPL participated and presented various conference research papers for SAAPAM, IPADA and 23rd South African Sociological Association (SASA) Conferences, the SOCATT Africa Region development seminar that was held in Ghana an academic paper at the 4th Academic International Conference on Interdisciplinary Legal Studies (AICILS) held in Boston, USA.

Enhancing Public Confidence in the Governance and Leadership of the Legislature

In enhancing its governance and accountability, the GPL Legislature Service Board (LSB) continued with effective oversight and provided strategic direction in terms of GPL performance, plans and corporate governance issues. Moreover, the updated 2014-19 GPL Strategy and the new GPL Institutional Annual Performance Plan (IAPP) for 2017/18, incorporating performance indicators from the legislative sector, was developed and approved by the LSB. This IAPP is aimed at centralised planning and performance reporting under a single APP for 2017/18 financial year. Furthermore, GPL aligned the 2017/18 Institutional Annual Performance Plan to NDP and SOPA, the GPL Strategic Goal, Strategic Objectives, Institutional Performance Indicators and Institutional Performance Targets. This, together with newly developed reporting templates and Institutional Indicator Protocols, resulted in the adoption of the Framework for Integrated Planning, Budgeting, Monitoring, Evaluation, Reporting, Institutional Indicator Protocol for 2017 /2018 and the guideline ensuring alignment between the Institutional Annual Performance Plan of committees and programmes

to the Operational Plans for 2017 / 2018. The monthly and quarterly financial reports were considered by the LSB and sub-committees in ensuring that the GPL continuously adheres to the austerity and cost-cutting measures whilst not compromising on the implementation of the GPL strategy. On the other hand, the governance framework implementation continues to make great strides and is on track in monitoring action steps that require remedial actions. Also, the GPL institutional strategic risk register tracking system played a vital role in ensuring effective operations of the GPL and mitigating risks.

The policy environment continues to influence the strategic developments in policies affecting the Institution and compliance to all application of laws, acts, regulations, policies and procedures, mobile cell phone for Staff, policy on study tours, funeral policy for Members, BCP policy, inventory policy and SCM policy. Also, the fraud risk management, information centre and Hansard recording and transcript policies were approved. The GPL adopted Covey principles were inculcated through continuous consultation with Franklin Covey SA on the leadership training programme. Thus the leadership training programme and the process on LQ1 questionnaire assessments were adopted. In terms of project management, the Project Management Framework continues to guide implementation of institutional strategic and operational projects and the project management support was provided in the form of mentorship and coaching to the GPL project management community. Notwithstanding the associated risk in project management, the Managing by Project principle continues to be embedded into the project management discipline of the GPL. This discipline has resulted in high performing project teams. The institutional strategic projects progress reports on the business enhancement, office optimisation, report on alternative site for the GPL new building, GPL baseline study, reengineering of public participation and the transversal mainstreaming audit and training were also considered.

Modernising Business Practices towards Supporting the Functions of the Legislature

In responding to the strategic objective on modernisation, there is considerable progress in the institutional strategic business enhancement

project aimed at modern practices to contribute to achieving the institutional strategic objective of "Modernised business practices towards supporting the functions of the Legislature". GPL recognises the impact technology has on enhancing the achievement of its constitutional mandate and has included modernisation of institutional practices as one of six institutional strategic objectives. To this end, Office 365 has been fully implemented. Additionally, the exchange mail boxes migration from Exchange to the cloud was conducted including the file share migration to SharePoint. The business enhancement project and public re-engineering introduce numerous changes that will impact people, processes and systems and the institution will require a mechanism to conduct effective change management through effective project communication and training. GPL's core business of law-making and oversight is extensively supported by electronic content. The electronic content includes documents and audio and visual records that support House sittings and committee work. The project has also identified new systems to automate paper based processes. The Chamber software upgrade aimed at enhance functionality of House proceedings was also completed. This includes automation of the disclosure process and travel request process. Video-conferencing software is also fully installed to users.

Conclusion

The GPL registered remarkable achievements in the year under review. The success and future of the GPL depends on the continued accountability and leadership of the Presiding Officers and GPL Administration to direct the institution through these interesting times in the consolidation of our fledgling democracy.



PETER SKOSANA
Secretary To The Legislature



GAUTENG
LEGISLATURE

Our Voice — Our Future

MISSION

constitutional obligations, the GPL is

Dynamic African Legislature of the
21st Century

A, activist and transformative Legislature

values, aspirations and cultures of the
South African people

openness, accountability, transparency
Accountable Legislature

ethical and good governance

and raising skilled and professional

contributions, respects their role
in a stimulating environment



STATEMENT OF RESPONSIBILITY FOR PERFORMANCE INFORMATION BY THE ACCOUNTING OFFICER

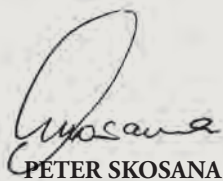
I hereby confirm that the Performance Information of the Gauteng Provincial Legislature has been submitted to the Auditor General's office for auditing in terms of the Financial Management of Parliament and Provincial Legislatures Act (2009).

I acknowledge my responsibility for the accuracy of the accounting records and fair representation of the performance information and confirm to the best of my knowledge and belief that both are true and correct in that:

- » the performance information is complete and accurate;
- » all amounts appearing on the performance information are consistent with the financial statements submitted to the Auditor General for audit purposes; and
- » the performance information is free from any omissions.

The Gauteng Provincial Legislature is responsible for keeping proper accounting records for purposes of disclosure with reasonable accuracy at any time and to ensure that the accounts comply with the Financial Management of Parliament and Provincial Legislatures Act (FMPPLA). The Gauteng Provincial Legislature is also responsible for safeguarding its assets and for taking reasonable steps to prevent and detect fraud and other irregularities.

Signed



PETER SKOSANA

Secretary to the legislature



STRATEGIC OUTCOME ORIENTED GOAL

The 2016/17 financial year marked the second year of implementing the GPL's Strategic Plan 2015/16-2019/20, in which the outcomes-based approach was embraced. During this period, the GPL embarked on various initiatives towards achieving its strategic outcomes oriented goal of becoming '*a responsive legislature that fosters public confidence*' through the six (6) strategic objectives listed in the table below:

- SO1:** Improved Accountability by the Executive to the Legislature in respect of service delivery
- SO2:** Improved meaningful involvement by the public in Legislature business
- SO3:** Increased responsiveness of Laws to meet the needs of the people of Gauteng
- SO4:** Fostered and coordinated legislative sector
- SO5:** Enhanced public confidence in the governance and leadership of the Legislature
- SO6:** Modernised business practices towards supporting the functions of the Legislature

PROGRAMME PERFORMANCE INFORMATION (NONFINANCIAL REPORTING)

Programme 1:

Leadership and Governance

Purpose

The purpose of the Leadership and Governance Programme is to provide strategic leadership and overall management to the Institution, thereby enabling the Institution to exercise its Constitutional responsibility of conducting oversight over the Provincial Executive, making and passing laws for the Province, meaningfully involving the people of Gauteng in all Institutional processes and facilitating of Cooperative Governance.

The Programme consists of five Sub-programmes, namely: Office of the Speaker, Office of the Deputy Speaker, Office of the Chairperson of Committees, Office of the Deputy Chairperson of Committees and the Legislature Services Board. The Programme is also responsible for the alignment of institutional processes to the Strategic Plan for the term 2014-2019. The strategic political management of Presiding Officers and Office Bearers as well as the strategic management of committees to ensure achievement of the provincial priorities is also given effect to through this Programme.

Key Functions

Programme 1 provides overall strategic leadership to the GPL, to enable the institution to discharge its constitutional obligations, including providing

leadership to the implementation of governance processes, coordination of the work of the GPL Standing and Portfolio Committees, as it pertains to their functions of oversight and scrutiny, law making, public participation and cooperative governance.

Summary of Achievements

The program had performed well and recorded substantial achievements for the period under review. It had ensured that the Legislature successfully convened over 90 House Sittings. Such sittings deliberated on Executive performance, utilizing various tools of oversight. This has resulted

positively in a marked increase in the number, and quality of resolutions passed by the House, Motions and Questions to the Executive. These were aimed at executing the GPL work in line with the Constitution and Standing Rules. Performance of GPL Standing and Portfolio Committees was managed to ensure that Committees perform in line with their planned predetermined objectives. One on one sessions with Chairpersons of Committees were successfully held to ensure that matters of concern raised by Committees are addressed early on before the end of every Quarter.



The Program was also instrumental in the establishment of the Chairperson of Committees Sub Forum of the Gauteng Speaker's Forum, which seeks to facilitate and contribute to the establishment of local Legislatures in the Province, as well as rendering support with processes and best practices thereby giving full effect to the Separation of Powers. The Gauteng Speaker's Sub-forum on Ethics under the theme: "Contemporary Ethical Governance, Public Administration, & Political Management" was also established through the Program.

The Program had also ensured that the Public Participation Forum was established and met to strategize on ensuring full meaningful public involvement in Legislature Business. Sector Workshops were also convened to ensure that voices, viewpoints and opinions of all South African Communities and groups are considered. The Citizen Responsibility Campaign (CRC) which resides in Program 1 had implemented the MYVOTE2016 Voter education and registration campaign. This included reaching out to over 2 Million potential voters to encourage voter registration. The Program in this regard had solicited support from the entire Institution as well as other bodies such as media houses, local municipalities and institutions of higher learning to ensure a collaborative and comprehensive approach to ensuring successful voter registration. The Program had also implemented the Hlwekisa Campaign as a community empowerment and improvement initiative, through partnering with the Nelson Mandela Foundation as well as Local Municipalities. The campaign had focused on organizations and Institutes for uplifted social

development such as aged homes, foster care as well as centres that care for people living with disabilities.

In addition, the Program, through its Sondela Campaign had proactively visited schools at the opening of the 2017 academic year in order to assess readiness for effective teaching and learning. The initiative formed part of GPL's oversight mandate over the work of the Gauteng Department of Education (and other relevant GPG Departments that provide basic services to schools). Presiding Officers used the opportunity to engage with teachers and the schools' management to identify critical areas of need/ challenge for intervention. The Deputy Speaker had, during the period under review, presented a paper titled: "Socio-Cultural Cohesion in the South African Ethics Governance System: The Years Past and Years Ahead" at the 4th Academic International Conference on Interdisciplinary Legal Studies (AICILS), in Boston, United States of

America (USA). Administratively, the Program had considered Quarterly and Annual Performance Reports of the Office of the Integrity Commissioner of the GPL. It had also prepared its own performance reports in line with the legislated reporting requirements. The Strategic Projects Oversight Forum (SPOF) convened to consider progress reports on strategic institutional projects. Oversight Reports on Strategic Projects were duly developed, these reports outline interventions and recommendations for decision by the Presiding Officers' Forum. The Legislature Services Board (LSB) and its Sub Committees had duly met as scheduled. The above being but a few of the main achievements of the Program for the period under review, the Program is indeed hard at work to ensure that the Institution is led and governed well. However going forward, further enhancements will be implemented to ensure the Program is instrumental in the Institution achieving its Constitutional Mandates and Strategic Objectives.



Annual Performance

PLANNED PERFORMANCE			ACTUAL PERFORMANCE		
Strategic Objectives	Performance Indicator	Annual Target	Annual Achievement against Annual Target	Reason for Deviation from Planned Annual Target	Mitigation for Non-achievement (with timeframe)
Improved Accountability by the Executive to the Legislature in respect of service delivery	Level of functionality of the House [OoS]	Full functionality of the House with respect to delivering the mandates of the GPL	Full functionality of the House with respect to delivering the mandates of the GPL achieved.	No Deviation	N/A
	Level of functionality of Committees in line with SOM Imperatives [OCOC]	85% of Committees functioning in line with SOM Imperatives	100% of Committees functioning in line with SOM Imperatives	15% deviation is as a result of improved efficiencies	N/A
	Quality of Oversight conducted by House Committees [OCOC]	High quality of Oversight conducted by House Committees in line with the COVAC Focus Areas	Quality of Oversight conducted by House Committees in line with the COVAC Focus Areas remains high.	No Deviation	N/A

PLANNED PERFORMANCE			ACTUAL PERFORMANCE		
Strategic Objectives	Performance Indicator	Annual Target	Annual Achievement against Annual Target	Reason for Deviation from Planned Annual Target	Mitigation for Non-achievement (with timeframe)
Improved meaningful involvement by the public in Legislature business	Quality of stakeholder engagement [ODCoC]	High Quality of Stakeholder engagements conducted	High Quality of Stakeholder engagements conducted	No Deviation	N/A
	Quality of public involvement in Legislature business [ODCoC]	High quality of public involvement in Legislature business	High quality of public involvement in Legislature business conducted	No Deviation	N/A
	Level of informed and active citizenry [ODS]	<ul style="list-style-type: none"> Development of the CRC 5 Year Strategy Adoption of the CRC 5 Year Strategy Development and Adoption of an Implementation Plan for the CRC 5 year Strategy (Annual Plan) 4 x Quarter Reports on Implementation of the CRC 5 Year Strategy 	<ul style="list-style-type: none"> Developed CRC 5 Year Strategy (concluded in the last financial year) Adopted the CRC 5 Year Strategy Developed and Adopted of an Implementation Plan for the CRC 5 year Strategy (Annual Plan) [concluded in the last financial year] 3 x Quarter Reports on Implementation of the CRC 5 Year Strategy produced 	Q1 report not developed due to adjustment in the Institutional APP in Q2	Ensure that when adjustments are made to the APP, these are aligned to all relevant documents
Fostered coherent and coordinated legislative sector	Quality of Inter-Institutional Relations [OoS]	Good quality of Inter-Institutional Relations	Good quality of Inter-Institutional Relations conducted.	No Deviation	N/A
Enhanced public confidence in the governance and leadership of the Legislature	Level of compliance with governance processes, procedures, and regulatory frameworks [OoS / LSB]	100% of compliance with governance processes, procedures, and regulatory frameworks	100% of compliance with governance processes, procedures, and regulatory frameworks	No Deviation	N/A
	Level of ethical conduct in line with the COCE [ODS]	<ul style="list-style-type: none"> Development of the Strategic Plan for the Privileges and Ethics committee Adoption of the Strategic Plan for the Privileges and Ethics Committee Development and Adoption of an Implementation Plan for the Privileges and Ethics Strategic Plan (Annual Plan) 4 x Quarter Reports on Implementation of the Strategic Plan for Privileges and Ethics Committee 	<ul style="list-style-type: none"> Developed the Strategic Plan for the Privileges and Ethics committee Adopted the Strategic Plan for the Privileges and Ethics Committee Developed and Adopted an Implementation Plan for the Privileges and Ethics Strategic Plan (Annual Plan) 3 x Quarter Reports on Implementation of the Strategic Plan for Privileges and Ethics Committee produced 	Q1 report not developed due to adjustment in the Institutional APP in Q2	Ensure that when adjustments are made to the APP, these are aligned to all relevant documents
	Oversight to ensure GPL its Project Milestones Annually [ODS]	Quarterly oversight to ensure GPL achieves 75% of its Project Milestones Annually	Quarterly oversight to ensure GPL achieved 75% of its Project Milestones conducted	No Deviation	N/A

Programme 2:

Office of the Secretary

Purpose

The Secretary's Office serves as the custodian of the Development and Implementation of the Strategy and Provides strategic, tactical and operational Leadership to GPL administration for the achievement of the institutional Mandate of Oversight and Scrutiny, Law-making, Public Participation and Cooperative Governance. The Office is established to enable the Secretary to the Legislature to fulfil his/her administrative and financial obligations in line with applicable legislation and legal directives. The Office is also accountable for the institutional strategic planning, reporting, budgeting, monitoring, contract management and evaluation and project management.

Key Functions

The Office of the Secretary is a focal point for ensuring seamless administration support to the House and its committees. The Office coordinates and consolidates institutional outputs and outcomes that allow the Accounting Officer to account to the Executive Authority and other oversight bodies. The office is supported by various functions including the Strategy, Planning and Monitoring and Evaluation, Transversal Mainstreaming Focal Point, Project Governance Office, Legal Advisory Services and Integrity Commissioner.

Summary of Achievements

The Secretariat is established in terms of section 13 of the Legislature Services Act as a forum for collective leadership that assist the Secretary to the Legislature in overseeing the effective and efficient management of the institute and is the ultimate decision-making structure in the administration of GPL. In the financial year under review, the Secretariat deliberated and adopted various policies, reports related to Planning, reporting, financial management, monitoring and evaluation. Accordingly, great strides were made on matters related to Planning, Budgeting, Reporting, Monitoring and Evaluation. The Secretariat continued to play a strategic role in guiding these processes and approved the 2016/17 reporting templates and 2017/18 planning timelines. Also, the 2016/17 APP review and strategic planning for 2017/18

was conducted for the GPL and subsequently approved by the Secretariat. Outstandingly, the GPL has developed one Institutional Annual Performance Plan (IAPP) for 2017/18 incorporating performance indicators from the Legislative Sector and this was approved respectively by the Secretariat and the LSB.

The Secretariat also adopted the Integrated Planning, Budgeting, Monitoring, Evaluation and Reporting Framework, 2015/16 and 2016/17 Institutional Indicator Protocols and the revised 2016/17 APP as well as consideration of the 2016/17 GPL Quarterly performance information reports. Thus the Planning and Reporting Guideline for 2017/18 financial year and beyond has been developed and adopted and that a single repository for performance information reporting has been developed on SharePoint and will be rolled-out in 2017/18 financial year. Secretariat ordinary and strategic planning meetings conducted aalignment of the 2017/18 Institutional Annual Performance Plan to NDP and SOPA, the GPL Strategic Goal, Strategic Objectives, Institutional Performance Indicators and confirmed Institutional Performance Targets. Also, the 2014-19 GPL Strategy was updated and adopted. On the other hand, the production of the GPL 2015/16 Annual Report and its Citizens' versions in 6 languages and Braille was concluded earlier in this financial year.

Monitoring and Evaluation Committee and Unit

The Monitoring and Evaluation Committee convened quarterly to guide and oversee the Institutional Strategic and Planning processes. In addition, it assisted the auditing process to ensure that the GPL attained a clean audit for the preceding year. Furthermore, as the GPL constitutes Committees and Administration, the committee deliberated and recommended the consolidation of these entities into one to facilitate a more comprehensive collective view of its performance against its strategic intent. This resulted in the improvement of a consolidated institutional annual performance plan, incorporating Committee and Programme planned activities for the 2017 / 2018 financial year. This, together with newly developed reporting templates and Institutional Indicator Protocols resulted in the adoption of the Framework for Integrated Planning, Budgeting, Monitoring, Evaluation and Reporting, the Institutional Indicator Protocol for 2017 /2018 and the guideline ensuring alignment between the Institutional Annual Performance Plan and the Programme, and House Committee Operational Plans for 2017 / 2018. The Monitoring and Evaluation Committee continued to provide oversight and ensured seamless planning, budgeting and reporting throughout the year. Also, the M&E Committee



Terms of Reference were developed and adopted by the Secretariat. Similarly, the Monitoring and Evaluation function continues to provide quality analysis of quarterly and annual reports and related evidence in enhancing the integrity of reported performance information. The function has continued to provide support and guidance to Programmes, ensuring that their respective performance reported evidence is reflective of their individual indicator protocols.

Financial Management of the GPL

The monthly and quarterly financial management reports were considered and reviewed through the Secretariat, Extended Secretariat Planning Committees which continually provided the expenditure status. The report further presents a high level assessment of actual expenditure at an Institutional, Programme and economic classification level, along with the variance analysis of expenditure against the allocated budget.

Transversal Mainstreaming Focal Point

The Programme has made strides in embedding the transversal mainstreaming within the institution. A significant achievement was realised through the support provided to the institution, amongst others was the GPL Multi-Party Women's Caucus (MPWC) sponsoring 50 women business owners from all the

regions of Gauteng, to attend the Wits Business School (WBS) Panel Discussion on Financing Women Owned Businesses. One of the key objectives of the MPWC is to form strategic partnerships with both the private and public sectors, for the purpose of contributing to the socio-economic and political wellbeing of women in Gauteng. Participation in the WBS Panel Discussion benefited women-owned small businesses by exposing them to the essential information that they needed to run their businesses effectively, awareness on financing opportunities for women-owned small businesses, as well as free business consultation with ABSA, an institution that was part of the Panel Discussion. Also, a report on the commemoration of the GPL women month activities was endorsed by the Secretariat.

Furthermore, the GPL Speaker participated as a panellist, and provided opening remarks for the Panel Discussion. ABSA requested 1 woman to stay behind after the Panel Discussion, for consultation to provide a specialist to guide her to develop a viable business plan for funding, to start a farming business (following her question in this regard). Another woman was asked to stay behind so that the ABSA representative could take her contacts, to include her in the portal, where big business will be given loans on condition that they buy material from her business – a scaffolding small business

that was struggling to compete with big business in the industry. Some of the information gained in the Panel Discussion included that ABSA has R100m earmarked to fund women owned businesses, to the ceiling of R3m per business, and how the women in attendance may get assistance to access the funds, from being assisted to develop a viable business plan, to drawing contract documents. By the end of Quarter 3 2016/17, the GPL had received feedback that a consortium of women-owned business had received funding for R500 000, as a direct result of information gained at the Wits Business School Discussion Panel.

The Transversal Mainstreaming Audit Project (TM Audit) deliverables were all met, with seven (7) background papers as additional achievements. The background papers were produced as part of the extensive literature review, to inform the context of the TM Audit. The following are the background papers produced:

- » International Policy Environment,
- » Legislative Sector Policy Environment,
- » National Policy Environment,
- » GPL Internal Policy Environment,
- » International Audit Methodology,
- » Norms and standards for transversal mainstreaming audits,
- » GPL Audit Methodology Results Matrix.



Furthermore, the first draft of the TM Audit report has been completed. Data collection and analysis was conducted in February 2017, which informed the development of the first draft of the audit report. The Transversal Mainstreaming Policy was also completed as planned. A proposal to construct and implement a CWP e-Discussion Forum was approved by Madam Speaker and project inception has taken place. The forum will serve as a platform for Commonwealth Women Parliamentarians to conduct dialogue and share information, experiences and projects on parliamentary practices. In addition, the development of frameworks for the Information Bank and database have been completed and content work will be taken forward.

Also, the GPL has undertaken to implement a more inclusive and holistic approach to the mainstreaming of human rights in its work, that is, implementing transversal mainstreaming or the mainstreaming of gender, race, youth and disability. To establish a systematic basis for this work, the GPL is implementing a transversal mainstreaming audit and training project, to assess the level of transversal mainstreaming in the business of the Legislature. As part of this project, 3 background papers have been produced, not only to inform the project work ahead, but also for publication, to contribute to transversal mainstreaming literature in the legislative sector. Furthermore, in pursuit of good governance in the GPL, transversal issues were incorporated in the planning processes of the institution, including the development of indicators against which the institution will plan, incorporating transversal issues in research analysis and COVAC reporting frameworks to inform inclusive oversight processes, as well as incorporation of transversal mainstreaming in the risk register.

Governance Process

As the GPL improves on its mandate of oversight, law making, public participation, cooperative governance and implementation of Presiding Officers priorities, the Office of the Secretary continued to encourage innovative and sustainable governance processes to ensure effective delivery of its directive. To this end, the governance framework implementation plan were monitored and approved by the Secretariat. In ensuring that the GPL adheres to the policy environment, approved policies were amongst others on the mobile cell phone for Staff, International Study Tours, and Funeral policy for Members, Business Continuity, Inventory, Supply Chain Management, Information Centre, Hansard Recording and Transcript.

The Secretariat also approved the 2016/17 risk management plan and continuously monitored the 2016/17 institutional

Strategic risk register and progress on institution strategic projects. Accordingly, the project governance framework was development was endorsed by the Secretariat. Through the established Project Management Framework, the Project Governance Office continues to provide project management support in the form of mentorship and coaching to the GPL project management community and ongoing EPIC training to appointed project managers. Thus strategic projects comprising the business enhancement, reengineering, CRC, sage building, office optimisation, report on alternative site for the GPL new building, GPL baseline study, reengineering of public participation, transversal mainstreaming audit and training were monitored through the Secretariat.

Progress has also been made in achieving the target for the Leadership and Management Practices Policy. To this end, the adopted Covey principles were inculcated through consultations were made with Franklin Covey SA on the leadership training programme, taking forward the policy and final sign off, speed of trust conference scheduled for GPL Senior Management. The process map on the GPL leadership training programme and the process on LQ1 questionnaire assessments were implemented. Also, Court matters, contract register and contract management were monitored through submission of reports to oversight structures of Risk Management and Audit and Risk Committees. Adopted the human capital management and supply chain management reports.

Office of the Integrity Commissioner

Rule 282 of the Standing Rules makes provision for the appointment of an Integrity Commissioner whose functions are prescribed under Rule 281. The Integrity Commissioner must among others report any violation with relevant facts and any conclusions he/she may have reached to the Privileges and Ethics Committee; open and keep a register; record in the register; and submit an annual report on his /her work to the Privileges and Ethics Committee. In the year under review, the following are the achievements for the Office:

Development of an Electronic Disclosure System for the GPL

An online declaration portal which simulates the current Declaration Form has been delivered by an external service provider commissioned by the Office. The Office, with the assistance of internal IT has been conducting background tests on the functionality of the system. Piloting of the project will commence in the 2017/18 financial year.

2016/17 Declaration of Members' Interests

As prescribed by Item 16(3) of the Code, the 2016/17 Declaration Season was proclaimed by the Office, Declaration Forms distributed and where necessary members assisted to comply. All Members declared their registrable interests and printing of the register has been commissioned.

Capacity Building Workshop for Members

With the aim of promoting a culture of high standards of ethical conduct among Members of the Legislature and empowering members with the necessary knowledge to make informed decisions on matters of an ethical naturel conflict of interest situations, in January, the Office conducted training for members under the following themes;

- » Broad Principles of Good Governance and Ethics
- » Roles & responsibilities of Public Representatives in relation to Ethical conduct
- » Reference to the current discourse in the field of ethics.
- » Trends in Anti-Corruption; Conflict of Interests/ Declarations of Interest.
- » Legislation and best practices relating to ethics and conflict of interests.

Legal Framework

Part 3 of the Standing Rules, in particular Rules 279-293 establishes the legal framework and the mandate of the Integrity Commissioner. In particular Rule 280 (1) states that the Integrity Commissioner (IC) is responsible for the implementation of the Code of Conduct and Ethics for Members of the Gauteng Provincial Legislature. Accordingly the submission of the Fourth Quarter Report for the Office of the IC to the Privileges and Ethics Committee also gives effect to Item 12(3) (d) of the Code of conduct which states that *"The Integrity Commissioner shall submit quarterly and annually reports to the Committee on functions of his /her office throughout the year"*. The Draft Discussion document on the Proposed Integrity legislation has been adopted by the Privileges and Ethics Committee.

Also, the revised Conflict of Interest Code for Members of the Gauteng Provincial Legislature was respectively adopted by Privileges and Ethics Committee and the House. The Code of Conducts was then implemented and monitored. Pending investigation were finalised and report adopted.

Annual Performance

PLANNED PERFORMANCE			ACTUAL PERFORMANCE		
Strategic Objectives	Performance Indicator	Annual Target	Annual Achievement against Annual Targets	Reason for Deviation from Planned Annual Targets	Mitigation for Non-achievement of Annual Targets
Improved Accountability by the Executive to the Legislature in respect of service delivery	Level of administrative support provided to the House and its Committees on oversight and scrutiny	High level monitoring of administrative support to the House and its Committees on oversight and scrutiny quarterly	High level monitoring of administrative support to the House and its Committees on oversight and scrutiny quarterly provided	No Deviation	N/A
Improved meaningful involvement by the public in Legislature business	Level of administrative support provided to the House and its Committees on public participation	High level monitoring of administrative support to the House and its Committees on public participation quarterly	High level monitoring of administrative support to the House and its Committees on public participation provided quarterly	No Deviation	N/A
Increased responsiveness of Laws to meet the needs of the people of Gauteng	Level of administrative support provided to the House and its Committees on law making	High level monitoring of administrative support to the House and its Committees on law making quarterly	High level monitoring of administrative support to the House and its Committees on law making provided quarterly	No Deviation	N/A
Fostered coherent and coordinated legislative sector	Level of administrative support provided to the House and its Committees on cooperative governance	High level monitoring of administrative support to the House and its Committees on cooperative governance quarterly	High level monitoring of administrative support to the House and its Committees on cooperative governance provided quarterly	No Deviation	N/A
	No of the reports on the effectiveness of the Inter Institutional Strategy	One (1) report produced by the end of Quarter 4	One (1) report on the effectiveness implementation of the inter-institutional relations strategy developed	No Deviation	N/A



PLANNED PERFORMANCE			ACTUAL PERFORMANCE		
Strategic Objectives	Performance Indicator	Annual Target	Annual Achievement against Annual Targets	Reason for Deviation from Planned Annual Targets	Mitigation for Non-achievement of Annual Targets
Enhanced public confidence in the governance and leadership of the Legislature	Level of administrative support rendered to the House and its Committees	Increase satisfaction of MPLs with administrative support by 5% annually	Target not achieved: Satisfaction survey on which the target was depended, was not conducted.	Deviation is as a result of the target deferred to the next financial year to enable a review of the structure and content of the survey.	Satisfaction Survey will be conducted in the 2017/18 financial year.
	Level of public confidence in the leadership and governance of the Legislature	High level monitoring of governance practices quarterly	High level monitoring of governance practices provided quarterly	No Deviation	N/A
	Level of monitoring and implementation of compliance with the Code of Conduct and Ethics Framework for GPL MPLs	High level of monitoring and implementation of compliance with the Code of Conduct and Ethics Framework for GPL MPLs quarterly.	High level of monitoring and implementation of compliance with the Code of Conduct and Ethics Framework for GPL MPLs provided quarterly	No Deviation	N/A
	Level of implementation and monitoring of compliance with the Code of Conduct for employees	High Level of implementation and monitoring of compliance with the Code of Conduct for employees	High Level of implementation and monitoring of compliance with the Code of Conduct for employees provided	No Deviation	N/A
Modernised business practices towards supporting the functions of the Legislature	Level of efficiency of GPL business practices	High level of monitoring of the efficiency of the GPL business practices quarterly	High level of monitoring of the efficiency of the GPL business practices quarterly conducted	No Deviation	N/A



Programme 3:

Corporate Support Services

Purpose

The purpose and core mandate of the Corporate Support Services stream is to give support to all stakeholders internally within areas of Human Resources; Information & Technology; Safety & Security; Building Management; Administration; Transport & Logistics; Member's Affairs and Relations through provision of systems, policies and processes that enable and facilitate service provision in the most effective, efficient and professional manner. The programme also interacts and works with external stakeholders in varied ways that all seek to strengthen provision of such support to stakeholders with the ultimate aim of contributing to the fulfilment of GPL's Constitutional mandate of, Law-making, Oversight and Public Participation.

Key Functions

The programme provides the necessary services through the following key functions:

Members Affairs Directorate

The composition of the directorate includes Member's Facilities and Members' Relations. The directorate is responsible for managing the interface between Members and the rest of the GPL staff in terms of all service areas which are facilitated on behalf of Members. In addition, service levels across the institution are monitored, evaluated and reported from the Directorate.

Institutional Support Services

The composition of the directorate includes the Administration, Human Resources as well as the Transport and Logistics Units. The directorate provides a variety of services namely, telecommunications function, fleet management, air travel, venue management, stationery and refreshments, remuneration, talent attraction, talent development, wellness, employee relations and HR administration.

Operational Support Services

The composition of the directorate includes Safety and Security Unit, Health as well as Building and maintenance units. The directorate provides for Occupational Health and Safety services as well as security services of a national key point standard. The Building and Maintenance

Unit provides the physical infrastructure needed by the Members and staff to conduct business

Information, Communication and Technology

The composition of the directorate includes the Audio-Visual and IT Units. Overall, the Directorate is responsible for the provisioning, managing, securing and supporting information and audio-visual assets. The Audio-Visual Unit plays a critical role in ensuring law-making, oversight and public participation activities are supported by provisioning audio-visual services to the Chamber, committee boardrooms and internal and external public events. The Information, Communications and Technology Unit provides information technology infrastructure to the institution and ensures that information assets are secured and protected from data loss and malicious attacks.

Summary Of Achievements

Planning and budgeting – financial management/ compliance

During the 2016/17 financial year, the programme participated in the institutional strategic planning sessions and developed its 2017/18 financial year operational and support plans in line with the institutional annual performance plan. In compliance with the M&E framework, the programme reported on a quarterly and annual basis on its performance to the relevant structures. A budget was developed for the 2017/18 financial year. Political party audits, funding and constituency allowance were executed during the reporting period. The programme participated in the annual financial workshop and have regular

engagements with the Office of the CFO in terms of budget allocation, monthly expenditure reporting, budget adjustment and annual expenditure reporting.

The programme manages a number of contracts in line with Service Level agreements and regular meetings were held with service providers to ensure quality service provision. Audit and risk matters were sufficiently addressed by the programme and internal controls were developed to ensure that the audit findings were addressed. The risk register is regularly updated in line with the institutional risk register and action plans. Control measures are put in place to mitigate the risks identified.

The risks relevant to Programme 3 were:

- » Compromised effectiveness of GPL's operations
- » GPL not performing optimally
- » Business practices which are not effectively supporting the functions of the Legislature
- » Loss of public confidence in the Legislature

The programme facilitates the development and approval of Policies on behalf of the Secretariat (Policy Committee which a sub-committee of Secretariat). The following policies were developed, reviewed and tabled:

- » Relocation policy
- » Learnership policy
- » Internship policy
- » Retirement policy
- » Remuneration and Benefits policy
- » Integrated Performance Management Policy
- » Funeral policy for staff



- » Talent Attraction policy
- » GPL Language Policy
- » Overtime Policy
- » Building Management Policy
- » Disciplinary Policy
- » Leave Policy
- » Records Management Policy
- » Remuneration and Benefits Policy
- » Space Management Policy
- » Waste Management Policy
- » Bursary Policy

The following policies were approved by the Board for implementation:

- » Mobile Business Tools and Landline Telephone Policy for Members
- » Funeral Policy for Members
- » Business Continuity Management Policy
- » Supply Chain Management Policy
- » Asset Management Policy
- » Mobile Business Tools and Landline Telephone Policy for Staff
- » Information Centre Policy
- » Hansard Recording and Transcript Policy
- » Inventory Management Policy
- » Fraud Risk Management Policy

The Policy Committee was capacitated with the appointment of a Policy Analyst to enable more effective and efficient service delivery to the Policy Committee.

Stakeholder management

The Programme manages its external service providers through effective contract management and regular meetings. Its internal stakeholders are staff and Members. The Programme reports to the Secretariat and its sub-committees (Legislature Acquisitions Council, Risk Management Committee, and Policy Committee) in terms of its service provision and performance. It also participates in institutional committees such as strategic planning committee, annual report and M&E committees. It supports and reports to the Members Affairs (MAC), Performance and Remuneration Committee, Audit and Risk Committee and Human Resource Development (HRD) committees as well as the Board (Legislative services board). The National Key point meetings as well as health and safety committee meeting were also held with relevant stakeholders. Courtesy visits to political parties were successfully undertaken.

Service provision – support plans

The programme's operational plans have been implemented for effective service delivery in line with modernised business practices. The Business enhancement project was supported by the programme and facilitated on behalf of the Accounting officer. A clear deliverable was the launch of 'SharePoint' assisting the Institution in modernising to the digital world. Input to the governance framework and the Business continuity and disaster recovery was also provided by the programme. Planned delivery of venue hire, insurance, business tools, telecommunication, refreshments, stationery, canteen and coffee bars, transport and logistics, office space, safety and security, cleaning, technology and audio services were implemented as per approved plans. Achievements of note as per the APP are the development of a change management framework and implementation plan, the development of HR sub-committees, Training of Members in oversight, law-making and public participation, Party support; Annual compliance assessment report successfully developed. The programme supported institutional events successfully during the reporting period, which includes internal and external events. Mobile tools were successfully rolled out to Members and staff.

Human capital

The programme supported staff human capital development by ensuring a healthy and safe environment. HR committees were developed and a resource plan for the 2016/17 financial year was developed. The move to Sage building was concluded

and a number of challenges that arose were addressed during the financial year and are still being addressed. Training interventions as well as formal study support were provided to staff and Members aligned to personal development plans. In terms of wellness provision, HealthiChoices was procured, Walks and marathons were hosted as well as the gym and clinic provision. The programme regularly engages staff and Members on remuneration and benefit issues. The Long service awards for staff was hosted at the end of the financial year. The Employment Equity plan was submitted to the Public Service Sector Education and Training Authority (PSETA) and Department of Labour, satisfying all reporting requirements. Performance management for staff, political support staff and Members were successfully concluded.

The salary negotiations for the 2015/16 financial year were successfully concluded, engagements with organised labour occurred and contract matters for senior managers were addressed. The review and conclusion of the recognition agreement between GPL and GPL union branches, i.e. NEHAWU and PAWUSA was concluded.

Members

The programme supported the Members capacity programme and social responsibility programme. Support on performance management to political support staff was also provided during the reporting period.



Annual Performance

PLANNED PERFORMANCE			ACTUAL PERFORMANCE		
Strategic Objectives	Performance Indicator	Annual Target	Annual Achievement against Annual Targets	Reason for Deviation from Planned Annual Targets	Mitigation for Non-achievement of Annual Targets
Improved Accountability by the Executive to the Legislature in respect of service delivery	Proportion of Members trained on oversight and scrutiny/SOM as per Programming Committee	100% implementation of mandatory training interventions	Mandatory training interventions was 100% implemented	No Deviation	N/A
Improved meaningful involvement by the public in Legislature business	Proportion of Members trained on public participation mandate as per Programming Committee	100% implementation of mandatory training interventions	Mandatory training interventions was 100% implemented	No Deviation	N/A
Increased responsiveness of Laws to meet the needs of the people of Gauteng	Proportion of Members trained on legislative drafting as per Programming Committee	100% implementation of mandatory training interventions	Mandatory training interventions was 75% implemented	The planned Paralegal workshop did not materialise due to time constraints.	Training will be rescheduled to take place in the new Financial Year
Fostered coherent and coordinated legislative sector	Level of participation in the legislative sector engagements/forums	100% participation in the legislative sector engagements/forums	100% participation in the legislative sector engagements/forums was achieved	No Deviation	N/A
Enhanced public confidence in the governance and leadership of the Legislature	Level of MPLs satisfaction with administrative support	5% increase in the level of MPLs satisfaction with CSS administrative support	Target not achieved	The level of increase could only be determined through conducting a satisfaction survey. The survey was deferred to the next financial year to review the current content and structure of the survey in order to improve response rates.	The satisfaction survey will be conducted in the new financial year.
	Level of compliance with governance, procedures and regulatory frameworks	100% compliance	100% compliance to governance framework was achieved	No Deviation	N/A
	Compliance with the norms and standards of a conducive environment in the GPL	Annual compliance assessment report	Annual compliance assessment report was developed.	No Deviation	N/A
	Level of implementation of the change management framework	Change management framework implementation plan developed	Change management framework implementation plan developed and adopted during the reporting period	No Deviation	N/A
Modernised business practices towards supporting the functions of the Legislature	Level of efficiency of GPL business practices	Assessment report on utilisation	The assessment report on utilisation was done and reported a 5% increase in the utilisation of CSS systems, SAP HR, MSS, CRM)	No Deviation	N/A

PLANNED PERFORMANCE			ACTUAL PERFORMANCE		
Strategic Objectives	Performance Indicator	Annual Target	Annual Achievement against Annual Targets	Reason for Deviation from Planned Annual Targets	Mitigation for Non-achievement of Annual Targets
	Level of corporate support rendered to the GPL	Revised service charter, draft procedure manual, annual corporate support plans, MOU with parties and resource model	The draft procedure manual, annual corporate support plans, MOU with parties and the resource model was developed during the reporting period to improve the level of corporate support rendered to the GPL. The agreed SLAs was adhered to 100%	The service charter was not revised as the content was still relevant and still being implemented.	The project to review the service charter is planned for 2017/18 financial year.
	Level of implementation of corporate support plans	100% implementation of corporate support plans	100% implementation of corporate support services plans achieved during the reporting period.	No Deviation	N/A



Programme 4:

Core Business

Purpose

The purpose of the Core Business Programme is to support the House and its committees to make laws for the Gauteng Province, conduct oversight over the Executive and facilitate cooperative governance for aligned decision-making in the Province. Core Business also supports public participation in the operations of the Legislature by the people of Gauteng, through public participation initiatives, ensuring that platforms are created for their effective participation. The programme consists of four subprogrammes that play a central role in supporting the execution of the Legislature's Constitutional mandate, by providing professional services to the House and committees, facilitating parliamentary business, communication, public participation and information and knowledge Management.

Key Functions

The Core Business Programme plays a central role in supporting the execution of the Legislature's Constitutional mandates, through providing support services for parliamentary business, communication and public participation, information and knowledge management and cooperative governance.

Summary of Achievements

Below are the key achievements in intensifying and asserting the legislature's oversight and scrutiny on the executive; increasing meaningful participation of Gauteng residents in legislative processes; reviewing and passing of laws that are responsive to the needs of the people; increasing public confidence levels on the institution and modernising the institution into a 21st Century African legislature.

In its contribution to oversight and scrutiny, the programme successfully provided professional support to the House and its committees through the effective implementation of its oversight mechanisms, including the Sector Oversight Model (SOM). The application of the various tools of oversight, expert professional support, evidence-based oversight and critical

information provision – through the Programme - enabled the GPL to enhance its oversight. This involved amongst others oversight on the performance of the Executive, through the scrutiny of the budget, quarterly and annual reports of 2015/16 for all portfolio departments, Focused Intervention Studies (FIS) and Committee Inquiries. Committees remained in the centre of GPL business carrying out the detailed work of the House. To effectively carry out their work, committees were guided by a systematic multi-year planning framework, which occurred during July 2016, covering the periods 2016/17 to 2018/19. In addition, the House intensified its oversight through questions to the executive – both written and oral (including question time during plenary). In this reporting period, several motions were processed to allow the House to debate on various issues affecting the people of Gauteng and to hold the executive accountable. This includes processing of House resolutions on key service delivery matters. The GPL rigorously monitored and tracked the implementation of the resolutions by the executive, through the oversight work of portfolio committees, this making a meaningful impact on executive accountability.

The programme further provided support to ensure that the legislature achieves its objectives in relation to meaning public involvement and enhancing public confidence on the institution through various key outputs. This included House sittings, public hearings, committee activities and stakeholder engagement sessions. The GPL held its first sitting 'the Official

Opening of the Gauteng Legislature' in Rand West City Municipality on 20 February 2017, held under the theme, "following-up on our commitments to the people of Gauteng". The sitting displayed the GPL's commitment to providing various fora for the people of Gauteng to participate in its processes. Other fora included sector parliaments - covering a range of targeted groups, i.e. Interfaith, Youth, Children, Women, Senior Citizen, LGBTI, People with disabilities and Commercial sex workers. Over four thousand (4475) participants from these different sectors participated in the events. Further intensifying meaningful public involvement, ten (10) public hearings by the Petitions Committee were conducted in various communities in Gauteng.

In addition, a hundred and fifty five (155) petitions were received. Of these petitions, hundred and twenty-five (125) were successfully adopted while two (2) were resolved or closed by the committee and thirty (30) rejected as issues raised were outside the scope of the Petitions Committee. The Petitioners were informed of the on the reasons for the rejection of their petitions and were advised of the institution to approach to resolve their issues. One of the critical achievements was that the GPL managed to close a further sixteen (16) petitions, which emanate from the backlog of petitions (198) from previous financial years (2008-2015). This means that going forward, the backlog of unresolved petitions is three hundred and five (305) which the Committee working with relevant authorities are trying to resolve.



The processing and adoption of Petitions regulations, was part of enabling the GPL to have a comprehensive, structured and smooth way of processing petitions. Furthermore, the passing of the gambling and liquor regulations will ensure close monitoring of the implementation by the executive of the gambling and liquor acts in the interests of Gauteng residents. Various other stakeholders participated in the GPL's legislative processes through the respective oversight work of committees (referred to above), thus further strengthening the institution's oversight role.

In order to realize the objective of profiling the GPL to the people of Gauteng, various strategic initiatives were implemented, including media campaigns, events and public relations. Amongst others, the following activities immensely contributed to achieving this key objective: stakeholder relations, networking sessions with the media, media briefings with the Speaker and Presiding Officers, media talk shows and roadshows featuring Presiding Officers, Chairpersons of Committees and the Secretary to the Legislature. All institutional events and public relations were strategically utilized to promote and profile the business of the legislature. Other events and programmes successfully supported and implemented include Second Vita Basadi Awards, staff appreciation and awards dinner. These were mainly aimed at recognition of excellence by Gauteng residents and building a performing institution

through the recognition of its valued employees. The GPL further hosted Mandela Day activities, 16 days of activism against women and children, women in business seminar held at Wits University and the hosting of lunch for the elderly people. These initiatives further asserted the GPL as a relevant organ of state on critical socio-economic matters affecting the people - including the protection of vulnerable groups.

One of the key achievements during the period under review, as part of increasing the responsiveness of laws passed by the GPL to meet the needs of the people of Gauteng, the GPL passed the Gauteng Language Act. The Act provides legal parameters for the implementation and use of language policies in the province, with the accruing benefits of preserving, developing and restoring the dignity of historically marginalised languages in order to bring them on par with English and Afrikaans. In addition, the Appropriation Act; the Provincial Unauthorised Expenditure Act, and the Provincial Adjustment Act were also passed by the Legislature.

The GPL further fostered a coherent and coordinated legislative sector through various mechanisms, including collaboration with national parliament, interaction with the legislative sector through the Speaker's Forum and other related Fora. Amongst others, the institution successfully collaborated with National Parliament in hosting and supporting the

Legislative Sector's initiatives such as National Youth and Women's Parliaments and the High Level Panel public hearings on the assessment of the social impact of passed laws in South Africa since 1994. National Council of Provinces (NCOP), one of the two Houses of parliament, was supported in their annual NCOP Week during the Gauteng chapter, enabling members of the public to interact directly with their elected public representatives on matters ranging from a list of topics affecting their lives.

The GPL continued to improve its governance mechanisms by developing a comprehensive governance framework. This necessitated the review and development of various policies. These include the review of the Recording and Transcripts Policy aimed at the enhancement of the records service offerings. Other achievements for the reporting period include the production of the institution's mid-term political report on the performance of the Legislature since the resumption of the new political term in 2014.

Through its professional support, the Programme enabled the GPL to achieve the above-stated achievements. This ensured the GPL to, not only, effectively hold the executive to account, ensure meaningful participation or pass responsive laws – but also to, in unprecedented ways, profile this work to the people of Gauteng through media.



Annual Performance

PLANNED PERFORMANCE			ACTUAL PERFORMANCE		
Strategic Objectives	Performance Indicator	Annual Target	Annual Achievement against Annual Targets	Reason for Deviation from Planned Annual Targets	Mitigation for Non-achievement of Annual Targets
Improved Accountability by the Executive to the Legislature in respect of service delivery	% of administrative support provided to oversight imperatives	100% administrative support provided quarterly to: <ul style="list-style-type: none"> • Sector Oversight Model (Budget process, Annual reports, Quarterly reports and FIS) • Scrutiny of Sub ordinate legislation • Questions submitted for processing • Motions submitted for processing • Processing of House resolutions 	100% administrative support provided quarterly to: <ul style="list-style-type: none"> • Sector Oversight Model (Budget process, Annual reports, Quarterly reports and FIS) • Scrutiny of Sub ordinate legislation • Questions submitted for processing • Motions submitted for processing • Processing of House resolutions 	No Deviation	N/A
	Quality of administrative support provided to oversight imperatives	Good quality administrative support provided quarterly in respect of: <ul style="list-style-type: none"> • SOM imperatives • Scrutiny of sub ordinate legislation • Questions, motions and resolutions 	Good quality administrative support provided quarterly in respect of: <ul style="list-style-type: none"> • SOM imperatives • Scrutiny of sub ordinate legislation • Questions, motions and resolutions 	No Deviation	N/A
Improved meaningful involvement by the public in Legislature business	% of administrative support provided to public participation initiatives	100% administrative support provided quarterly to institutional public participation initiatives which include/s: <ul style="list-style-type: none"> • Taking the Legislature to the people initiatives (e.g. Bua le Sechaba) • House Plenary • Sector Parliaments • Petitions processes • Public hearings • Sector Fora • Public education • Feedback mechanisms 	96.5% administrative support provided quarterly to institutional public participation initiatives which include/s: <ul style="list-style-type: none"> • Taking the Legislature to the people initiatives (e.g. Bua le Sechaba) • House Plenary • Sector Parliaments • Petitions processes • Public hearings • Sector Fora • Public education • Feedback mechanisms 	An average of 43 people were mobilised per House Plenary instead of the expected 60.	Mobilisation of stakeholders will be undertaken to ensure planned minimum participation is achieved.
	Quality of administrative support provided to public participation initiatives	Good quality of administrative support provided quarterly in respect of institutional public participation initiatives which include/s: <ul style="list-style-type: none"> • Taking the Legislature to the people initiatives (e.g. Bua le Sechaba) • House plenary • Sector parliaments • Petitions processes • Public hearings • Public education • Feedback mechanisms • Sector Fora 	Good quality of administrative support provided quarterly in respect of institutional public participation initiatives which include/s: <ul style="list-style-type: none"> • Taking the Legislature to the people initiatives (e.g. Bua le Sechaba) • House plenary • Sector parliaments • Petitions processes • Public hearings • Public education • Feedback mechanisms • Sector Fora 	No Deviation	N/A
	Number of assessments of public participation mechanisms	1 systematic assessment of impact / effectiveness of public participation mechanisms	1 systematic assessment of impact / effectiveness of public participation mechanisms conducted	No Deviation	N/A

PLANNED PERFORMANCE			ACTUAL PERFORMANCE		
Strategic Objectives	Performance Indicator	Annual Target	Annual Achievement against Annual Targets	Reason for Deviation from Planned Annual Targets	Mitigation for Non-achievement of Annual Targets
Increased responsiveness of Laws to meet the needs of the people of Gauteng	% of administrative support provided to Law making	100% administrative support provided quarterly to law making processes in respect of Provincial and National Bills	100% administrative support provided quarterly to law making processes in respect of Provincial and National Bills	No Deviation	N/A
	Quality of administrative support provided to law making	Good quality administrative support provided quarterly in respect of Provincial and National Bills	Good quality administrative support was provided quarterly in respect of Provincial and National Bills	No Deviation	N/A
Fostered coherent and coordinated legislative sector	% of administrative support provided to Legislature's cooperative governance initiatives.	100% administrative support provided quarterly to cooperative governance initiatives at: <ul style="list-style-type: none"> • Local level (sphere) • Provincial level • National level • Regional level • International level • NCOP as and when required	100% administrative support provided quarterly to cooperative governance initiatives as and when required at: <ul style="list-style-type: none"> • Local level (sphere) • Provincial level • National level • Regional level • International level • NCOP 	No Deviation	N/A



PLANNED PERFORMANCE			ACTUAL PERFORMANCE		
Strategic Objectives	Performance Indicator	Annual Target	Annual Achievement against Annual Targets	Reason for Deviation from Planned Annual Targets	Mitigation for Non-achievement of Annual Targets
Enhanced public confidence in the governance and leadership of the Legislature	Level of compliance with governance processes, procedures and regulatory frameworks	100% compliance with governance processes, procedures and regulatory frameworks quarterly	100% compliance with governance processes, procedures and regulatory frameworks adhered to quarterly	No Deviation	N/A
	Level of administrative support towards thought leadership initiatives	100% administrative support provided quarterly towards thought leadership initiatives in respect of : <ul style="list-style-type: none"> Seminars / workshops, conferences Brown Bag Sessions Policy Briefs 	100% administrative support provided quarterly towards thought leadership initiatives in respect of : <ul style="list-style-type: none"> Seminars / workshops, conferences Brown Bag Sessions Policy Briefs 	No Deviation	N/A
	Increase satisfaction of MPLs with administrative support by 5% annually	75% satisfaction levels of MPLs with Core Business administrative support annually	Target not achieved. Satisfaction survey on which the target was depended, was not conducted.	Deviation is due to the target deferred to the next financial year to review the structure and content of the survey.	Survey will be conducted in the 2017/18 financial year.
Modernised business practices towards supporting the functions of the Legislature	Level of initiatives implemented towards modernisation of Legislature processes	100% of implemented initiatives towards modernisation of Legislature processes in respect of: <ul style="list-style-type: none"> Utilising institutional systems (e.g. LIMS, SAP etc.) annually 	100% of implemented initiatives towards modernisation of Legislature processes in respect of: <ul style="list-style-type: none"> Utilising institutional systems (e.g. LIMS, SAP etc.) annually. 	No Deviation	N/A
	Level of efficiency of GPL business practices	30% increase in the utilisation of institutional systems LIMS (Electronic Resolutions and electronic Petitions) annually	Target not achieved.	Deviation is a result of functional issues experienced with the LIMS. Thus expected growth in utilisation was not achieved.	LIMS has been upgraded. Constant functionality and utilisation will be monitored and reported on.
	Level of compliance with records management processes, procedures and systems	20% in the quality of institutional record management system (SharePoint Project) achieved annually	<ul style="list-style-type: none"> 20% in the quality of institutional record management system (SharePoint Project) achieved annually 	No Deviation	N/A



Programme 5:**Office of the Chief Financial Officer****Purpose**

The purpose of the programme is to provide professional financial, risk and supply chain management services to stakeholders for the realisation of the Institutional (GPL) strategic goals and objectives. The Office strives to raise financial resources equitably to ensure adequate funding for the implementation of the Institutional strategic plan whilst promoting effective financial management in respect of revenue, expenditure, assets and liabilities.

The Office promotes strong financial, supply chain and risk management practices through partnership processes with all programmes of the GPL. It provides effective and efficient management of all financial resources through the implementation of best business practices by linking strategic planning, budgeting and reporting. The Office is also responsible for ensuring continuous implementation of all relevant financial legislation to enhance the fiscal stability, accountability and integrity of the GPL.

Key Functions

This programme is custodian to governance processes as they pertain to financial management, supply chain management, as well as audit and risk management. The programme also ensures resource allocation and management in support of institutional programmes.

Summary of Achievements

Finance, supply chain and risk management activities were increasingly aligned and managed to promote good governance. This enhanced a continuation of economic, efficient and effective utilisation of resources for the achievement of the GPL's objective. The programme continued with its objective of ensuring that the GPL achieves its stated objectives with limited resources, by implementing cost-cutting measures and prioritizing activities and projects. The programme was able to achieve this through consultative processes between the Speaker, the MEC of Finance and Provincial Treasury to ensure that the GPL delivers effectively and efficiently on its mandate.

To ensure complete and timeous budget submissions to the Provincial Treasury, the programme coordinated and finalised the GPL's 2017/18 budget. The APP and the budget for 2017/18 were presented to the LSB for adoption. The approved APP was submitted to the Provincial Treasury and subsequently aligned to the final allocation from Treasury, after certification by all programme managers. Bilateral discussions and engagements with committee chairpersons and relevant committee staff were undertaken to confirm Annual Performance Plans and associated budgets. Budgets were determined and allocation letters issued to programme managers, Political Parties and chairpersons of committees.

Strategic leadership during the Annual Budgeting process was provided and adequate costing and funding of the Annual Performance Plans within available resources as aligned to the strategic objectives of the GPL were ensured. It was ensured that the necessary systems, processes and policies are in place to assist programme managers with their contributions to the budget compilation process. In reassuring a comprehensive budget and planning process, the programme facilitated the review and signing off of the 2015/16 MTEF chapter. The Budget Statement Chapter and budget tables were updated to incorporate Treasury's 2016/17 MTEF allocations, and subsequently the final 2017/18 budget statement was submitted to Treasury.

During the 2017/18 Adjustment Budget process, meetings were conducted to consider emerging priorities and the Adjustment Budget was approved by the LSB for submission to the Gauteng Provincial Treasury. Discussions with the Head of the Gauteng Provincial Treasury led to the finalisation of the requirements for the 2017/18 MTEF and Adjustment Budget. In improving fiscal discipline and financial management, cash flow and planned activities were monitored and evaluated on a monthly basis. There was continuous interaction with programme managers to improve the GPL's project management. The programme conducted regular bilateral meetings with the Provincial Treasury to ensure effective cash flow management and adequate cash flow resources. Liabilities of the GPL were settled timeously in line with policy and available resources.

Adopted cost-cutting measures with greater control on expenditure were implemented, identifying areas where savings could be realised and to ensure that the limited allocated resources were optimally and efficiently utilised. Revenue generation measures and strategy for implementation in the new financial year were implemented. Austerity and cost-cutting measures were continuously implemented to realise savings. Revenue generation measures were also further implemented to optimise revenue. Annual Financial Statements and Performance Information reports were submitted for 2015/16 to the Auditor General, in line with FMPLA.



Furthermore, the Auditor General, South Africa presented valuable information on a Performance Audit. The difference between a Performance Audit and Performance Information was outlined to minimise confusion.

To enhance financial reporting and curb challenges faced in the preparation of the 2016/17 financial statements, mid-year Interim Financial Statements were prepared in line with GRAP and FMPLA requirements. In ensuring improved expenditure management, the 2016/17 tabled budget was captured on the SAP system before the beginning of the financial year. Furthermore, the SAP system was aligned to the GRAP requirements and other SAP enhancements were implemented to improve transactional workflow.

In line with Section 51 of FMPLA, financial reports were prepared on a monthly basis and submitted to both internal and external stakeholders within 15 days of each month. In addition, expenditure reports were also prepared for Political Parties on a monthly basis. Within 30 days of the end of each quarter, the programme prepared and consolidated the Programme Performance reports and submitted to relevant stakeholders. For improved financial management, the Financial Procedure manual was revised and updated during the year, in line with GRAP requirements. In line with Section 33 of FMPLA, all the liabilities of the GPL were settled. In line with Section 51 of FMPLA, financial reports were prepared

on a monthly basis and submitted to both internal and external stakeholders within 15 days of each month. In addition, expenditure reports were prepared for Political Parties on a monthly basis. Within 30 days of the end of each quarter, the programme prepared and consolidated GPL Performance reports and submitted to relevant stakeholders. For improved financial management, the Financial Procedure manual was revised and updated during the year, in line with GRAP requirements.

In line with Section 33 of the FMPLA, all the liabilities of the GPL were settled. The following policies were approved:

- » The Business Continuity Strategy & Policy
- » SCM Policy
- » Asset Management Policy

The programme prepared and submitted financial and non-financial reports to all monitoring and oversight structures and the financial year-end closure process was effectively implemented. Expenditure and activity projections for all programmes were also developed by mid-March 2017, in line with FMPLA requirements. In improving the supply and demand value chain and ensuring improved facilitation of requisitions, demand plans for all programmes were prepared to facilitate requisitions for goods and services for the 2016/17 financial year. A response to the demand plans was facilitated by the programme to enable the GPL to deliver on its mandate. All approved requisitions were processed

in line with the applicable Supply Chain Management policies. The 2016/17 Delegation of Authority was revised and subsequently approved, to ensure appropriate levels of delegation and to improve operational efficiencies. All approved requisitions were processed in line with the applicable SCM processes and irrelevant and expired requisitions were deleted from the system at year end. All travel requisitions were processed and finalised in line with the SCM prescripts and all contracts were accounted for in the contract register and reported at Risk Management Committee meetings.

All tenders were awarded within 90 days (i.e. within the validity period) or in line with any approved deviations and vendor management for suppliers of goods and services was enhanced through the finalisation of the remaining milestones on the Intenda System. Furthermore, existing suppliers in the database were vetted and the non-vetted suppliers were removed from the database. In meeting of the demand for unforeseeable events, the programme facilitated the condonation of *expo facto* and Contract Management remained a key aspect in managing service providers' performance. In this respect all contract were accounted for in the Contract Register and the SCM policy was reviewed and revised to elevate the provision of professional SCM services to the next level. In response to the GPL imperative of taking the Legislature to the people, the programme reprioritised the allocation of business to local and township service providers. The Asset Management cycle was managed, from planning, acquisition, through to maintaining the asset throughout its use and finally disposing of it when required and the safeguarding of GPL's assets remained a priority, as prescribed by FMPLA. The programme conducted the bi-annual asset counts to satisfy GRAP 21 requirements and the Asset Management policy was also enhanced and revised in the period.

Provision for the promotion of BBBEE is also made in our SCM policy to further emphasise the seriousness that is orchestrated by both the Acts. The Promotion of Local and or Township Suppliers for all committee meetings were held within those communities and improvement in PwD's business opportunities within the GPL took place. In support of the Secretariat, subcommittees coordinated in the programme to fulfil their mandate. Asset Disposal Committee meetings were held and the committee made recommendations to the Accounting Officer on the effective disposal of damaged and obsolete assets. The Legislature Adjudication Council (LAC) met to ensure adherence to SCM principles and to adjudicate on tenders evaluated by the Tender Evaluation Committee. Final recommendations



on the awarding of contracts were made in line with the Delegations of Authority and the Fraud Prevention Committee and Risk Management Committees were coordinated effectively.

The programme coordinated and facilitated the 2015/16 Regulatory Audit by the Auditor General of South Africa, in line with FMPLA. The 2015/16 final audit report was issued before the end of July 2016 and the GPL once again achieved a clean audit opinion with no matters of emphasis. The programme also coordinated and facilitated the 2015/16 Political Party Fund audit by the Auditor General of South Africa, in line with the Gauteng Political Party Fund Act. In concordance with the outcome of the 2015/16 external and internal audits, the programme developed the 2016/17 Audit Strategy to improve and maintain the internal controls environment and to address the weaknesses identified during the audit processes.

Audit & Risk Committee (ARC) meetings were held on a quarterly basis in line with the charter preceding LSB meetings and special meetings were held as and when required. The Audit & Risk Committee reviewed the financial statements, monitored the appropriate accounting policies as well as the systems of internal control together with risk management processes and considered the findings of the Internal Audit. The committee also scrutinised the reports submitted by both the internal and external auditors on compliance levels and the effectiveness of systems. Quarterly Risk Management Committee (RMC) meetings were held in line with its Terms of Reference preceding Audit & Risk Committee meetings; the Risk Management Committee scrutinised progress with regard to the implementation of mitigating action plans, and relevant sub-programme reports pertaining to the mitigation of identified risks.

Fraud Risk Management Committee meetings were held on a quarterly basis preceding Risk Management Committee meetings. The committee took responsibility for the implementation of the fraud prevention plan within the GPL and satisfactory progress was made on the implementation of the fraud prevention plan. Progress on the implementation of the plan was reported to the RMC and ARC on a quarterly basis. An anti-fraud and corruption awareness session formed part of the Annual CFO workshop. The Fraud Risk Management Policy was also adopted by the LSB through recommendation of the ARC.

A Strategic Risk Assessment was conducted during the year. The 2016/17 Strategic Risk Register was presented to the

ARC for recommendation to the LSB for adoption and the LSB approved the 2016/17 Strategic Risk Register.

The Internal Audit function was effective and operational during the period. The 2016/17 Internal Audit Plan (IAP) was risk based and informed by the strategic risk register. The Audit & Risk Committee approved the 2016/17 IAP, internal audits were executed in line with the IAP and reports were presented to the ARC for adoption. The outsourced internal audit service provider executed audits, as informed by the IAP. The programme embarked on initiatives to continue to improve the control environment, risk management and governance processes and reports were presented to the Secretariat, Risk Management Committee and Audit & Risk Committee meetings. The programme coordinated and facilitated the Risk Management and Audit & Risk Committee meetings, with a complete agenda and reports.

The Combined Assurance Model and Plan was approved and discussed with the Internal Auditor and Auditor General. The Business Continuity Management (BCM) Strategy and Plan were adopted by the ARC and LSB. A Business Continuity Plan Task Team reporting the ICT Committee was established during the period and training was accordingly provided to members. The programme developed the BCP Implementation Plan and reported quarterly progress to the RMC and ARC and monitored levels of compliance with identified legislation as per the GPL's regulatory universe. It also assessed the risks associated with the respective sections on BarnOwl.

The programme further developed the Internal Control enhancement plan and implemented some of the initiatives in the implementation plan, as a value add. Project risk assessments were also conducted and risk registers developed and managed. Seven Stores to the SCM Unit, in line with the directives of the APP, were centralised and the Inventory Management function was overseen, inventory counts observed and internal controls continued to be enhanced. The development of the Governance Framework and participated in the development of the framework were effectively managed.

The applicability of sections per Act, within the GPL regulatory universe were evaluated and the risks associated with the respective sections on BarnOwl were assessed. The Business Continuity Plan (BCP) were implemented; City of Johannesburg & Ekurhuleni engagements were held, Service Level Agreements drafted, battle boxes were procured, next of kin contact details were obtained from

staff and preparatory work for emergency evacuation drills were held. The training of Fire Marshalls and First Aiders was executed. The BCM Policy was approved by LSB. A Compliance Heat Map from BarnOwl was generated for the first time, on the Regulatory universe, for RMC & ARC and a three-year contract agreement with Lexis Nexis at a reduced rate was negotiated and concluded.

The Inventory Management Policy was approved and there were continued engagements with SCM on centralisation. Three Stores for the pilot centralisation project was identified and year-end counts and evaluation of stores for the AFS was concluded. Internal Auditor was also assisted in drafting the Internal Audit Plan, aligned to strategic Core business issues and the Performance Information Review was facilitated. The STOR Committee considered 12 Terms of References for goods and services and a comprehensive inventory management plan was developed. "Oversight on committees" and "Petitions" internal audits commenced as per the Internal Audit Plan, under challenging circumstances.

Process flows for Members and staff for the e-Disclosure business enhancement process were developed, to allow IT to enable the process. A Fraud and Ethics survey was conducted on BarnOwl and an induction presentation on Programme 5 was delivered to new Members and Senior Managers. The programme hosted and facilitated the Annual CFO workshop. This initiative created awareness around Financial, Supply Chain and ARG processes, Business Continuity Management and fraud prevention. *The following Delegations were developed and presented to the Extended Secretariat:*

- » Financial Delegations
- » Asset Delegations

The programme strived to improve and sustain relationships with all relevant stakeholders throughout the period. In line with this, partnership meetings were hosted with the National and Provincial Treasury, Auditor General and SARS. Monthly partnership meetings were conducted with programme managers and chairpersons of committees and quarterly expenditure and performance outcome discussions were held with Provincial Treasury. Presiding Officers, programmes and subprogrammes were supported and guided through the planning and budgeting process. The programme played a leading role in the National SALSA CFO Forum; the CFO of the Gauteng Provincial Legislature is the Chairperson of this Forum. The CFO's Forum is the platform for CFO's and financial practitioners in the legislative sector where best practice, innovations that

are relevant to the sector and challenges are addressed. Most significantly, the CFO shared and engaged with peers on some of the latest innovation in public finance.

In order to improve stakeholder relations, closer liaison with the Members Affairs Directorate was maintained to ensure service excellence to Members and monthly meeting reports were prepared and distributed during Members Affairs meetings. Meetings and continuous engagements were held with the Office of the Auditor General (AG), on a regular basis. The outsourced Internal Audit service provider was treated with the same courtesy. Relations with both these assurance providers remain extremely cordial and professional. Bilateral discussions and engagements with committee chairpersons and relevant committee staff were undertaken to confirm the APP and the budget.

The programme engaged regularly with all programmes, subprogrammes and respective programme managers to finalise the 2017/18 budget as well as reprioritise projects for 2016/17 in order to spend within available resources.

Programme managers were continuously engaged to resolve their budget related matters and scheduled meetings were also conducted to determine planned activities to inform expenditure projections. Guidance and feedback on budgetary matters was provided on a formal and informal basis and regular engagements with all programmes, subprogrammes and respective programme managers were conducted to finalise expenditure projections. In embedding risk management within the GPL, the programme regularly met with all management to track, monitor and report on the implementation of action plans for the strategic and operational risk registers and internal and external audit findings. Meetings were also held with SARS to discuss tax matters affecting the GPL and its Members.

Performance reports were prepared on a quarterly basis and submitted to all relevant internal and external stakeholders. Executive Management meetings were held subsequent to the Board and Secretariat meetings, to communicate decisions of the Board and Secretariat and tasks emanating from LSB, Secretariat, oversight structures and all

subcommittees of the Board and Secretariat were tracked and reported on accordingly. The tracking and monitoring of the Stakeholder Management Survey was conducted regularly, based on a developed action plan. In supporting continuous learning and growth of staff, a number of training programmes were attended, to enhance the relevant skills and competency required to provide the professional service needed for GPL to deliver on its mandate.

In addition, in striving to support the objectives and strategy of the GPL through more efficient staff and by creating an environment that encourages staff to develop their careers, some of the programme's staff were awarded bursaries to further their studies. Conferences were attended to remain abreast of the developments around the professional services provided by the programme to the GPL. Further workshops were conducted by the programme with management, to increase the understanding of their role and responsibility in adhering to relevant policies and procedures, for improved service delivery.

Annual Performance

PLANNED PERFORMANCE			ACTUAL PERFORMANCE		
Strategic Objectives	Performance Indicator	Annual Target	Annual Achievement against Annual Targets	Reason for Deviation from Planned Annual Targets	Mitigation for Non-achievement of Annual Targets
Fostered coherent and coordinated legislative sector	Level of participation in the legislative sector engagements/ task team	100% participation in SALSA initiatives quarterly	100% participation in SALSA initiatives quarterly (CFO attended and participated at the SALSA meeting to adopt uniform reporting practices)	No Deviation	N/A
Enhanced public confidence in the governance and leadership of the Legislature	Achievement of unqualified audit with no matter of emphasis (clean audit)	Unqualified audit with no matter of emphasis (clean audit)	Achieved unqualified audit with no matter of emphasis (clean audit)	No Deviation	N/A
	% adherence to good governance principles, in line with the governance framework implementation plan	100% adherence to good governance principles, in line with the governance framework implementation plan	100% The Governance Framework was developed and preparation for implementation commenced with the development of a gap analysis and Roadmap quarterly, on the Programme's deliverables.	No Deviation	N/A
	Proportion of GPL budget allocated to transformation Programmes	7% budget allocated to transformation Programmes annually	22% budget was allocated to transformation Programmes in the amount of R143million.	No Deviation	N/A
	Level of funding of adopted Annual Performance Plans (Committees & Programmes)	100% funding of adopted Annual Performance Plans (Committees & Programmes)	100% funding was provided to the adopted Annual Performance Plans for Committees & Programmes.	No Deviation	N/A
	Frequency of reporting to the Executive Authority and oversight bodies	Monthly financial & quarterly financial reports to the Executive Authority and Oversight Structures	Monthly financial reports were submitted to the Executive Authority & quarterly financial reports were submitted to the Executive Authority, OCPOL & Audit Committee	No Deviation	N/A
	Number of review reports on key controls, audit & risk management	4 Reports	4 reports (1 report per quarter) [Key Controls and Audit & Risk Management Report] was tabled at each quarterly meeting of the Audit & Risk Committee resulting in 4 reports for the year.	No Deviation	N/A

“Following up on our commitment
to the people of Gauteng”

PART C

SECTION IV





GOVERNANCE



GOVERNANCE

Risk Management and internal controls

Adequate and effective internal controls, risk management and governance processes are key to the achievement of the GPL's adopted strategic goals and strategic objectives. The GPL recognises risk management as an integral part of responsible management and has therefore adopted a comprehensive approach to the management of risk. The adopted Risk Management Strategy provides a framework for Enterprise-Wide Risk Management (ERM). GPL adopted the COSO framework, (Committees of Sponsoring Organisations of the Treadway Commission), to identify, manage, control, reduce or eliminate business, financial and operational risks that may adversely affect the performance of the GPL. The annual strategic risk assessment informs the internal audit effort and priority and the significant risks and associated controls were communicated to the Board through the Chairperson of the Audit & Risk Committee. The identified risks and their mitigating controls were continuously tracked and the progress on the implementation of action plans in the risk registers were monitored and reported to oversight structures on a regular basis. The GPL also continued to implement the adopted a Risk Management Policy during the period under review. The strategic planning process and resultant 2014-19 strategic plan incorporated a Five-Year Risk Management Plan and the implementation of the Risk Management Plan was regularly monitored and further periodically reported to oversight structures. Operational risk assessments and project specific risk assessments were undertaken to embed risk management into daily operations and improve the GPL's risk management maturity level.

Fraud and Corruption

The Public Service Commissioner (PSC) administers the GPL's Anti-fraud & corruption hotline at a National level. Members, staff, service providers and the public are continuously encouraged to use the Hotline number to report possible or alleged incidents of fraud or corruption. Whistle blowers have the option to remain anonymous and are protected in terms of the Protected Disclosures Act, No 26 of 2000. Cases reported are forwarded to GPL's Accounting Officer for further investigation.

The Fraud Risk Management Committee monitored the implementation of the fraud risk management implementation plan within the GPL. A Fraud Risk Management report was prepared on a quarterly basis to the various oversight structures, including the Risk Management Committee, Audit & Risk Committee and the LSB. The GPL also adopted a Fraud Risk Management Policy during the period under review and Fraud Risk Management awareness initiatives were implemented on a quarterly basis to improve the overall management of fraud risks.

Code of Conduct and Management of Conflict of Interest

The Gauteng Provincial Legislature (GPL) strives for and expect the highest standards of ethical conduct and professional behaviour by Members of the Provincial Legislature (MPLs) and GPL employees. The revised conflict of interest and code of conduct

for MPLs was adopted by the House. Also, the online disclosure of registrable interests (e-disclosure) for MPLs was developed which will assist MPLs to disclose electronically in the next financial year.

On the other hand, the approved GPL Code of Conduct and Ethics Framework for employees is continuously used to ensure that Senior Managers and GPL Staff declare their financial interest and execute their duties in accordance with ethical and professional standards of the GPL. The framework is also used to maintain independence of the GPL in business matters and that decisions are not jeopardised as a result of unethical relationships with service providers, internal/external stakeholders. The declaration of interest process was concluded for the period under review. The target is always planned for reporting in the 1st quarter of the financial year.

Report of the Audit and Risk Committee

1 Introduction

The Audit & Risk Committee is pleased to present its report for the period ended 31 March 2017. The report has been prepared in line with the Financial Management of Parliament and Provincial Legislatures Act (FMPLA).

2 Membership and attendance

The Audit & Risk Committee consists of the members listed hereunder. The committee's approved Charter stipulates that the committee should meet at least 4 times per annum.

Six meetings were held during the 2016/17 financial year, as detailed below.

#	Member Name	Qualifications	Membership Category	Current Term commencement	Number of meetings attended
1	John Davis (Chairperson)*	CA(SA)	Independent	01 April 2013	5 of 6
2	Nandipha Madiba (Chairperson)*	Chartered Directorship with IoDSA BCompt Hons MSc Fin Mgmt (Part 1). BComm Acc Post Grad : Advanced Taxation Certificate	Independent	1 August 2015	6 of 6
3	Roy Mnisi	LLB Degree Post grad Cert in Compliance Mngmt	Independent	01 April 2013	5 of 6
4	Japie du Plessis	N Dip: State Accounts And Finance	Independent	1 August 2015	6 of 6
5	Mike Madlala	Public Administration Degree Public Administrations Post Graduate Diploma MBA: 2 year Demont Fort university	MPL	1 April 2015	3 of 6
6	Lindi Lasindwa	Certificate in governance, Leadership Advanced certificate in Governance and Public Leadership	MPL	1 April 2015	1 of 6

Legends:

* * Mr Davis resigned as Chairperson and Member of the ARC with effect from 30 November 2016, Ms Madiba was appointed as Chairperson of the ARC with effect from 1 December 2016.

3 Committee responsibility

The Audit & Risk Committee reports that it has complied with its responsibilities arising from the Financial Management of Parliament and Provincial Legislatures Act (FMPLA).

The Audit & Risk Committee also reports that it has regulated its affairs in compliance with its Charter and has discharged all its responsibilities as contained therein.

4 The effectiveness of internal control

The system of internal control applied by the Gauteng Provincial Legislature (the GPL) over financial risk and risk management is generally effective, efficient and transparent. The Internal Auditors provide the Audit & Risk Committee and Management with reasonable assurance as to whether the internal controls remain adequate, appropriate and effective, in line with the Financial Management Policy of the Legislature. This is achieved by means of the risk management process, implementation of the internal audit plan as well as the identification of corrective actions and recommended enhancements to the controls and processes.

The internal audit function provided an objective and independent assurance to management and the

Audit and Risk Committee on the adequacy and effectiveness of controls within the GPL. The reported findings were monitored through the tracking register and reported to the Risk Management Committee, Audit and Risk Committee and ultimately to the Legislature Services Board.

Although here are some areas highlighted in the various reports of the Auditor General and by the Internal Auditors during the year, where internal controls require improvement and some corrective action, the Audit and Risk Committee considers the internal control environment adequate and effective. The Audit & Risk Committee has not only been instrumental in requesting that corrective actions are taken in this regard but also in providing guidance on necessary enhancements to these controls and processes that have an effect on GPL's compliance, risk and performance environment as well as responsibilities that GPL has to the external environment that it serves.

5 Effectiveness of Internal audit

The Internal Audit function was outsourced to an independent service provider, Nexia SAB&T, who continued to operate in line with the approved Terms of Reference and associated service level agreement. The service is based on the requirements of the FMPLA and Standards for the Professional Practice of Internal Audit of the Institute of Internal Auditors. The Audit and Risk Committee approved the Internal Audit Plan for the year under review. The adequacy and effectiveness reviews on the

internal control environment, risk management and governance processes were conducted accordingly.

The Audit & Risk Committee is satisfied that the Internal Audit function is operating effectively and that it has addressed the risks pertinent to the Legislature subsequent to the appointment of the out-sourced Internal Audit service provider.

From the various reports of the Internal we conclude that the existing control environment provides reasonable assurance that the Legislature's goals and objectives are being achieved.

6 Performance management

The Audit & Risk Committee monitored implementation of the GPL's Annual Performance Plan in order to ultimately achieve the Institutions strategic objectives and delivering on its mandate. Though the GPL achieved most of its planned strategic objectives the Audit and Risk Committee would like to impress upon management to pay more attention to the findings raised by the Internal Audit and Auditor General regarding performance information.

7 Risk management

The Audit & Risk Committee considered quarterly Risk Management Committee Reports highlighting risk identified throughout the institution and management's mitigation processes thereof. The Strategic Risk Register for the 2016/17 period was considered and recommended to the

LSB for adoption where after the Committee monitored the implementation of mitigating action plans on a quarterly basis.

The implementation of the Five Year Risk Management Plan, including the Fraud Prevention Management Plan were regularly monitored.

8 In-year management and quarterly reports

The Audit & Risk Committee is satisfied with the content and quality of quarterly reports prepared and issued by the Accounting Officer of GPL during the year under review, as the Audit and Risk Committee had engagements with management to provide clarity on completeness and quality of the Quarterly Reports during quarterly meetings

9 Evaluation of Annual Financial Statements

The Audit & Risk Committee has:

- » Reviewed and discussed the reviewed GPL 2016/17 unaudited financial statements of before submission to the Auditor General of South Africa for auditing and was satisfied that they were accurate and complied with the applicable reporting framework;
- » Reviewed audited annual financial statements to be included in the annual report and recommended them for approval by the Board;
- » Reviewed the Auditor General of South Africa's management report and management's response thereto, and found that certain findings were not based on any legislative framework, other than subjective interpretation and expectation with no evidence and/or basis.

The Audit & Risk Committee concurs with and accepts the Auditor General of South Africa's report on the annual financial statements, and is of the opinion that the audited annual financial statements should be accepted and read together with the report of the Auditor General of South Africa.

10 Auditor General of South Africa

The Audit & Risk Committee has met with the Auditor General of South Africa to ensure that there are no unresolved issues.

11 Conclusion

The Audit & Risk Committee would like to thank the Legislature Services Board, the Secretary to the Legislature and management for their support.



N MADIBA

Chairperson: Audit & Risk Committee

31 July 2017

Prior Modifications of Audit Reports

#	Nature of qualification, disclaimer, adverse opinion and matters of non-compliance	Financial year in which it first arose	Progress made in clearing / resolving the matter
1	N/A, Clean audit opinion achieved	2012/13	N/A
2	N/A, Clean audit opinion achieved	2013/14	N/A
3	N/A, Clean audit opinion achieved	2014/15	N/A
4	N/A, Clean audit opinion achieved	2015/16	N/A
5	N/A, Clean audit opinion achieved	2016/17	N/A

Health, Safety and Environmental Issues

The Occupational Health and Safety Act provides guidance on how to ensure that employers provide a healthy and a safe working environment for employees and contractors. The GPL provides a safe working environment to its employees and stakeholders by complying with the Occupational Health and Safety Act, No 85 of 1993, and regulations.

The GPL has the following in place:

- » Elected, appointed and trained health and safety representatives and active health and safety committee, which meets quarterly.
- » Inspections or audits of the workplace conducted on a monthly and quarterly basis and 14 trained First Aiders.
- » Signed off emergency plan and performed annual evacuation drill.
- » One resident Occupational Health Nurse to provide daily health care services.
- » Outsourced ambulance services, occupational health doctor and emergency medication, and installation of modern medical surveillance equipment.
- » Management of injuries on duty where these decrease from previous year down from nine to five injuries on duty.







Peter Skosana

Secretary to the Legislature

Transversal Mainstreaming

Introduction

The Transversal Mainstreaming Focal Point (TMFP) is a GPL function tasked with the provision of technical support to the institution to implement its transformation programmes, in order to substantiate the execution of the constitutional mandates of the GPL. Transversal mainstreaming is defined in the GPL as the integration of issues of gender, race, disability and youths in the GPL's political and administrative processes. The TMFP therefore provides support to the institution to improve its strategic and operational efficiencies and to enhance technical capacity, in its efforts to level the playing field for historically marginalised people in Gauteng. Thus the TMFP responds to the political agenda of the GPL Multi-Party Women's Caucus (MPWC), which is an influencing and advisory structure of the GPL and operates under the leadership of the Secretary to the Legislature. The TMFP was established during the compilation of the previous institutional annual report, thus as a relatively new function, and it presents its second annual report, outlining performance information on its mandate to support the GPL to effectively mainstream transversal issues in the business of the institution. The report is presented under the institutional scorecard dimensions of Internal Business Processes, Internal and External Stakeholder Management, Finance and Corporate Governance and Learning and Growth.

Internal Business Processes

The TMFP continues to provide technical support to improve operational processes in the GPL, including the review and improvement of institutional performance indicators and reporting formats that will allow the institution to focus its programme implementation efforts, as well as monitoring and measuring progress through aligned reporting systems. Reporting disaggregated information is also promoted through templates for compiling data categorised by gender, race, disability and age, to ensure effective monitoring of progress in reaching targeted groups through the implementation of transformation programmes. While the templates were developed in the previous financial year, they were piloted and refined in the current reporting period, and were utilised in various stakeholder engagement activities of the MPWC.

To further inform effective political and administration business processes, a transversal mainstreaming audit and training project (or TM Audit) was conducted. While the training element of the project will be finalised in the new financial year, various project deliverables were achieved as planned. The project was preceded by an extensive literature review, because, while many institutions have conducted gender, race, disability or youth audits respectively, it was difficult to find institutions or literature that indicated the existence of transversal mainstreaming audits that combined gender, race, disability and youth. Thus, the literature review was intended to build a body of knowledge on a comprehensive approach to mainstreaming these issues, to support the comprehensive approach taken by the GPL. The literature review included compiling indicators and targets for the post-2015 transformation agenda, which will inform how the GPL takes the mainstreaming work forward. The literature review thus culminated in the production of background papers that will be published to contribute to knowledge creation in the legislative sector.

The background papers produced as part of the TM Audit include the following:

1. International policy environment, which provides an international context for transversal mainstreaming in public and private institutions, including international instruments that South Africa is a signatory to.

2. National policy environment, which brings the context closer to home, outlining some of the South African instruments that provide a legislative framework for mainstreaming issues of historically marginalised groups in the country.
3. Legislative sector policy environment, which provides strategic frameworks within which the sector may operationalise both international commitments and national policy obligations.
4. GPL Internal policy environment, which outlines how the GPL has responded to both international commitments and national policy obligations through its internal policies.
5. International audit methodology, which explores methodologies used internationally, to conduct audits that seek to assess progress in the implementation of transformation programmes in public and private institutions.
6. Norms and standards for transversal mainstreaming audits, which explores norms and standards that inform audits that seek to assess progress in the implementation of transformation programmes in public and private institutions.
7. GPL audit methodology results matrix, informed by all the products above, the resulting matrix seeks to outline the outcomes to be pursued in implementing the transformation agenda.

Also informed by the preliminary findings of the TM Audit, a GPL transversal mainstreaming policy (or TM Policy) was developed, which emphasises areas of weaknesses, as was discovered through the audit. Indicators and reporting formats were also refined, as informed by the audit. A draft audit report has been completed and the results will be reported in the coming financial year, since the project will be finalised in the first quarter of the coming financial year.



Hon. Thokozile Magagula
Chairperson of the MPWC

Internal and external stakeholder management

Stakeholder management is central to the effective implementation of the constitutional mandate of the Legislature. As such, participatory democracy may be fully expressed through engaging stakeholders in their diversity, including the people of Gauteng, experts and practitioners in the legislative sector – nationally and internationally – in different spheres of government as well as other partners such as Institutions Supporting Democracy (ISD). Therefore, the GPL engaged stakeholders through various initiatives, including initiatives of the MPWC. The GPL views stakeholder management as one of the mechanisms that should yield results in changing the lives of people in Gauteng. Thus one of the initiatives of the MPWC was the sponsoring of fifty female business owners from all the regions of Gauteng, to attend the Wits Business School (WBS) Panel Discussion on Financing Women Owned Businesses.

One of the key objectives of the MPWC is to form strategic partnerships with both the private and public sectors, for the purpose of contributing to the socioeconomic empowerment of women in Gauteng. Participation in the WBS Panel Discussion benefited women-owned small businesses by exposing them to the essential information that they needed to run their businesses effectively, creating awareness on financing opportunities for women-owned small businesses, as well as offering a free business consultation with ABSA, an institution that was part of the Panel Discussion.

The GPL Speaker participated as a panellist and provided information on how the GPL contributes to women empowerment in the province, through cooperation with strategic partners. Some of the information gained by the GPL-sponsored attendees in the Panel Discussion included that ABSA had R100 million earmarked to fund women-owned businesses, to the ceiling of R3 million per business, and how the women in attendance could get assistance to access the funds. Also, attendees were informed on how they could be assisted in developing a viable business plan and drawing up contract documents. One woman was requested to stay behind after the Panel Discussion for consultation with a specialist, who would guide her on developing a viable business plan for funding to start a farming business (following her question in this regard). Another woman was asked to stay behind so that the ABSA representative could take her contact details, in order to include her in the ABSA portal, where big business will be given loans on condition that they buy material from her business – a scaffolding small business that was struggling to compete with big business in the industry. By the end of quarter three of 2016/17, the GPL had received feedback that a consortium of women-owned businesses had received funding of half a million Rand, as a direct result of information gained at the WBS Discussion Panel.

The MPWC has also pioneered a Commonwealth Women Parliamentarians (CWP) eDiscussion Forum Project, which will serve to engage stakeholders at an international level. The project is currently underway, where an interactive website will be created, through which continuous and consistent stakeholder dialogue will be facilitated by experts in the sector.

The eDiscussion Forum will, amongst others:

- » promote dialogue and facilitate networking amongst female parliamentarians across the Commonwealth.
- » advance the sharing of knowledge, ideas, experiences and project information and provide a platform for sharing resources.
- » provide a platform for expert advice by parliamentary practitioners.
- » keep the gender and human rights mainstreaming debate alive in the legislative sector.

The MPWC also encourages information sharing and as such, an information bank and a transversal mainstreaming database are being developed for inclusion in the eDiscussion Forum, to improve

access to a variety of stakeholders and transversal mainstreaming documents. The following tables indicate information compiled thus far:

Multi-Party Women's Caucus Stakeholder Database: Stakeholders Compiled

Variable	Level of Information	Total Documents Compiled
Disability organisations	International 301 National 241 Provincial 209	Total - 751
Gender equality organisations	International 262 National 52 Provincial 20	Total - 334
Race relations organisations	International 64 National 1 Provincial 1	Total - 66
Youth organisations	International 164 National 23 Provincial 12	Total - 199
Total		1, 350

Multi-Party Women's Caucus Information Bank: Documents Compiled

Disability documents	180
Gender Equality documents	967
Youth documents	115
Race Relations documents	63
Total	1, 325

The GPL Women's Month Programme was successfully implemented, including hosting 50 post grade 12 young women in the GPL. The young women were given an opportunity to shadow managers as they executed their daily work, to expose them to the legislative work environment. The GPL 2nd Annual Vita Basadi Awards was also hosted, where 10 women were recognised for their contribution to community upliftment. The GPL MPWC also conducted outreach activities as part of its social responsibility programme, such as the Sanitary Towel Drive, in which sanitary towels were distributed to deserving schools in various regions of Gauteng. From all the activities described above, the MPWC alone engaged stakeholders as shown in the table below.

Racial group	Sex					Age						Persons with disabilities	Total
	B	W	C	I	F	M	> 17	18 35	36 49	50 59	60 69	70+	
1401	33	36	20	1135	355	500	242	277	258	112	92	9	1490
94%	2.2%	2.4%	1.4%	76%	24%	34%	16.2%	19%	17.3%	7.5%	6.1%	0.6%	

These statistics show that the Caucus needs to improve on targeting racial groups other Black people, as well as men and persons with disabilities, to reflect more, in alignment with the demographic breakdown of the Gauteng province.

The GPL also engages its stakeholders through its annual report, by reporting on its performance to the people of Gauteng. As such, publishing the annual report in multiple languages ensures that the work of the GPL is disseminated to diverse groups in the province, in order to widen the reach of stakeholders. Thus transversal mainstreaming also manifested in the compilation and publication of the GPL 2015/16 annual report in six languages namely, Xitsonga, isiZulu, isiXhosa, Sepedi, English and Afrikaans,

and it was also produced in Braille, as part of reaching out to persons with disabilities. The annual report is made more accessible by simplifying it for citizens' readability and translated into these languages. The MPWC continues to involve stakeholders in the execution of its key activities, including in its strategic planning sessions, where multi-party caucus representatives at local government level are invited, to encourage joint planning and coherent decision-making in the province. Other stakeholders engaged through various activities of the MPWC included academia, non-governmental and community organisations and grassroots community members.

Internal stakeholder management continues to be executed through accountability mechanisms of the

institution, such as internal oversight structures, as well as integrated planning, execution, monitoring and reporting on institutional performance. Ongoing consultation processes with other institutional programmes is also promoted through structures such as project teams and operations committees.

Finance and corporate governance

The GPL funds the implementation of transformation programmes as planned for in the annual performance plans of different programmes in the institution. Also, governance processes have been established to promote the interests of historically marginalised groups within the institution and externally, through oversight, law-making and public participation processes. These include efforts to explore strategies for and integrate marginalised groups in the procurement processes of the institution and to report on the progress thereof.

Furthermore, mechanisms have been established for the GPL to report on representation in its political and administrative structures, in terms of gender, race, disability and age, as well as reporting on budget allocation and expenditure on the execution of transformation programmes. Transversal



mainstreaming continues to be integrated in governance processes such as planning and reporting, as well as monitoring and evaluation. The TM Audit and TM Policy, as reported above, are some of the mechanisms that are intended to inform effective corporate governance in support of the work of the House and its committees.

Learning And Growth

Technical capacity development and the improvement of knowledge, attitudes and practices with regard to executing transformation programmes in the GPL, are some of the key objectives of the institution. As such, the TM Audit is currently working on the development of GPL-specific training material for Members, Management and Staff, and the material will be customised to the needs of the functions of these categories of the GPL community. The intention is to institutionalise the capacity development programme, through annual training sessions for the GPL community and the sessions have been planned for in the coming financial year.

One of the tasks of the TMFP is to promote transversal mainstreaming awareness throughout the

GPL community, to encourage a supportive culture towards the implementation of transformation programmes, including governance processes and operational practices that support transformation in the work of the institution. It is against this background that the TMFP includes in its annual plan and budget each year, an initiative to send a group of five GPL community members to a conference or seminar where issues relating to transversal mainstreaming are discussed, as part of sensitisation and raising awareness.

In 2016/17, five members of management attended the annual conference on Leadership Development for Women in Government and State-Owned Enterprises in Cape Town. This initiative did not only see improved understanding and thus support to transformation programmes, but also a growing pool of champions for transformation programmes in the GPL.

Furthermore, the MPWC always incorporates, as part of its strategic planning session, a facilitated learning session covering issues of importance to the Caucus. A 'scenario planning' session was facilitated in the MPWC strategic planning of 2016/17, where attending members of the GPL and local government MPWCs were encouraged to explore their vision of a

society of empowered women and work on strategies for acquiring their vision.

Learning and awareness on transversal mainstreaming issues are also promoted through presentations to various structures in the institution, including presentations of different aspects of transversal mainstreaming to structures such as the Presiding Officers, Strategic Project Oversight Forum, Office Bearers, Standing Committee of Chairpersons, MPWC, Secretariat and the Planning Committee, which also serve as a change management tool in institutionalising transversal mainstreaming.

The internship programme is another mechanism for promoting learning and growth in transversal mainstreaming, to groom future leaders in this area. A Transversal Mainstreaming Intern was therefore appointed and is mentored by the Transversal Mainstreaming Focal Person. Performance progress in respect of the internship programme is reported to the Human Resource Unit on a monthly basis.

Concluding remarks

In an effort to contribute to transformation in Gauteng and in South Africa as a whole, the GPL has taken a comprehensive approach to addressing the integration of historically marginalised groups in its work, by recognising that some individuals experience discrimination on many grounds, some combining gender, race, disability and age.

The GPL further recognises that, for effective interventions to promote transformation, various elements of implementation should be improved, including that:

- » internal operational systems are reviewed and aligned to existing norms and standards for best practice.
- » stakeholder management is strategically aimed at yielding empowering results.
- » good corporate governance practices are established and adhered to.
- » an institutional learning culture is promoted and this strives for optimal execution capacity, as well as conducive attitudes and practices.
- » Resolutions of the Oversight Committee on Premiers Office and the Legislature (OCPOL)





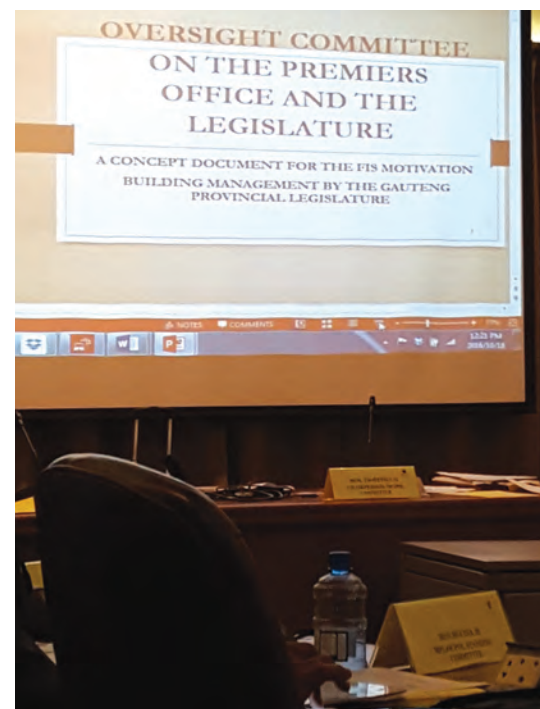
Hon. Godfrey Tsotetsi

Chairperson of OCPOL

Resolutions of the Oversight Committee on Premiers Office and the Legislature (OCPOL)

Introduction

OCPOL is an oversight structure that oversees the performance of the GPL as it pertains to the execution of the GPL's constitutional mandates of oversight and scrutiny, law-making, public participation and cooperative governance. OCPOL analyses the performance of the institution, scrutinising the budget vote and annual reports for the achievement of commitments made, and holding the GPL accountable for implementing its policies. The GPL accounts to OCPOL on a quarterly basis and provides responses pertaining to political and administrative services that support the work of the House and committees in holding the Executive accountable for service delivery. The following is a report of resolutions processed during the current reporting period:



Res. No	Details	Response by the GPL	Resolved Yes/No										
01	The committee recommends that the GPL should have mitigation measures in place to ensure that vacant posts are filled on time and activities planned are achieved to avoid under-expenditure.	<p>The Legislature has been affected by labour turnover which comes in a form of resignation, promotion, retirement, expiry of contract and growth of organisation. The Legislature acknowledges that there have been delays in filling vacant posts leading to unsustainable work/life balance, increased strain on colleagues who should fill those positions in an acting capacity and massive underexpenditure on the compensation of personnel. There are currently 35 post that are vacant and the Legislature has developed a recruitment plan (attached). The table below illustrates the picture.</p> <table><tr><th>Programme</th><th>No of vacancies</th></tr><tr><td>Leadership & Governance</td><td>5</td></tr><tr><td>Office of the Secretary</td><td>2</td></tr><tr><td>Corporate Support Services</td><td>11</td></tr><tr><td>Core Business</td><td>14</td></tr></table>	Programme	No of vacancies	Leadership & Governance	5	Office of the Secretary	2	Corporate Support Services	11	Core Business	14	
Programme	No of vacancies												
Leadership & Governance	5												
Office of the Secretary	2												
Corporate Support Services	11												
Core Business	14												
Recruitment plan for 2016/2017 vacant positions			YES										

Programme	Unit	Positions	Recruitment stage	Comments	Advert due date	Shortlisting due date	Interview due date	Offer due date
Secretary's office	<i>Secretary's office</i>	Office Manager	Job profiling	Awaiting job profile	4 Nov	18 Nov	30 Nov	15 Dec
	<i>Monitoring and Evaluation</i>	Senior Manager: Strategy	Shortlisting	Engagement with the Secretary, to discuss the constitution of the panel by 4 Nov.	Done	14 Nov	21 Nov	9 Dec
Core Business	<i>Hansard and languages</i>	Senior Hansard Recorder	Recommendation	All relevant stakeholders to approve appointment	Done	Done	Done	18 Nov
		Senior Hansard Transcriber	Offer stage	Offer to be signed by 4 Nov.	Done	Done	Done	11 Nov
	<i>IKM</i>	Director: IKM	Interview	Panel is constituted	Done	Done	4 Nov	18 Nov
	<i>Information Centre</i>	Senior Information Manager	Interview	Panel to be constituted by 4 Nov.	Done	Done	11 Nov	30 Nov
		Administrative Officer	Put on hold	To be discussed by EDs, BC & CSS	n/a	n/a	n/a	n/a
	<i>Communication</i>	Communication Manager	Shortlisting	Panel to be constituted by 4 Nov.	Done	Done	11 Nov	30 Nov
		Editor/ Corporate Writer	Job profiling	To be discussed by EDs, BC & CSS	n/a	n/a	n/a	n/a
	<i>Public Participation & Petition</i>	Public Outreach Officer	Recommendation	All relevant stakeholders to approve	Done	Done	Done	18 Nov
		Material Development Officer	Put on hold	To be discussed by EDs, BC & CSS	n/a	n/a	n/a	n/a

Res. No	Details	Response by the GPL	Resolved \ Yes/No
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Recruitment plan for 2016/2017 vacant positions

Programme	Unit	Positions	Recruitment stage	Comments	Advert due date	Shortlisting due date	Interview due date	Offer due date
Leadership and Governance	<i>Parliamentary Exchange Programme</i>	Protocol Officer	Shortlisting	Panel to be constituted by 4 Nov	Done	Done	11 Nov	30 Nov
		Director: ILR	Shortlisting	Panel to be constituted by 4 Nov	Done	Done	11 Nov	30 Nov
		Senior Coordinator	Put on hold	To be discussed by EDs, BC & CSS	n/a	n/a	n/a	n/a
Finance	<i>SCM</i>	Procurement Manager	Recommendation	All relevant stakeholders to approve	Done	Done	Done	18 Nov.
	<i>ARG</i>	ARC Officer	All relevant stakeholders to approve	Done	Done	Done	18 Nov	1 Jan
		Director: ARG	Mandate	Position to be advertised as planned	4 Nov	18 Nov	30 Nov	15 Dec
Corporate Support Services	<i>OSS: Building Management</i>	Maintenance Assistant	Planned to be filled during the 2017/2018 financial year	To be included in the 2017/2018 recruitment plan	n/a	n/a	n/a	n/a
		General Cleaner	Planned to be filled during the 2017/2018 financial year	To be included in the 2017/2018 recruitment plan	n/a	n/a	n/a	n/a
		General Cleaner	Planned to be filled during the 2017/2018 financial year	To be included in the 2017/2018 recruitment plan	n/a	n/a	n/a	n/a
		Admin Secretary	Planned to be filled during the 2017/2018 financial year	To be included in the 2017/2018 recruitment plan	n/a	n/a	n/a	n/a
	<i>OSS: Safety & Security</i>	Admin Secretary	Shortlisting	Panel to be constituted by 04 Nov.	Done	Done	11 Nov	30 Nov
		Security coordinator	Job profiling	Awaiting job profile	4 Nov	18 Nov	30 Nov	15 Dec
	<i>Human Resource Management & Development</i>	Senior Manager Human Capital	Job profiling	Awaiting job profile	4 Nov	18 Nov	30 Nov	15 Dec
		OD Manager	Put on hold	Meeting convened with unions to address the dispute	Done	In dispute	18 Nov	30 Nov

Res. No	Details	Response by the GPL	Resolved Yes/No
02	The GPL should monitor and enforce adherence to the submission of GPG quarterly financial performance reports to the Legislature 30 days after the end of each quarter to facilitate effective oversight.	This matter will be raised with Departments through Parliamentary Liaison Officers (PLOs) in the continuous engagements that GPL organises with the PLOs and follow-up reminders will be sent to the Heads of Department.	YES
03	<p>The budget underspending during the 2nd quarter 2016/2017 FY is attributed to activities planned, but not undertaken, delays in implementing IPMS payments and delays in filling of vacant funded posts.</p> <p>The committee should be supplied with plans to ensure that:</p> <ul style="list-style-type: none"> planned activities are undertaken, budget is being utilised, and filling of vacant posts is expedited. 	<p>The following strategies will be implemented to ensure that planned activities are undertaken and the budget is utilised:</p> <ul style="list-style-type: none"> During the current 2016/17 adjustment budget process each programme was requested to revise its initial projections and develop credible and realistic projections of the unexpired period of the current financial year. The revised projections were informed by activities as outlined in the Programs Approved Operational Plans. These projections will be utilised to develop a comprehensive demand management plan for the Institution, therefore ensuring proactive, efficient and effective acquisition of goods and services. The projections will be reviewed on a monthly basis for all programmes and committees. There will be timeous capturing of requisitions on the SAP system linked to the outcome of revised projections and activities determined. The presentation of monthly expenditure reports to the Executive Authority, Secretariat and programme managers should be continued, to serve as an in-year monitoring system and early warning on trends in the implementation of the budget. The Planning Committee will meet on a quarterly basis to present reports on the implementation of the Annual Performance Plan and associated budget. The Planning and Budget Unit will continue to engage all programmes on a monthly basis to review projections on activities for the remaining period and remedial action for the potential under-/ overspend, where identified. Plans will be revisited on a continuous basis to ensure alignment to the respective annual performance plans and activities. This will indeed limit the risk of under-/ overspending and non-performance. Programme managers that have incurred an overall variance of more or less than five percent will be held accountable through a written report to the Accounting Officer detailing corrective actions. Emphasis will be placed on value for money whilst ensuring continuous commitment to efficiency measures in the way the GPL works and conducts its business. In the event of under- and overspending within programmes, virements would be effected between programmes to ensure that no overspending occurs in any programme, thus averting unauthorized expenditure. With regard to expediting the filling of vacant positions, the GPL has made great progress since the end of the 2nd Quarter. As reported in the 1st Quarter responses, there were 35 and GPL had developed a recruitment plan (which was submitted to OCPOL). The vacancy rate has since been reduced to 17. It is envisaged that all the identified and existing vacant positions will be filled by 31 March 2017. 	YES
04	<p>The following should be clarified:</p> <ul style="list-style-type: none"> What the activities that were planned, but were not undertaken as reflected on the 2nd quarter expenditure report are. What the impact of these activities that were planned, but not undertaken is on the GPL's mandate. 	<p>Below are activities that were planned for the 2nd Quarter and not executed:</p> <ul style="list-style-type: none"> Committee activities; Committees' international Study Tours and international conferences; Sector Fora and Bua le Sechaba for committees; Conferences (CPA International, CWP, ASLCS); Capacity building for Members; and Operational and strategic projects: <ul style="list-style-type: none"> Re-engineering of public participation project; Voter Education and Registration Campaign (outstanding payments pending project close-out report). Planned procurement of additional motor vehicles (Quantums) in the quarter did not materialize. With the adjustment budget processes and review of projected activities for the remainder of the year, the planned activities of the 2nd Quarter would then be implemented in the second half of the financial year. In the event of non-execution of planned and funded activities, this may result in underspending at the end of the financial year and affect the performance of the institution. However, the Planning Committee will meet on a quarterly basis to present reports on the implementation of the Annual Performance Plan and associated budget, to ensure that all planned activities are concluded before the end of the financial year. 	YES

Res. No	Details	Response by the GPL	Resolved Yes/No																																		
05	The committee should be provided with a reason/s for the deferment of the Hlwekisa Campaign under the Office of the Deputy Speake. The intended outcomes of this campaign should be stipulated.	The Hlwekisa campaign is an initiative of the Gauteng Speakers' Forum and forms part of Citizen's Responsibility Campaign (CRC). It is focused on mobilizing communities by using environmental cleanliness to teach and raise awareness about constitutional rights and responsibilities/ obligations of citizens, which should lead to a mindset change amongst the people of Gauteng on matters of sustainable environment. The campaign is undertaken jointly with local municipalities, and Ekurhuleni Metro is one of the leading municipalities that has taken this initiative forward and has made it part of their own programme. The campaign is normally undertaken during July to coincide with Nelson Mandela Day. However, in the quarter under review, a number of key stakeholders were engaged in the Local Government Elections, and a decision was taken to defer the campaign.	YES																																		
06	The committee should be provided with reasons for not attaining the set target on people living with disabilities and interventions to address the challenges.	<div>The targets and achievements against targets are depicted in the table below:</div> <table><tr><td>Totals</td><td>35,522,121.19</td><td>25,417,172.22</td><td>11,971,243.64</td><td>7,062,953.21</td><td>167,900.00</td><td>31,917,322.33</td></tr><tr><td></td><td></td><td>BEE</td><td>WOMEN</td><td>YOUTH</td><td>DISABLED</td><td>BBBEE</td></tr><tr><td>Percentages</td><td></td><td>71.55%</td><td>33.70%</td><td>19.88%</td><td>0.47%</td><td>89.85%</td></tr><tr><td>Target</td><td></td><td>60%</td><td>30%</td><td>10%</td><td>2%</td><td></td></tr></table> <div>The reasons for not attaining the set target on people living with disabilities and interventions to address the challenges are highlighted in the table below:</div> <table><tr><td>Reasons For Not Attaining The Target</td><td>Intervention</td></tr><tr><td>Most PwD's registered in the supplier database have indicated that they do not have the financial means to provide the required services and/or goods.</td><td>PwD's that were appointed but did not have funding were referred to SEFA (Small Enterprise Finance Agency) for financial assistance. One service provider was assisted by SEFA with funding and could deliver the services successfully. The total value of the purchase order issued in October for supplying cleaning material was R86 000</td></tr><tr><td>The supplier database has a limited number of registered PwD's due to qualifying criteria and compliance issues.</td><td><p>An advert targeting PwD's was issued in July 2016 through the Government Tender Bulletin. A supplier database/register of 52 PwD's has been obtained from Gauteng Department of Social Development in October, 2016. Twenty two suppliers had contact details. Only three suppliers have since responded by completing and submitting the database forms.</p><p>Weekly reports are now required from buyers on PwD's consulted and appointed. SCM is currently in consultation with PwD advocacy organizations for assistance in ensuring that the GPL gain access to their members in large numbers. The list was obtained through the Public Works Disability Advisory Council established by the Minister, Honourable T Nxesi, in 2013. (The list is attached as Annexure A for ease of reference).</p><p><i>From the information obtained from the Department of Public Works, SCM has received an invitation from the Disabled People Of South Africa for a presentation on 24 November at Kwa-Thema.</i></p><ul style="list-style-type: none">The total number of active PwD's registered to date is nine.An advert will also be placed in various weekly and weekend publications from 27 November 2016.SCM has also engaged Communications on 18 October to assist with a Communication Strategy.A road show has</td></tr></table> <div>It will be noted that there has been a progressive improvement in the realisation of the target. Through the above interventions, the achievement on PwDs increased to 1.9% in the month of November 2016. With continued interventions as illustrated above, it is anticipated that the GPL would realise the desired target.</div>	Totals	35,522,121.19	25,417,172.22	11,971,243.64	7,062,953.21	167,900.00	31,917,322.33			BEE	WOMEN	YOUTH	DISABLED	BBBEE	Percentages		71.55%	33.70%	19.88%	0.47%	89.85%	Target		60%	30%	10%	2%		Reasons For Not Attaining The Target	Intervention	Most PwD's registered in the supplier database have indicated that they do not have the financial means to provide the required services and/or goods.	PwD's that were appointed but did not have funding were referred to SEFA (Small Enterprise Finance Agency) for financial assistance. One service provider was assisted by SEFA with funding and could deliver the services successfully. 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Res. No	Details	Response by the GPL	Resolved Yes/No
07	The role that SAPS and the Private Security Company plays in the provision of security to the main building as a National Key Point, should be clarified.	The GPL was declared a National Key Point on 24 August, 2011 in terms of the National Key Point Act, No 102 of 1980. The South African Police Services' (SAPS') Static and VIP Protection (defined in the NKP Regulations as the "protecting force") are responsible for overall security of the NKP and protection of local and prominent people. Within the GPL, SAPS provide security service at the VIP parking, screening of and access control for staff and visitors at the entrances to the Main Building and when there are Sitings and major events. The private security service provider (defined in the NKP Regulations) is responsible for external patrol of the precinct, access control at City Hall, vetting of visitors at the reception, and security at Harry Hofmeyr Parking and SAGE building.	YES
08	The OCPOL Committee request the Q2 GPL Performance Monitoring Report to be tabled to the OCPOL Committee.	The Q2 GPL Performance Monitoring Report is available on request.	YES
09	The committee recommends that the GPL should implement the pay progression. Furthermore, the GPL should identify and evaluate mitigating measures in order to avoid this in future.	The GPL has implemented pay progression for Bargaining Unit P16 – P7 in the month of October 2016 and Senior Management unit P6 – P3 in the month of December 2016. The adjustment for pay progression has always been informed by salary negotiations agreements and resolutions of the LSB for Senior Managers. The GPL embarked on the policy review process which will subsequently introduce better control measures on the payment of the pay progression. The draft remuneration policy are at the advance stage for adoption which is expected to be operational in the 2017/2018 financial. Salary negotiations for bargaining unit have been scheduled to commence earlier in order to conform to stipulated timeframes.	YES
10	During the 3rd quarter the GPL is reported to have overspent the budget, amongst others on pay progression, pay increases and IPMS pay-out. Clarification should be provided on whether these were not planned for.	The GPL has overspent the budget on the compensation of employees in the third quarter, when comparing projections and actual expenditure. The overexpenditure is as a result of the payment of IPMS, pay progression and annual salary inflationary adjustment. The annual salary increases were projected to be paid in the month of April 2016 in line with the remuneration policy, however, due to delays in salary negotiations, both salary increases and pay progression were paid in the 3rd quarter. The annual salary inflationary adjustments, pay progression and IPMS have been budgeted for in the 2016/17 budget. The IPMS pay-out was also projected for the month of September 2016 but due to a change in senior management, there were further delays in conclusion of performance assessments and the payments thereof. The reported overspending is therefore in relation to the projections for the quarter, rather than the overall budget overspending.	YES
11	The Leadership and Governance subprogramme is reported to have underspent on goods and services classification, particularly on planned study tours and conferences for this financial year. It should be indicated whether there be a rollover for these committees in the 2017/18 FY.	Committees that did not undertake study tours and conferences will be allowed to undertake study tours and conferences in the next financial year. It is important that such study tours are included in the committee plans to enable speedier approvals and budget allocations during adjustment period.	YES

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12	The committee should be provided with the GPL's performance in terms of BBBEE targets, as these are not contained in the report.	<div>Q3</div> <table><tr><td>Totals</td><td>46 035 383,81</td><td>37 428 116,89</td><td>14 439 791,88</td><td>4 684 132,76</td><td>579 780,79</td><td>55 679 478,08</td></tr><tr><td></td><td></td><td>BEE</td><td>WOMEN</td><td>YOUTH</td><td>DISABLED</td><td>BBBEE</td></tr><tr><td>Percentages</td><td></td><td>81,30%</td><td>31,37%</td><td>10,18%</td><td>1,26%</td><td>120,95%</td></tr><tr><td>Target</td><td></td><td>60%</td><td>30%</td><td>10%</td><td>2%</td><td></td></tr></table> <div>YTD (Q1, 2, 3)</div> <table><tr><td>Totals</td><td>88 745 500,67</td><td>68 002 803,52</td><td>29 251 552,70</td><td>12 579 577,08</td><td>747 680,79</td><td>101 317 719,35</td></tr><tr><td></td><td></td><td>BEE</td><td>WOMEN</td><td>YOUTH</td><td>DISABLED</td><td>BBBEE</td></tr><tr><td>Percentages</td><td></td><td>76,63%</td><td>32,96%</td><td>14,17%</td><td>0,84%</td><td>114,17%</td></tr><tr><td>Target</td><td></td><td>60%</td><td>30%</td><td>10%</td><td>2%</td><td></td></tr></table>	Totals	46 035 383,81	37 428 116,89	14 439 791,88	4 684 132,76	579 780,79	55 679 478,08			BEE	WOMEN	YOUTH	DISABLED	BBBEE	Percentages		81,30%	31,37%	10,18%	1,26%	120,95%	Target		60%	30%	10%	2%		Totals	88 745 500,67	68 002 803,52	29 251 552,70	12 579 577,08	747 680,79	101 317 719,35			BEE	WOMEN	YOUTH	DISABLED	BBBEE	Percentages		76,63%	32,96%	14,17%	0,84%	114,17%	Target		60%	30%	10%	2%		YES
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13	It should be clarified how effective the GPLs recruitment plan is in terms of the filling of vacant post, given the budgetary underspending on compensation of employees as well as vacancy backlogs within the Institution.	The GPL Recruitment Plan is working very well. There has been an increase in recruitment at the GPL to ensure that, in line with the recruitment plan submitted to OCPOL, all identified vacancies are filled by the end of March 2017. In addition, and in order to increase the effective of recruitment in future, the Talent Attraction policy is currently under review. The GPL is committed to reducing the vacancy rate to less than five percent from 1 April, 2017.	YES																																																								
14	How did the Sage building project contribute to budget overexpenditure during the quarter under review?	<div>Project Allocation</div> <p>The initial project allocation was in the sum of R10 00000 in the 2014/15 financial year. The allocation was to cater for the building construction works related for the floors one, two, five, six and seven. The landlord also allocated a sum of R1 623 901.50 (including VAT) as tenant installation allowance towards meeting the building construction works. Due to new positions in program 1 and the growth of human capacity in the institution, it was thereafter decided to lease the eight floor as well. An allocation of R595 203. 78 (including VAT) was made as tenant installation allowance which was also allocated the project.</p> <div>Reasons For Overexpenditure</div> <p>The Sage building project was underfunded as a number of works which were required to complete the works were not included in the budget requested (including the eighth floor as a result of increased staff numbers, variation of scope, installation of HVAC and IT equipment). Overall, the project deficit, taking into account the initial allocation and tenant installation allowance is R5 956 366.01.</p>	YES																																																								
15	The plans that the GPL put in order to expedite the planned space planner project in the library should be stipulated, as it also contributed to budget overspending.	The space planning project was undertaken on behalf of Information and Knowledge Management and has been completed.	YES																																																								
16	Responses to questions emanating from the 3rd Quarter Performance Reports 2016/17 FY research analysis should be provided.	The Q3 response to questions that emanated from the research analysis is available on request.																																																									



“Following up on our commitment
to the people of Gauteng”

PART D

SECTION V



HUMAN RESOURCE MANAGEMENT



HUMAN RESOURCE MANAGEMENT

1. Introduction

This section covers the following topics: legislation that governs human capital management, overview of human resource (HR) matters, the set HR priorities for the year under review and the impact of these priorities; workforce planning framework and key strategies to attract and recruit a skilled and capable workforce; workforce plan developed in terms of identifying critical posts and recruitment of Senior Management; employee performance management framework; employee health and wellness programme; employee relations; policy development, achievements, challenges faced by the department, future HR plans/goals and human resource oversight statistics.

2. Legislation that governs human resource management

The information provided in this part is prescribed by the Public Service Regulations (Chapter 1, Part III J.3 and J.4). The legislative framework further takes into account, but not limited to, the following pieces of legislations:

- » Skills Development Act (Act No. 97 of 2008);
- » South African Qualifications Authority Act (Act No. 58 of 1995);
- » Employment Equity Act (Act No. 55 of 1998);
- » Basic Conditions of Employment Act (Act No. 75 of 1997);
- » Labour Relations Act (Act No. 66 of 1995);
- » Occupational Health and Safety Act (Act No. 85 of 1993);

- » Compensation for Occupational Injuries and Diseases Act (Act No. 130 of 1993).

Overview Of HR Matters At GPL

The overview of HR matters is driven by the GPL mandate. This requires HR to commit to providing adequate skills and training development with the capacity of recruiting and retaining a skilled and capable workforce, in order to enhance service delivery. The Wellness Programme provided psychological support on an ongoing basis to troubled employees to enhance their quality of life, as well as improve their productivity. GPL is also committed to promoting labour peace and engaging labour stakeholders adequately.

2.1 The set HR priorities for the year under review and the impact of these priorities

The optimal focus will be on the recruitment of core critical skills at the Senior Management echelon. The priorities will, therefore, be to create an optimal performance of management and staff.

2.2 Workforce Planning Framework and key strategies to attract and recruit a skilled and capable workforce

The key strategies will be the Workplace Skills Plan and Recruitment Plan as contained in the Annual Performance Plan.

2.3 Workforce Plan developed in terms of identifying vacant posts and recruiting senior managers

The development of the HR plan will focus on all vacancies and core critical skills in the Gauteng Provincial Legislature.

Institutional Performance Management Framework

The Monitoring & Evaluation Framework and GPL Strategy inform the Institutional Performance Management System. In addition, the Performance Management for all levels P16-P3 was conducted and the focus was extended to realign the approach on contracting in terms of IPMS to achieve a more standardised approach, which will necessitate optimum utilisation of human capital towards service delivery.

The process entails the following:

- » Management of performance through periodic meetings for administrative staff and ad-hoc meetings for operational staff.
- » Monthly expenditure reporting and subprogrammes' quarterly reporting.
- » IPMS Policy was reviewed.
- » Moderating Committee's processes were concluded for P7 & P8 levels for the 2015/16 financial year (FY).

2.4 Wellness Programme (WP)

The Wellness Programme provides the following services to all employees and their families on an ongoing basis:

- » facilitates referrals to WP service providers, if and when necessary.
- » distributes promotional materials regarding all HIV and AIDS related issues to promote the reduction of infections as well as other predominant diseases.
- » provides guidance and support to all employees who consider retirement and medical boarding, and identify employees who abuse sick leave.
- » conducts a site visit to HealthiChoices facility.

2.5 Employee Relations

GPL has established an Employee Relations unit whose main responsibility is to create a harmonious working environment, which will strengthen employer and employee relationship. Labour relations issues are also managed with specific focus on all misconduct cases, grievances, appeals and disputes on an ongoing basis. The collective bargaining is also taken care of The Human Capital Administration

- » Moderating Committee's processes were concluded for P7 & P8 levels for the 2015/16 FY.
- » Provident Fund appointed a new principal officer, and a new Board of Trustees was elected.
- » Salaries and applicable benefits were paid on time.
- » Long service awards ceremony was implemented.
- » Labour Relations
- » A Recognition Agreement was signed with the majority union.
- » Salary negotiations for the 2016/17 FY were concluded and implemented.
- » The Gauteng Legislature Labour Forum was constituted and is operational. A series of meetings have taken place.
- » Disciplinary hearings are managed.

Employee Wellness

The World Aids Day was commemorated, and the Employee Assistance Programme and Executive Wellness Programme services were delivered. The 702 Marathon platform was used to allow a number of employees to participate in this marathon.

Recruitment & Selection

A number of vacant and funded posts were filled in terms of the applicable processes. Additionally, a Recruitment Plan to fill positions within three (3) months was submitted to the Oversight Committee on the Premier's Office and the Legislature (OCPOL) and the implementation thereof has recorded significant achievements. Achievements include the following:

- » 57 positions were filled in the year under review.
- » 16 Senior Management positions were filled, and Employment Equity reflects a reasonable compliance with women representivity in terms of gender.
- » All grievances, appeals and disputes were resolved within the prescribed timelines.
- » 13 interns were placed and supported.

Training and Development

A total of 356 training interventions were implemented in the year under review. Hundred and twenty (120) female employees, inclusive of external attendees, attended these training interventions. Out of this number, 65 females were from the GPL. This equals to 82.7% of the training interventions attended. A synopsis of training interventions that were implemented is presented as follows:

- » Strategic training interventions on Induction and Advanced LSB training for the Speaker, Chair of Chairs and committees were conducted.
- » Protocol training on the Official Opening of the Legislature targeted 49 individuals. This training benefited the Office of Premier; Sport, Recreation, Arts and Culture Department; and Randfontein Municipality.
- » One person with disability attended the training.
- » 238 female employees inclusive of external attendees attended training interventions.
- » GPL employees include 131 females. This equals to 68.7% of the training interventions attended. Fifty-One (51) Bursary applications were processed for the 2016/2017 financial year.
- » A Skills Development Committee was established.
- » Interns' stipend has been revised from R4000.00 to R7000.00.
- » Employment Equity
- » An Employment Equity Committee was established.
- » A signed off electronic EE Report was submitted to the Department of Labour.

2.6 Challenges faced by the GPL

- » There are limited financial resources in the GPL. Therefore, it cannot provide for an increasing number of staff who wishes to participate in skills development interventions. This has a negative impact on the successful implementation of the Employee Health and Wellness Programme (EHWP).
- » There is a lack of qualified human capacity, especially in the field of Legal & Procedural Advisor, Table assistant and Principal Table Assistant. This challenge is exacerbated by the unaffordable market rates as well as skills shortage.
- » Internship initiatives are compromised at the level of mentoring and providing practical exposure to interns. All interns are not properly linked to employment at the entry level. Employment Equity remains a challenge because attraction of targeted designated groups has proved to be difficult.



- » Management of overtime has proved to be a challenge. The Ministerial determination, in terms of BCEA, created a threshold and the GPL is beyond the stipulated threshold.
- » The review of the Performance Governance Framework created a transition to effect pay progression based on performance management system.
- » Disparities in terms of salaries. There is a need to review salary structures.
- » Automation of SAP payroll system and enterprise system.
- » Optimum utilisation of Employee Self Service leave module.
- » Collaborations with academic institutions are pivotal in accelerating skills development initiatives. The GPL will subsequently register a learnership in record management to increase the number of youth participating in the formal economy.
- » Budgeting constraints continue to haunt the prospect of creating adequate capacity to respond to service delivery mandates.

2.7 Future HR plans /goals

The WP will roll out several programmes to assist employees to deal with stress, enhance utilisation, financial management to address conflict between employees, and identify risks and put systems in place to mitigate those risks. All Human Capital policies will be continuously revised and aligned based on legislative reforms and trends that get reconfigured from time to time. The organisational structure will be revised in terms of Phase 2 to allow a diagnostic process to be undertaken. This process will adequately deploy resources where they are needed the most. Job evaluation and job profiling will be undertaken, and this will lock the system and allow for greater control. Salary benchmarks with similar organisations and the broader market will be undertaken.

The recruitment process will be undertaken in terms of the acceptable standards which stipulate a baseline of three (3) months for a post to be filled. More emphasis will be placed on attracting all designated groups as defined by the Act and departmental context. A partnership with organisations for people with disabilities will be fostered to strengthen our recruitment drive. Plans will be devised to attract scarce skills in the field of Legal & Procedural Advisor, Table assistant and Principal Table Assistant. A

strategy on ESS leave module will be rolled out for better management of leave. A conscious engagement is underway to embrace internship programmes as suppliers of the much needed skills in the sector. This entails a commitment to ensure that a percentage of vacant posts at entry level is earmarked for internship participants. Consultative forums, which allow organised labour to engage the employer, were established and will be strengthened by regular interactions on issues of common interests.

3. Policy development

The Gauteng Provincial Legislature recognises that it operates in an ever-changing environment and these changes impact it in various degrees. Therefore, for the GPL to remain relevant, a need to review the HR policies remains inherent. In this regard, the following Human Resource-related policies were reviewed by the Policy Committee and approved by the Secretariat.

The policies will be processed for approval by the Board:

- » Relocation Policy;
- » Learnership Policy;
- » Internship Policy;
- » Retirement Policy;
- » Talent Attraction Policy;
- » Remuneration and Benefits Policy;
- » Integrated Performance Management Policy; and
- » Leave Policy.

There is a further commitment to focus on another set of policies that need to be re-aligned and they are prioritised as follows:

- » Overtime Policy;
- » Funeral Policy for staff;
- » Bursary Policy and Employee Relations

Policies that include the Disciplinary Policy and the Grievance Policy;

- » Job Evaluation Policy and the overall Human Resource (HR) Strategy.





HUMAN RESOURCE STATISTICS

Personnel related expenditure

Table 4.1.1 Personnel expenditure by programme

Programme	Total Expenditure (R'000)	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Professional and Special Services Expenditure (R'000)	Personnel Expenditure as a % of total expenditure	Average personnel cost per employee (R'000)
Leadership and Governance	14 768	14 654	101	13	99%	615
Office of the Secretary to the Legislature	10 408	10 357	44	7	100%	801
Corporate Support Service	63 944	63 210	657	77	99%	447
Core Business	124 589	124 002	466	121	100%	554
Office of the CFO	32 224	32 001	193	30	99%	575
Total	245 933	244 224	1 461	248	99%	2 992

Table 4.1.2 Personnel costs by salary band

Salary band	Personnel Expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Leadership (P1 – P3)	2 015	0.83%	1	2 015
Senior Management (P4 – P6)	25 090	10.27%	33	760
Management (P7 – P8)	72 147	29.54%	83	869
Professionals and technical workers (P9 – P10)	77 361	31.68%	132	586
Support workers (P11 – P16)	65 681	26.89%	183	359
Interns/Contractors	1 931	0.79%	29	67
Total	244 225	100%	461	4 656

Table 4.1.3 Salaries, Overtime, Home Owners' Allowance and Medical Aid by programme

Programme	Salaries		Overtime		Homeowners' Allowances		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Leadership and Governance	14 005	91%	50	0.34%	0	0	0	0.00%
Office of the Secretary to the Legislature	9 825	0%	0	0.00%	0	0	0	0.00%
Corporate Support Service	59 064	66%	2 738	4.33%	0	0	0	0.00%
Core Business	114 429	87%	3 828	3.09%	0	0	0	0.00%
Office of the CFO	29 633	88%	466	1.46%	0	0	0	0.00%
Total	226 956	84%	7 082	2.90%	0	0	0	0.00%

Table 4.1.4 Salaries, Overtime, Home Owners' Allowance and Medical Aid by salary band

Salary Bands	Salaries		Overtime		Homeowners' Allowances		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Leadership (P1 – P3)	2 015	100%	0	0.00%	-	-	-	-
Senior Management (P4 – P6)	25 081	100%	0	0.00%	-	-	-	-
Management (P7 – P8)	64 912	90%	0	0.00%	-	-	-	-
Professionals and technical workers (P9-P10)	71 943	93%	3450	4.46%	-	-	-	-
Support workers (P11 – 16)	61 082	93%	3632	5.53%	-	-	-	-
Interns/Contractors	1 923	100%	0	0.00%	-	-	-	-
Total	226 956	93%	7 082	9.99%	-	-	-	-

Employment and Vacancies

Table 4.2.1 Employment and vacancies by programme

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Leadership and Governance	25	21	16.00%	0
Office of the Secretary	14	12	14.29%	0
Corporate Support Service	141	131	7.09%	0
Core Business	226	214	5.31%	0
Office of the CFO	54	50	7.41%	0
Total	460	428	6.96%	0

Table 4.2.2 Employment and vacancies by salary band

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Leadership (P1 – P3)	1	1	0.00%	0
Senior Management (P4 – P6)	27	21	22.22%	0
Management (P7 – P8)	90	80	11.11%	0
Professionals and technical workers (P9-P10)	133	128	3.76%	0
Support workers (P11-P16)	190	179	5.79%	0
Contractors/Interns	19	19	0.00%	0
Total	460	428	6.96%	0

Table 4.2.3 Employment and vacancies by critical occupations

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Secretary to the Legislature	0	0	0.00%	
Chief Financial Officer	0	0	0.00%	
Executive Director	0	0	0.00%	
Total	0	0	0.00%	

Job Evaluation

Table 4.3.1 Job evaluation by salary band

Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Leadership (P1 – P3)	1	0	0	0	0	0	0
Senior Management (P4 – P6)	27	0	0	0	0	0	0
Management (P7 – P8)	90	0	0	0	0	0	0
Professionals and technical workers (P9 – P10)	133	0	0	0	0	0	0
Support workers (P11 – P16)	190	0	0	0	0	0	0
Interns/Contractors	19	0	0	0	0	0	0
Total	460	0	0	0	0	0	0

Table 4.3.2 Profile of employees whose positions were upgraded due to their posts being upgraded

Beneficiary	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	0	0	0
Employees with disabilities					

Table 4.3.3 Employees with salary levels higher than those determined by job evaluation

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
-	0	0	0	0
-	0	0	0	0
Percentage of total employed	0	0	0	0

Table 4.3.4 Profile of employees who have salary levels higher than those determined by job evaluation

Beneficiary	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	0	0	0
Employees with disabilities	0	0	0	0	0

Total Number of Employees whose remuneration exceeded the grade determined by job evaluation in 2016/17

0

Employment Changes

Table 4.4.1 Annual turnover rates by salary band

Salary Band	Number of employees at beginning of period-1 April 2016 – 31 March 2017	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Leadership (P1 – P3)	1	0	0	0.00%
Senior Management (P4 – P6)	24	15	17	27.27%
Management (P7 – P8)	71	8	1	12.82%
Professionals and technical workers (P9 – P10)	123	10	3	3.85%
Support workers (P11 – P16)	173	10	4	6.15%
Interns/Contractors	17	14	11	0.00%
Total	409	57	36	7.44%

Table 4.4.2 Annual turnover rates by critical occupation

Critical Occupation	Number of employees at beginning of period-1 April 2016 – 31 March 2017	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Secretary to the Legislature	1	0	0	0%
Chief Financial Officer	1	0	0	0%
Executive Director	2	3	2	0%
Total	4	5	4	

Table 4.4.3 Reasons why staff left the department

Termination Type	Number	% of Total Resignations
Death	0	0
Resignation	7	19.44%
Expiry of contract	26	72.22%
Dismissal – operational changes	0	0.00%
Dismissal – misconduct	0	0.00%
Dismissal – inefficiency	0	0.00%
Discharged due to ill-health	0	0.00%
Retirement	3	8.33%
Transfer to other Public Service Departments	0	0.00%
Other		0.00%
Total	36	100.00%
Total number of employees who left as a % of total employment	7.83%	

Table 4.4.4 Promotions by critical occupation

Occupation	Employees on 1 April 2017	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
-	0	0	0	0	0
-	0	0	0	0	0
Total	0	0	0	0	0

Table 4.4.5 Promotions by salary band

Salary Band	Employees on 1 April 2017	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
Leadership (P1 – P3)	0	0	0	0	
Senior Management (P4 – P6)	0	0	0	0	
Management (P7 – P8)	0	0	0	0	
Professionals and technical workers (P9-P10)	0	0	0	0	
Support workers (P11 – P16)	0	0	0	0	
Employees with disabilities	0	0	0	0	
Total	0	0	0	0	

Employment Equity

Table 4.5.1 Total number of employees in each of the following occupational categories as at 31 March 2017

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management (P1 – P3)	1	0	0	0	0	0	0	0	1
Senior Management (P4 – P6)	6	1	3	1	9	1	0	0	21
Professionally qualified and experienced specialists and mid-management (P7 – P8)	43	1	1	2	28	2	2	1	80
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents (P9 – P10)	56	0	1	2	59	3	2	5	128
Semi-skilled and discretionary decision making (P11 – P16)	65	1	0	0	100	5	3	5	179
Unskilled and defined decision making (interns/contractors)	7	0	0	0	12	0	0	0	19
Employees with disabilities	7	0	0	1	2	0	2	1	13
Total	178	3	5	5	208	11	7	11	428

Table 4.5.2 Recruitment in 2016/17

Occupational Band	Male				Female				
	African	Coloured	Indian	White	African	Coloured	Indian	White	Total
Leadership (P1 – P3)									0
Senior Management (P4 – P6)	5	1	2		6	1			15
Management (P7 – P8)	4				4				8
Professionals and technical workers (P9 – P10)	5		1		4				10
Support workers (P11 – P16)	4				6				10
Interns/Contractors	5				9				14
Employees with disabilities	0	0	0	0	0	0	0	0	0
Total	23	1	3	0	29	1	0	0	57
Age	18 – 34	35 – 49	50 – 59	60 – 69	70+				
Leadership (P1 – P3)									
Senior Management (P4 – P6)		13	2						
Management (P7 – P8)	4	3	1						
Professionals and technical workers (P9 – P10)	8	2							
Support workers (P11 – P16)	6	4							
Employees with disabilities									
Interns/Contractors	13			0					
Total	31	22	3	0	0				

Table 4.5.3 Promotions

Occupational Band	Male				Female				
	African	Coloured	Indian	White	African	Coloured	Indian	White	Total
Leadership (P1 – P3)	0	0	0	0	0	0	0	0	0
Senior Management (P4 – P6)	0	0	0	0	0	0	0	0	0
Management (P7 – P8)	0	0	0	0	0	0	0	0	0
Professionals and technical workers (P9-P10)	0	0	0	0	0	0	0	0	0
Support workers (P11 – P16)	0	0	0	0	0	0	0	0	0
Employees with disabilities	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0
Age	18 – 34	35 – 49	50 – 59	60 – 69	70+				
Leadership (P1 – P3)	0	0	0	0	0				
Senior Management (P4 – P6)	0	0	0	0	0				
Management (P7 – P8)	0	0	0	0	0				
Professionals and technical workers (P9 – P10)	0	0	0	0	0				
Support workers (P11 – P16)	0	0	0	0	0				
Employees with disabilities	0	0	0	0	0				
Total	0	0	0	0	0				

Table 4.5.4 Terminations

Occupational Band	Male				Female				
	African	Coloured	Indian	White	African	Coloured	Indian	White	Total
Top Management (P1 – P3)	0	0	0	0	0	0	0	0	0
Senior Management (P4 – P6)	4	1	2	0	7	1	1	1	17
Professionally qualified and experienced specialists and mid-management (P7 – P8)	0	0	0	0	0	1	0	0	1
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents (P9 – P10)	0	0	0	2	1	0	0	0	3
Semi-skilled and discretionary decision making (P11 – P16)	1	0	0	0	3	0	0	0	4
Unskilled and defined decision making (interns/ contractors)	1	0	0	0	10	0	0	0	11
Employees with disabilities	0	0	0	1	0	0	0	0	1
Total	6	1	2	2	21	2	1	1	36

Table 4.5.5 Disciplinary action

Disciplinary action	Male				Female				
	African	Coloured	Indian	White	African	Coloured	Indian	White	Total
Disciplinary action	1	0	0	0	0	0	0	0	1

Table 4.5.6 Skills development: Training provided (including Members)

Occupational Category	Number of employees & Members as at 1 April 2017	Training provided within the reporting period			
		Tertiary qualifications	Learnerships	Skills Programmes & other short courses	Total
Leadership (P1 – P3)	74	8	0	2	84
Senior Management (P4 – P6)	21	4	0	19	23
Management (P7 – P8)	80	24	0	47	71
Professionals and technical workers (P9 – P10)	128	49	0	75	124
Support workers (P11 – P16)	179	67	0	95	162
Employees with disabilities	5	1	0	1	2
Total	414	145	0	238	383
Age	18 – 34	35 – 49	50 – 59	60 – 69	70+
Leadership (P1 – P3)			2		
Senior Management (P4 – P6)		18	1	1	
Management (P7 – P8)	7	39	1		
Professionals and technical workers (P9 – P10)	24	45	6		
Support workers (P11 – P16)	26	62	7		
Employees with disabilities		1			
Total	57	165	16		

Performance Rewards

Table 4.6.1 Performance rewards by race, gender, age and disability

Race and Gender	Beneficiary Profile		Cost		
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee (R'000)
African Male	38	38	100.00%	3 763	99
Coloured Male	1	1	100.00%	136	136
Indian Male	1	1	100.00%	110	110
White Male	2	2	100.00%	245	123
African Female	23	23	100.00%	2 414	105
Coloured Female	1	3	33.33%	109	109
Indian Female	2	2	100.00%	203	102
White Female	1	1	100.00%	125	125
Employees with disabilities	0	0	0	0	0
Total	69	71	97.18%	7 105	908

Table 4.6.2 Performance rewards by salary band for personnel below Senior Management Service

Salary Band	Beneficiary Profile		Cost			
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee(R'000)	Total cost as a % of the total personnel expenditure
Lower skilled (Levels 1-2) Interns	0	0	0.00%	0	0	0
Skilled (Levels 3-5) (P11 – P16)	0	0	0.00%	0	0	0
Highly skilled production (Levels 6-8) (P9-P10)	0	0	0.00%	0	0	0
Highly skilled supervision (Levels 9-12) (P7 – P8)	69	71	97.18%	7104	103	0.0003%
Total	69	71	97.18%	7104	103	0.0003%

Table 4.6.3 Performance rewards by critical occupation

Critical Occupation	Beneficiary Profile		Cost		
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
-	0	0	0	0	0
-	0	0	0	0	0
Total	0	0	0	0	0

Table 4.6.4 Performance-related rewards (cash bonus) by salary band for Senior Management Services

Salary Band	Beneficiary Profile		Cost			
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	Total cost as a % of the total personnel expenditure
Band A	0	0	0	0	0	0
Band B	0	0	0	0	0	0
Band C	0	0	0	0	0	0
Band D	0	0	0	0	0	0
Total	0	0	0	0	0	0

Foreign Workers

Table 4.7.1 Foreign workers by salary band

Salary Band	31 March 2016		31 March 2017		Change	
	Number	% of total	Number	% of total	Number	% Change
Contracts/Interns (Levels 1-2)	0	0%	0	0%	0	0.00%
Skilled Levels (3-5) (P11-16)	1	100%	1	100%	0	0.00%
Highly skilled production (Levels 6-8) (P9-10)	0	0	0	0%	0	0.00%
Highly skilled supervision (Levels 9-12) (P7-P8)	3	100%	4	133%	1	33.33%
Senior management (Levels 13-16) (P3-P6)	0	0	1	100%	1	100.00%
Total	4	100%	6	150%	2	50.00%

Table 4.7.2 Foreign workers by major occupation

Major Occupation	01 April 2016		31 March 2017		Change	
	Number	% of total	Number	% of total	Number	% Change
-	0	0	0	0	0	0
-	0	0	0	0	0	0
Total	0	0	0	0	0	0

Leave utilisation

Table 4.8.1 Sick leave

Salary Band	Total days	% Days with Medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2) Interns	35.94	58%	6	3.13%	5.99	7
Skilled (Levels 3-5) (P11-P16)	428.94	69%	67	34.90%	6.40	651
Highly skilled production (Levels 6-8) (P9-P10)	499.46	68%	68	35.42%	7.35	1 117
Highly skilled supervision (Levels 9-12) (P7-P8)	233	56%	38	19.79%	6.13	696
Top and Senior management (Levels 13-16) (P3-P6)	42	31%	13	6.77%	3.23	186
Total	1239.34	65%	192	100.00%	6.45	2657

Table 4.8.2 Disability leave (temporary and permanent)

Salary Band	Total days	% Days with Medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Leadership (P1 – P3)	0	0	0	0	0	0
Senior Management (P4 – P6)	0	0	0	0	0	0
Management (P7 – P8)	0	0	0	0	0	0
Professionals and technical workers (P9 – P10)	0	0	0	0	0	0
Support workers (P11 – P16)	0	0	0	0	0	0
Total	0	0	0	0	0	0

Table 4.8.3 Annual leave

Salary Band	Total days taken	Number of Employees using annual leave	Average per employee
Contracts (Intern)	104.14	16	6.51
Skilled (Levels 3-5) (P11 – P16)	3174.75	174	18.25
Highly skilled production (Levels 6-8) (P9 – P10)	2102.19	124	16.95
Highly skilled supervision (Levels 9-12) (P7 – P8)	1381.76	76	18.18
Senior management (Levels 13-16) (P4 – P6)	184	23	8.00
Total	6946.84	413	16.82

Table 4.8.4 Capped leave

Salary Band	Total days of capped leave taken	Number of Employees using capped leave	Average number of days taken per employee	Average capped leave per employee as at 31 March
Leadership (P1 – P3)	0	0	0	0
Senior Management (P4 – P6)	0	0	0	0
Management (P7 – P8)	0	0	0	0
Professionals and technical workers (P9 – 10)	0	0	0	0
Support workers (P11 – P16)	0	0	0	0
Employees with disabilities	0	0	0	0
Total	0	0	0	0

Table 4.8.5 Leave pay-outs

Reason	Total Amount (R'000)	Number of Employees	Average per employee (R'000)
Leadership (P1 – P3)			
Senior Management (P4 – P6)	2 292	17	134.8
Management (P7 – P8)	100	1	100.0
Professionals and technical workers (P9 – 10)	120	2	60.0
Support Workers (P11 – P16)	140	4	35.0
Interns/Contractors	41	11	3.7
Employees with disabilities	60	1	60.00
Total	2 753	36	333.6

HIV/AIDS & Health Promotion Programmes

Table 4.9.1 Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
7 Employees	Provisioning of dedicated HIV/AIDS services offered to impacted employees via the Employee Assistance Programme and Medical Aid.

Table 4.9.2 Details of Health Promotion and HIV/AIDS Programmes
(tick the applicable boxes and provide the required information)

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	X	✓	Business Partner: Human Resource
2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and wellbeing of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	X	✓	Two employees - R1 385 812
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this programme.	✓		Psychosocial, legal and financial wellness. Employee Assistance Programme and Executive Wellness Programme
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.		✓	
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	✓		Talent Attraction Policy, Performance Management Policy, Remuneration Policy
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.		✓	
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.		✓	VCT conducted at the last Wellness Day in November 2015. Seven (7) employees tested positive out of the one hundred and nineteen (119) that were tested, i.e. 5.8%.
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.		✓	

Labour Relations

Table 4.10.1 Collective agreements

Subject Matter	Date
Signing of the Recognition Agreement between NEHAWU and GPL Management	24 March 2017

Table 4.10.2 Misconduct and disciplinary hearings finalised

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	0	0
Verbal warning	0	0
Written warning	0	0
Final written warning	0	0
Suspended without pay	0	0
Fine	0	0
Demotion	0	0
Dismissal	0	0
Not guilty	0	0
Case withdrawn	0	0
Total	0	0

Table 4.10.3 Types of misconduct addressed at disciplinary hearings

Type of misconduct (based on Annexure A)	Number	% of total
Alleged Assault	1	100%
Total	1	100%

Table 4.10.4 Grievances lodged

	Number	% of Total
Number of grievances resolved	0	0%
Number of grievances not resolved	0	0%
Total number of grievances lodged	0	0%

Table 4.10.5 Disputes lodged

	Number	% of Total
Number of disputes upheld	1	33%
Number of disputes dismissed	2	67%
Total number of disputes lodged	3	100%

Table 4.10.6 Strike actions

Total number of working days lost	0
Total costs working days lost	0
Amount (R'000) recovered as a result of no work no pay	0

Table 4.10.7 Precautionary suspensions

Number of people suspended	1
Number of people whose suspension exceeded 30 days	1
Average number of days suspended	130 (working days @ 21.6 days per month)
Cost (R'000) of suspension	R136 415

Injury on duty

Table 4.11.1 Injury on duty

Nature of injury on duty	Number	% of total
Required basic medical attention only	0	0%
Temporary Total Disablement	0	0%
Permanent Disablement	0	0%
Fatal	0	0%
Total	0	0%

Utilisation of Consultants

Table 4.12.1 Analysis of GPL Vendor Database as at 1 April 2017

Company/Vendor Name	Project Title	% Ownership by HDI groups (gender, race, disability and youths [G, R, D, Y])	Contract Period	Contract value : ZAR			
Lubizo Holdings	<i>Guest speaker for the launch of the GSF Ethics Forum</i>	G	R	D	Y	Once-off	R15,000
		100% Male	100% Black	0%	0%		
Manto Management	<i>Baseline Assessment Study</i>	G	R	D	Y	1 year	R1 272 780
		100% Male	100% Black	0%	0%		
Lynelle John and Associates	<i>Transversal Mainstreaming Audit & Training Project</i>	G	R	D	Y	10 Months	R962, 600
		100% Female	100% Indian	0%	0%		
Talwin Consulting T/A Franklin Covey	<i>Leadership Programme Facilitator</i>	G	R	D	Y	2 years	R223,896
		51% F & 49% M	100% Black	0%	0%		
Tokiso	<i>Facilitator between GPL and Nehawu</i>	G	R	D	Y	2 days	R22,822
		6.80% Female	18.67% Black	0%	0%		

Company/Vendor Name	Project Title	% Ownership by HDI groups (gender, race, disability and youths [G, R, D, Y])	Contract Period	Contract value : ZAR			
Grace Human Capital	<i>Policy Expert</i>	G	R	D	Y	7 months	R251,940
		100% Male	100% White	0%	0%		
MTSI	<i>SAP consultants</i>	G	R	D	Y	Once-off	R130,774
		100% Female	100% Black	0%	0%		
Deloitte	<i>Quality review on GPL Qualifications and experience model for positions</i>	G	R	D	Y	Cannot be found on the system	R49,544
		6.47% F & 21.87% M	28.34% Black	0%	0%		
AFMS group	<i>Building condition assessment</i>	G	R	D	Y	4 months	R797 729.80
		24.50% F & 24% M	48.50% Black	0%	0%		
Izazi Consulting Engineers	<i>Electronic security and fire defence</i>	G	R	D	Y	Unknown: Cannot be specified	R209,261
		100% Male	100% Black	0%	0%		
Gijima	<i>Implementation of a Disaster Recovery Planning solution</i>	G	R	D	Y	2 years	R543,707
		41.51% F & 58.49% M	100% Black	0%	0%		
FlowCentric Technologies	<i>FlowCentric and DocQnet onsite support</i>	G	R	D	Y	FlowCentric:2 years DocQnet: 2 years	FlowCentric: R390 478.35 DocQnet: R733.00 per hour pay as you go
		13% F & 13% M	26% Black				
Prof EEJ Malherbe	<i>Consultant to amend and finalise the Gauteng Petitions Regulations, 2016</i>	G	R	D	Y	Once-off	R34,000
		100% Male	100% White	0%	0%		
Hendrik Botha	<i>CSSL Workshop</i>	G	R	D	Y	Once-off	R8000
		100% Male	100% White	0%	0%		
Interactive Web Works cc	<i>Policy Brief</i>	G	R	D	Y	Once-off	R2,508
		100% Male	100% Black	0%	0%		
Intenda (PTY) LTD	<i>Intenda Training</i>	G	R	D	Y	2 years	R272 127.99
		12% F & 14% M	26% Black	0%	0%		
Walking tall trading and projects	<i>Asset consultants (specialists)</i>	G	R	D	Y	8 months	R374,505
		100% Female	100% Black	0%	100% Youth		
CulArt Productions	<i>Management of art and curation</i>	G	R	D	Y	4 months	R637,960
		100% Male	100% Black	0%	0%		
Tmash Logistics	<i>Facilitator for SCM Workshop</i>	G	R	D	Y	Once-off	R14,400
		100% Male	100% Black	0%	0%		

Company/Vendor Name	Project Title	% Ownership by HDI groups (gender, race, disability and youths [G, R, D, Y])	Contract Period	Contract value : ZAR			
Nexia SAB &T	<i>Investigation of irregularities</i>	G	R	D	Y	3 years	R233,038
		30% F & 48% M	78% Black	0%	0%		
IDU	<i>IDU</i>	G	R	D	Y	1 year	R109 528.48
		100% Male	100% White	0%	0%		
CQS CaseWare	<i>CQS CaseWare license</i>	G	R	D	Y	Annually	R94,039
		0.42% F & 34.45% M	34.87% Black	0%	0%		

Budget Allocation to Transformation Programmes

Table 4.13.1 Budget allocation to transformation programmes

Programme Name	Budget Allocation	Total	Expenditure	Variance
Sector Parliaments	R7 261 695	R7 261 695	R7 261 695	R0
Multi-Party Women’s Caucus	R843 000	R843 000	R455 188	R387 812
Transversal Mainstreaming Focal Point	R756 262	R756 262	R756 262	R0
Women’s Month	R 250 000	R 250 000	R316 026.52	R66 026.52
16 Days of Activism	R 350 000	R350 000	R 305 853.47	R 44 146.55
Total	R9 460 957	R9 460 957	R9 095 024.99	R365 932.01

Table 4.13.2 Institutional HDI targets

Target	Actual Performance
HDI: 60%	70,68%
Women: 30%	32,00%
Youths: 10%	13,03%
Persons with Disabilities: 2%	0,65%



“Following up on our commitment
to the people of Gauteng”

PART E

SECTION VI





FINANCIAL INFORMATION

8	1,317,134	
9	2,210,110	
10	1,412,341	
7	1,412,341	
11	191,718,739	
	196,517,467	
3	1,920,264	
4	115,465,959	
5	5,701,290	
	123,157,891	113,917,891
	319,716,906	265,805,106
12	777,800	1,367,337
	2,117,199	1,667,126
15	27,773,427	32,401,127
16	33,826,053	17,044,202
	672,587	669,313
	68,866,970	63,129,105
	4,216,630	955,331
	4,630,641	
	8,847,271	
	77,714,261	
	242,010,571	
	1,220,000,000	

GAUTENG
LEGISLATURE

Gauteng Provincial Legislature Vote 2

REPORT OF THE ACCOUNTING OFFICER

For the year ended 31 march 2017

To the executive authority and provincial legislature of the republic of south africa

1. General review of the state of financial affairs

The FMPLA requires the Executive Authority to ensure transparency, accountability and sound management of the revenue, expenditure, assets and liabilities of the Gauteng Provincial Legislature (GPL). This report then reviews the progress made during the reporting year by defining the main financial achievements against the key financial objectives of the GPL.

1.1 Budgeting process

In executing its mandate, the GPL has an obligation to formulate strategic, annual and operational plans, allocate resources for the implementation of those plans, and monitor and report the results. During the year, the GPL reviewed its Planning, Budgeting and Reporting Framework that outlines each stage of the planning, budgeting, implementation, reporting, monitoring and evaluation cycle. The GPL continued to improve and implement various initiatives that sought to focus greater attention on the relationship between budgets and performance. Greater emphasis was thus placed on a budget process with the ultimate goal of arriving at a budget that is informed by strategic business objectives.

1.2 Budget allocation

The GPL has adopted a stance of fiscal responsibility by ensuring alignment between objectives and resources. Greater focus was applied on evaluating whether financial plans were consistent, realistic and affordable and to ensure more efficient use of resources in order to maximize the achievement

of strategic objectives. Programmes were therefore required to cost their respective operational plans taking into account the priority activities that supported the broader strategic objectives of the institution. Emphasis was also placed on efficiency measures to ensure that the GPL does more with less. The Programmes financial plans were consolidated to produce the overall institutional budget.

For the year under review, the GPL received a total budget allocation of R649.5 million to implement its annual performance plan. During the year, the projected expenditure to the end of the financial year identified the need for additional funding in respect of emerging priorities. In order to meet the additional funding requirements, the GPL first conducted a reprioritization exercise and further identified potential savings within the allocated budget.

The Speaker further determined an increase in constituency allowances payable to parties participating in the GPL for the 2016/17 financial year. The need for more resources was raised as a critical issue to ensure effectiveness of Constituency Offices. In due consideration of the lack of periodic increments, the constituency allowance for the 2016/17 financial year was increased from R35, 000.00 per member per month to R44, 000.00 per member per month. The effects of the increase resulted in an adjustment budget of R7.8 million. This increase was funded through the retained income of the GPL.

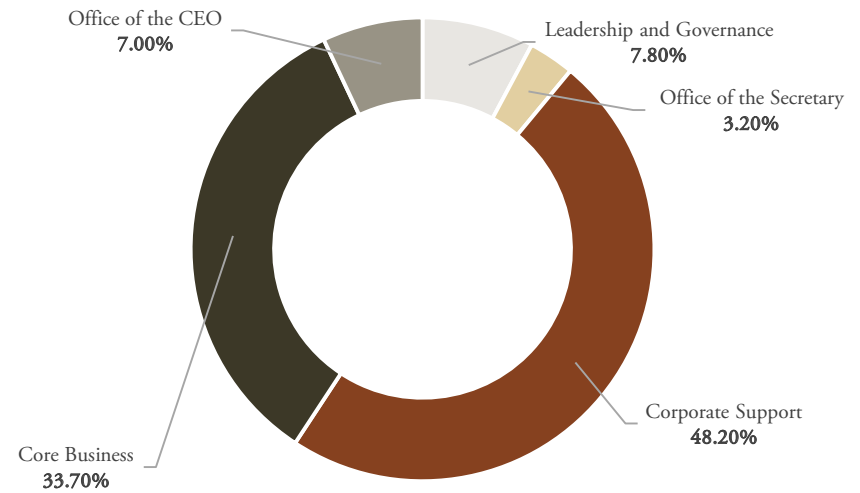


The final budget allocation included an amount of R285.1 million for compensation of employees, R236 million for goods and services, R110.5 million for transfers to political parties and R17.8 million for capital assets. An additional amount of R67.9 million was also received as a statutory appropriation in respect of remuneration for Political Office Bearers.

The final budget allocation (after virements) including the adjustment budget for the 2016/17 financial year is depicted in the table below:

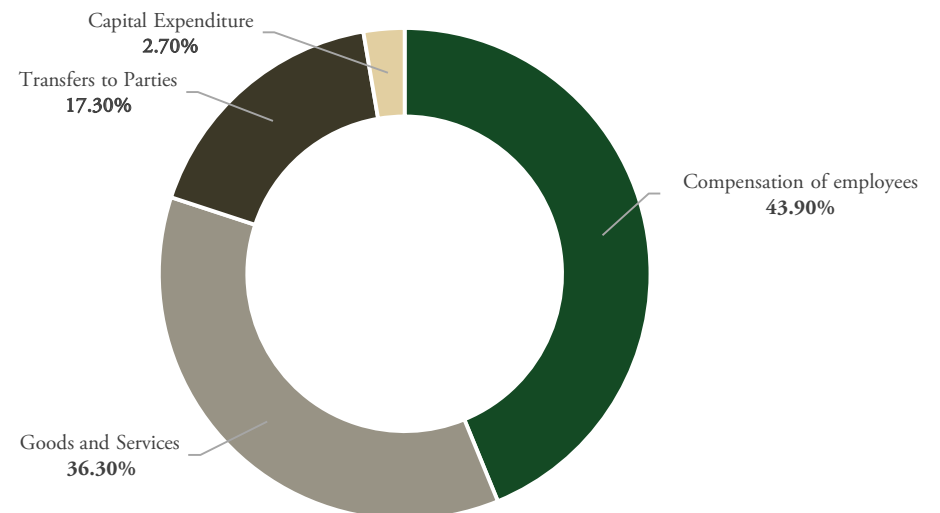
Budget by programmes

PROGRAMME	% OF BUDGET	R'000
Leadership and Governance	7.8%	50 703
Office of the Secretary	3.2%	20 578
Corporate Support	48.2%	313 405
Core Business	33.7%	219 154
Office of the CEO	7.0%	45 717
TOTAL	100%	649 557



Budget by economic classification

CLASSIFICATION	% OF BUDGET	R'000
Compensation of employees	43.9%	285 103
Goods and Services	36.3%	236 030
Transfers to Parties	17.3%	110 585
Capital Expenditure	2.7%	17 839
TOTAL	100%	649 557



1.3 Expenditure Analysis

In exercising its constitutional obligations, the GPL spent a total of R606 million or 93.3 % of the final budget for the year under review. The financial results are depicted in the table below:

A comparison of the actual expenditure against the budget reflects an under-expenditure of R43.4 million equating to 6.7% of the total allocated budget. The financial results for the year reflects that the GPL has operated relatively within budget resources and has met all its financial obligations for the year under review. The major cost drivers for goods and services were as follows:

Public outreach programmes as conducted by Committees;

- » House and Committee sittings with all associated costs;
- » Re-engineering of public participation and outreach workshops;
- » Political Party Funding and Constituency Allowances paid to Political parties represented in the GPL

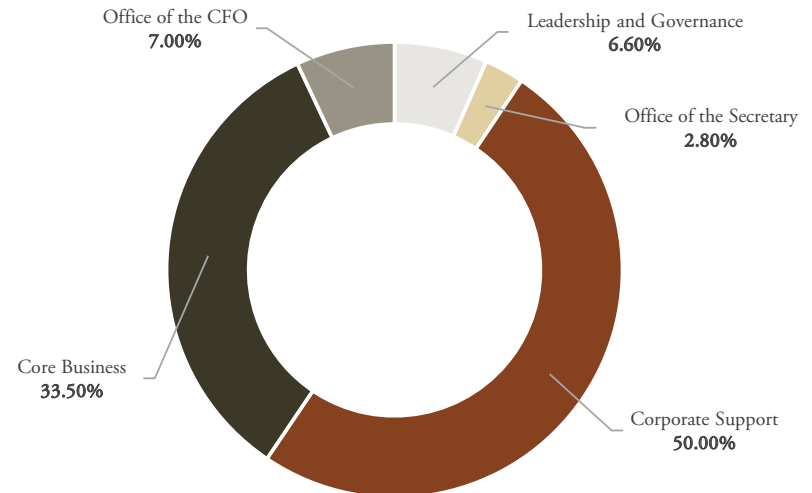
- » Provision of facilities and support services to Members of the GPL;
- » Hosting of Institutional events;
- » Operational costs such as IT services, business tools, maintenance and repairs, rent & municipal services, security services, transport services, canteen and cleaning services.

An amount R280.8 million was spent on compensation of employees equating to 46.3 % of total expenditure. Expenditure on goods and services amounted to R200.6 million or 33.1 % of total expenditure. R110.5 million was transferred to political parties comprising of Political Party Funding and Constituency Allowances. Capital payments totalled R14 million or 2.3% of total expenditure. The total expenditure of the current financial year increased by 7.8 % when compared to the previous financial year. Expenditure by Programmes and Economic Classification is depicted below:

Summary of expenditure as at 31 March 2017					
Programmes (R'000)	Actual Expenditure	Final Budget	Variance	% Variance	% Spent
Leadership and Governance	40 170	50 703	10 533	20.8%	79.2%
Office of the Secretary	17 127	20 578	3 451	16.8%	83.2%
Corporate Support Services	303 330	313 405	10 075	3.2%	96.8%
Core Business	202 799	219 154	16 355	7.5%	92.5%
Office of the CFO	42 723	45 717	2 994	6.5%	93.5%
TOTAL	606 149	649 557	43 408	6.7%	93.3%
Economic Classification (R'000)	Actual Expenditure	Final Budget	Variance	% Variance	% Spent
Compensation of employees	280 869	285 103	4 234	1.5%	98.5%
Goods and services	200 669	236 030	35 361	15.0%	85.0%
Transfers and subsidies	110 585	110 585		0.0%	100.0%
Capital assets	14 026	17 839	3 813	21.4%	78.6%
TOTAL	606 149	649 557	43 408	6.7%	93.3%

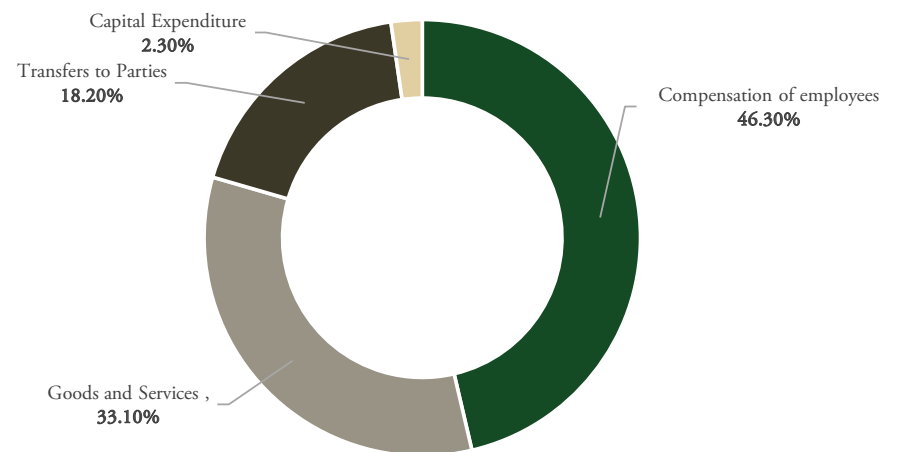
Expenditure By Programmes

PROGRAMME	% OF EXPENDITURE	R'000
Leadership and Governance	6.6%	40 170
Office of the Secretary	2.8%	17 127
Corporate Support	50.0%	303 330
Core Business	33.5%	202 799
Office of the CFO	7.0%	42 723
TOTAL	100%	606 149



Expenditure by economic classification

CLASSIFICATION	% OF EXPENDITURE	R'000
Compensation of employees	46.3%	280 869
Goods and Services	33.1%	200 669
Transfers to Parties	18.2%	110 585
Capital Expenditure	2.3%	14 026
TOTAL	100%	606 149



1.4 Under / Overspending

The primary contributing item to the under spend was personnel expenditure consequential to approved positions not filled during the financial year and non-payment of performance bonuses to senior management. The under-expenditure is attributable primarily to the following:

- » Under-spending on travel, interprovincial visits and conferences by Committees as a result of prioritising local Public Outreach Programmes;
- » A number of planned institutional international and local trips could not be undertaken due to pressing institutional priorities;
- » Remaining milestones of the Re-Engineering of Public Participation project which will now be concluded during the 2017/18 financial year;
- » Cancellation and deferment of attendance at workshops, conferences, seminars and inter-legislature visits due to in-house priorities;
- » Suspension of the planned procurement of office furniture for the eight floor of SAGE building as renovations were not concluded at the end of the financial year.

Upon analysis of the underspending against budget, it was identified that almost R11.3 million is attributable to savings which were realised primarily in the following areas, amongst others:

- » Implementation of cost-efficiency measures on travelling including Inter-legislature visits, conferences, accommodation and use of external venues;
- » Printing of documents and decrease in promotional items;
- » Competency Based Assessment due to the implementation of Remuneration and Benefits policy;
- » Entering into a cost-effective printer contract which reduced the need for procuring printer cartridges;
- » Non-utilisation of accommodation for activities of the Gauteng Speakers Forum
- » Reduction in the annual report printing costs;
- » License fees due to the rationalisation of institutional software requirements;
- » Repairs on motor vehicle services;
- » The rollout of the annual CRC municipal roadshows and campaigns which were incorporated in the Voter Education and Registration campaign;
- » Savings were also realised in areas of stationery, printing, advertising, gifts and promotional items, print room rentals, refreshments and consumables. This however did not hamper operational efficiency.

In due consideration of savings realised as indicated above and the effects of efficiency measures, the net underspend then reduces to R32.1 million equating to 4.9% of the total allocated budget.

Capital assets however, reflected and overspend as a result of the approved but unfunded expenditure relating to the air-conditioning for the City hall and SAGE building project.

1.5 Political Part Funding

Section 236 of the Constitution promotes multi – party democracy and in particular funding of political parties participating in provincial legislatures on an equitable and proportional basis. A total amount of R110.5 million was transferred to Political Parties. Details of transfers to parties during the year is reflected in the table below:

Political Party	Political Party Funding	Constituency Allowance	Total Transfers
ANC	34 650	21 120	55 770
DA	21 139	12 144	33 283
EFF	9 110	4 224	13 334
IFP	3 509	528	4 037
VF	3 633	528	4 161
Total	72 041	38 544	110 585

The expenditure of public funds by political parties is carefully regulated and closely monitored. The financial effect of this distribution is reflected in the Annual Financial Statements of the fund. In instances where any party did not comply with the provisions of the Gauteng Political Party Fund Act, funds were withheld accordingly.

1.6 Enhanced Financial Management

Good financial reporting practices were continuously applied throughout the year. In line with Section 51 of FMPLA, financial reports were prepared on a monthly basis and submitted to both internal and external stakeholders within stipulated timeframes. These reports were also tabled at the Audit and Risk Committee (ARC) and Legislature Services Board (LSB) on a quarterly basis.

Programmes quarterly updated their expenditure projections to provide action plans for implementation of the budget and reasons for any deviations. This process allowed Programme Managers to identify gaps timeously and institute the necessary plans to achieve the identified objectives. Key reconciliations were completed monthly, with due diligence checks of the reconciliations being conducted periodically. Month-end processes were also streamlined and used to minimise the year end processes. The Budget Unit also regularly met with programmes and Committees to provide support and guidance on budget implementation.

2. Supply Chain Management(SCM) Practices

In improving the supply and demand value chain and ensuring improved facilitation of requisitions, demand plans were prepared to facilitate requisitions for goods and services. All approved requisitions were processed in line with the applicable Supply Chain Management policies. The Delegation of Authority was also revised and subsequently approved, to ensure appropriate levels of delegation and to improve operational efficiencies.

The Legislature Adjudication Council (LAC) met regularly to ensure adherence to SCM principles and to adjudicate on tenders evaluated by the Tender Evaluation Committee.

Through the continued application of the preferential procurement strategy, the preference mechanism was applied in the procurement of all goods and services to target especially Historically Disadvantaged Individuals (HDI). In response to the GPL imperative of taking the Legislature to the people, the allocation of business was reprioritised to local and township service providers.

3. Good governance

GPL is committed to entrenching the highest levels of good governance and continues to make significant progress in implementing structures, policies and procedures aimed at strengthening governance. During the year, the GPL Governance Framework was further enhanced to ensure that the GPL is doing the right things in a timely, inclusive, open, honest and accountable manner. This consists setting out the systems and processes, and the culture and values by which GPL is directed and controlled and through which it accounts to and engages with stakeholders.

4. Asset management

The safeguarding of GPL's assets remained a priority, as prescribed by FMPLA. All the assets within the GPL were physically verified through stock take exercises which were conducted both at mid-year and year-end. The outcome of physical counts were regularly reconciled to accounting records. Continued efforts were made to strengthen the overall control of assets and monitoring compliance on an ongoing basis.

5. Performance information

During the year, a planning, budgeting and reporting framework that outlines each stage of the planning, budgeting, implementation, reporting, monitoring and evaluation cycle was developed. The presentation and detail of the Annual Performance Plan was improved to ensure it remained strategic and met all technical requirements. Performance indicators and targets were refined to ensure inclusion of SMART principles.

The M&E Committee facilitated the necessary activities in conjunction with all Programmes and also provided technical guidance on the completion of performance information for the 2016/17 financial year. The Committee received submissions from all Programmes in line with the recommendations and stipulated timeframes. The performance information was then consolidated and further reviewed to ensure alignment to the approved Annual Performance Plan. Performance information also facilitated effective accountability, enabling oversight bodies such as the Oversight Committee on the Premier's Office and the Legislature (OCPOL) and the LSB to track

progress and effectively monitor implementation of the annual performance plan. The Secretary after the end of each quarter reports to the Executive Authority and OCPOL on the GPL's performance in implementing the annual performance plan in that quarter.

6. Preparation of Annual Financial Statements

In terms of the FMPLA, for each financial year, the Accounting Officer must prepare Annual Financial Statements in accordance with the Standards of Generally Recognised Accounting (GRAP) and submit these to the Auditor-General for auditing within two months after the end of the financial year.

The Annual Financial Statements for the year ended 31st March 2017 have been duly prepared in accordance with the effective standards of GRAP including any interpretations, guidelines and directives issued by the Accounting Standards Board. The annual financial statements have therefore been prepared on an accrual basis which necessitated adoption of accounting policies consistent with GRAP. Introduction of new standards where applicable have been stated in the notes to the Annual Financial Statements. The accounting policies for the year under review are consistent to that of the previous financial year.

7. Events after the reporting date

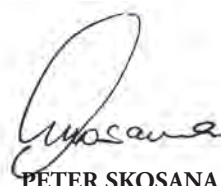
To our knowledge, there are no post-reporting date events that have a significant impact on the annual financial statements as reported.

8. Other

There are no other facts or circumstances that may have an effect on the GPL's financial state of affairs.

9. Approval

The annual financial statements set out on pages 3 to 42 have been approved by the Accounting Officer.



PETER SKOSANA

Secretary to the Provincial Legislature (Accounting Officer)
31ST May 2017

CONFIRMATION OF THE ACCURACY AND FAIR PRESENTATION OF THE ANNUAL FINANCIAL STATEMENTS SUBMITTED

To: The Auditor-General

Date: 31 May 2017

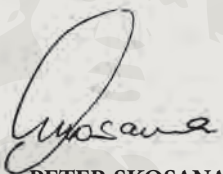
FINANCIAL STATEMENTS FOR THE 2016/17 FINANCIAL YEAR ENDING 31 MARCH 2017

I hereby acknowledge that the Annual Financial Statements of the Gauteng Provincial Legislature have been submitted to the Auditor-General's office for auditing in terms of section 56(1) and 57 of the FMPLA.

I acknowledge my responsibility for the accuracy of the accounting records and the fair presentation of the Performance Information and confirm to the best of my knowledge and belief, the following:

- » The Financial Statements have been prepared in accordance with Generally Recognized Accounting Practice (GRAP),
- » The Financial Statements are complete and accurate;
- » The Financial Statements are free from material misstatements including omissions; and
- » Accounting estimates are reasonable in the circumstances.

Yours faithfully,



PETER SKOSANA

Secretary to the Legislature

REPORT OF THE AUDITOR-GENERAL TO GAUTENG PROVINCIAL Legislature on Vote no. 2: Gauteng Provincial Legislature

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Gauteng Provincial Legislature set out on pages 107 to 143 which comprise the statement of financial position as at 31 March 2017, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Gauteng Provincial Legislature as at 31 March 2017, and its financial performance and cash flows for the year then ended in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Financial Management of Parliament and Provincial Legislatures Act, 2009 (Act No. 10 of 2009) (FMPPLA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.
4. I am independent of the legislature in accordance with the International Ethics Standards Board for Accountants' Code of ethics for professional accountants (IESBA code) together with the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matters

6. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Material uncertainty

7. With reference to note 27 to the financial statements, the Legislature is the defendant in a labour lawsuit. The Legislature is opposing the claim and has lodged an appeal. The ultimate outcome of the matter cannot presently be determined and no provision for any liability that may result has been made in the financial statements.

Restatement of corresponding figures

8. As disclosed in note 31 to the financial statements, the corresponding figures for 31 March 2016 have been restated as a result of an error in the financial statements of the Legislature at, and for the year ended, 31 March 2017.

Responsibilities of the accounting officer for the financial statements

9. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the SA Standards of GRAP and the requirements of the FMPPLA and for such internal control as the accounting officer determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.
10. In preparing the financial statements, the accounting officer is responsible for assessing the Gauteng Provincial legislature's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless there is an intention to liquidate the Gauteng Provincial Legislature or to cease operations, or there is no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the financial statements

11. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable

assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

12. A further description of my responsibilities for the audit of the financial statements is included in the annexure to the auditor's report.

Report on the audit of the annual performance report

Introduction and scope

13. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
14. My procedures address the reported performance information, which must be based on the approved performance planning documents of the Legislature. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
15. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the annual performance report of the Legislature for the year ended 31 March 2017:

Programmes	Pages in the annual performance report
Programme 1 Leadership and governance	32 – 34
Programme 4 Core business	44 – 50

16. I performed procedures to determine whether the reported performance information was consistent with the approved performance planning documents. I performed further procedures to assess the reliability of the reported performance information to determine whether it was valid, accurate and complete.
17. I did not identify any material findings on the usefulness and reliability of the reported performance information for the selected programmes.

Other matter

18. I draw attention to the matter below.

Achievement of planned targets

19. Refer to the annual performance report on pages x to x; x to x for information on the achievement of planned targets for the year and explanations provided for the underachievement of a number of targets.

Adjustment of material misstatements

20. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of Programme 1: Leadership and Governance and Programme 4: Core Business. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

Report on the audit of compliance with legislation

Introduction and scope

21. In accordance with the PAA and the general notice issued in terms thereof I have a responsibility to report material findings on the compliance of the Legislature with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
22. I did not identify any instances of material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA.

Other information

23. The Legislature's accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report thereon and those selected programmes presented in the annual performance report that have been specifically reported on in the auditor's report.
24. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
25. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information

is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed on the other information obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Internal control deficiencies

26. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance thereon. I did not identify any significant deficiencies in internal control.

Other reports

27. I draw attention to the following engagements conducted by various parties that had, or could have, an impact on the matters reported in the Legislature's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.

Investigations

28. One investigation, carried forward from the prior year, relating to recruitment process irregularities was concluded by an external party during the financial year.

Auditor-General

Johannesburg
31 July 2017



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

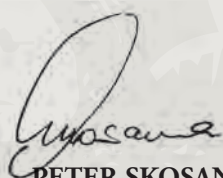


THE REPORTS AND STATEMENTS SET OUT BELOW COMPRISE THE ANNUAL FINANCIAL STATEMENTS PRESENTED TO THE PROVINCIAL LEGISLATURE:

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The Annual Financial Statements set out on pages 107 to 143 which have been prepared on the going concern basis, were approved and signed by the Accounting Officer on May 31, 2017:



PETER SKOSANA

Secretary of the Legislature

Legal form of entity

Provincial Legislature

Registered office

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Street Johannesburg
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Johannesburg,
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Bankers

Standard Bank of SA

Auditors

Auditor General South Africa (AGSA)

Registered Auditors

Secretary to the Legislature

Peter Skosana

STATEMENT OF FINANCIAL POSITION

as at March 31, 2017

Figures in Rand	Note(s)	2017	2016
Assets			
Current Assets Inventories	8	1,318,287	1,683,890
Receivables from exchange transactions	9	2,107,092	864,203
Receivables from non-exchange transactions	10	-	2,915,050
Prepayments	7	1,413,349	1,804,620
Cash and cash equivalents	11	191,718,739	144,608,029
		196,557,467	151,875,792
Non-Current Assets Heritage assets	3	1,920,264	1,934,977
Property, plant and equipment	4	115,465,959	104,138,784
Intangible assets	5	5,781,270	7,859,948
		123,167,493	113,933,709
Total Assets		319,724,960	265,809,501
Liabilities			
Current Liabilities Finance lease obligation	12	4,377,800	1,347,337
Operating lease liability	6	2,217,103	1,667,126
Payables from exchange transactions	15	27,773,427	32,401,127
Provisions	13	33,826,053	27,044,202
Staff payables	14	672,587	669,313
		68,866,970	63,129,105
Non-Current Liabilities Finance lease obligation	12	4,216,630	955,334
Provisions	13	4,630,641	-
		8,847,271	955,334
Total Liabilities		77,714,241	64,084,439
Net Assets		242,010,721	201,725,063
Accumulated surplus		242,010,721	201,725,063

STATEMENT OF FINANCIAL PERFORMANCE

for the year ended March 31, 2017

Figures in Rand	Note(s)	2017	2016
Revenue from non-exchange transactions	16	717,577,960	669,354,248
Revenue from exchange transactions	17	2,855,598	2,131,972
Operating expenses		(683,187,489)	(622,744,892)
Operating surplus		37,246,069	48,741,328
Interest Income	18	11,568,538	8,437,518
Finance costs	22	(644,949)	(195,084)
Surplus for the year		48,169,658	56,983,762

STATEMENT OF CHANGES IN NET ASSETS

for the year ended March 31, 2017

Figures in Rand	Accumulated surplus	Total net assets
Balance at April 1, 2015	144,741,301	144,741,301
Changes in net assets Surplus for the year	56,983,762	56,983,762
Total changes	56,983,762	56,983,762
Balance at April 1, 2016	201,725,063	201,725,063
Changes in net assets		
Surplus for the year	48,169,658	48,169,658
Re-appropriation	(7,884,000)	(7,884,000)
Total changes	40,285,658	40,285,658
Balance at March 31, 2017	242,010,721	242,010,721
Note(s)		

CASH FLOW STATEMENT

for the year ended March 31, 2017

Figures in Rand	Note(s)	2017	2016
Cash flows from operating activities			
Receipts			
Revenue		720,378,010	666,039,198
Interest income		11,568,538	8,437,518
Other receipts		1,535,127	2,367,447
		733,481,675	676,844,163
Payments			
Employee costs		(348,615,212)	(325,952,735)
Suppliers		(312,102,591)	(265,457,412)
		(660,717,803)	(591,410,147)
Net cash flows from operating activities	24	72,763,872	85,434,016
Cash flows from investing activities			
Purchase of property, plant and equipment	4	(23,557,190)	(20,931,918)
Proceeds from sale of property, plant and equipment	4	141,219	402,000
Net cash flows from investing activities		(23,415,971)	(20,529,918)
Cash flows from financing activities			
Re-appropriation - Treasury		(7,884,000)	-
Finance lease payments		5,646,810	(2,655,115)
Net cash flows from financing activities		(2,237,190)	(2,655,115)
Net increase/(decrease) in cash and cash equivalents		47,110,710	62,248,983
Cash and cash equivalents at the beginning of the year		144,608,029	82,359,046
Cash and cash equivalents at the end of the year	11	191,718,739	144,608,029

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS for the year ended March 31, 2017

Budget on Cash Basis						
Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Statement of Financial Performance						
Revenue						
Revenue from non-exchange transactions						
Transfer revenue						
Appropriation	649,557,000	-	649,557,000	649,557,000	-	
Economic Class						
Personnel	(300,171,000)	15,068,000	(285,103,000)	(280,869,653)	4,233,347	Note 33
Political party funding and Constituency allowances	(102,701,000)	(7,884,000)	(110,585,000)	(110,584,597)	403	
Goods and services	(232,859,000)	(3,171,000)	(236,030,000)	(200,669,689)	35,360,311	Note 33
Building and Assets	(5,942,000)	(11,897,000)	(17,839,000)	(14,025,652)	3,813,348	Note 33
Total	(641,673,000)	(7,884,000)	(649,557,000)	(606,149,591)	43,407,409	
	-	-	-	-	-	

ACCOUNTING POLICIES

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the FMPLA

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, are disclosed below.

These accounting policies are consistent with the previous period.

1.1 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

Trade receivables / Held to maturity investments and/or loans and receivables

The Gauteng Provincial Legislature assesses its trade receivables and loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the surplus makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for trade receivables, held to maturity investments and loans and receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the assumption may change which may then impact our estimations and may then require a material adjustment to the carrying value of goodwill and tangible assets.

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 13 - Provisions.

Useful lives of property plant, equipment and intangible assets

The GPL's management determines the estimated useful lives and related depreciation charges for the property plant and equipment, and software and development cost. This estimate is based on pattern in which as assets future economic benefit or services potential are expected to be consumed by the entity.

Effective interest rate

The GPL uses an appropriate rate, taking into account guidance provided in the accounting standards and applying professional judgement to the specific circumstances to discount future cash flows.

1.2 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of

goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- » it is probable that future economic benefits or service potential associated with the item will flow to the GPL; and
- » the cost of the item can be measured reliably. Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Any increase in an asset's carrying amount, as a result of a revaluation, is credited directly to a revaluation surplus. The increase is recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Land	Straight line	Infinite
Buildings	Straight line	50
Leasehold property	Straight line	over the lease period
Plant and machinery	Straight line	13 years
Furniture and fixtures	Straight line	10 to 15 years
Motor vehicles	Straight line	5 to 8 year
Office equipment	Straight line	13 years
IT equipment	Straight line	13 years
Leasehold improvements	Straight line	over the lease period
Library books	Straight line	20 years

The residual value, and the useful life and depreciation method of each asset are revised at the end of each reporting date. If the expectations differ from previous estimates, the change is accounted as a change in accounting estimate. Reviewing the useful life of an asset on an annual basis does not require the entity to amend the previous estimates unless expectations differ from previous estimates. The residual value of motor vehicles is estimated at 20% of the cost and cell phones an amount of R300.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Assets which the GPL holds for rentals to others and subsequently routinely sell as part of the ordinary course of activities, are transferred to inventories when the rentals end and the assets are available-for-sale. Proceeds from sales of these assets are recognised as revenue. All cash flows on these assets are included in cash flows from operating activities in the cash flow statement. Subsequent to initial measurement Property, plant and equipment is measured as cost less accumulated depreciation and any accumulated impairment loss, where the GPL replaces part of an asset, it derecognises the part of an asset being replaced and capitalises the new component.

Subsequent expenditure incurred on an asset is capitalised when it increases the capacity of the future economic benefits or services potential associated with the asset.

13. Intangible assets

An asset is identifiable if it either:

- » is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- » arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the GPL or from other rights and obligations.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred. An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- » it is technically feasible to complete the asset so that it will be available for use or sale.
- » there is an intention to complete and use or sell it.
- » there is an ability to use or sell it.
- » it will generate probable future economic benefits or service potential.
- » there are available technical, financial and other resources to complete the development and to use or sell the asset.
- » the expenditure attributable to the asset during its development can be measured reliably. Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Internally generated goodwill is not recognised as an intangible asset.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Depreciation method	Average useful life
Computer software, internally generated	Straight line	10 to 12 year

Intangible assets are derecognised:

- » on disposal; or
- » when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of an intangible assets is included in surplus or deficit when the asset is derecognised.

14. Heritage assets

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

Recognition

The GPL recognises a heritage asset as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the GPLs, and the cost or fair value of the asset can be measured reliably.

Initial measurement

Heritage assets are measured at cost.

Where a heritage asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

Subsequent measurement

After recognition as an asset, a class of heritage assets is carried at its cost less any accumulated impairment losses. The GPL does not depreciate Heritage assets.

Impairment

The GPL assess at each reporting date whether there is an indication that it may be impaired. If any such indication exists, the GPL estimates the recoverable amount or the recoverable service amount of the heritage asset.

Derecognition

The GPL derecognises heritage asset on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of a heritage asset is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the heritage asset. Such difference is recognised in surplus or deficit when the item is derecognised.

15. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

A financial asset is:

- » cash;
- » a residual interest of another entity; or
- » a contractual right to:
 - receive cash or another financial asset from another entity; or
 - exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.
- » deliver cash or another financial asset to another entity; or
- » exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Classification

The GPL has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Assets	Category
Cash and cash equivalent Receivables	Financial asset measured at amortised cost Financial asset measured at amortised cost
The GPL has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:	
Liabilities	Category
Trade and other payables from exchange transactions	Financial liability measured at amortised cost Employee vendors Financial liability measured at amortised cost

Initial recognition

The GPL recognises a financial asset or a financial liability in its statement of financial position when the GPL becomes a party to the contractual provisions of the instrument.

The GPL recognises financial assets using trade date accounting.

Initial measurement of financial assets and financial liabilities

The GPL measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Subsequent measurement of financial assets and financial liabilities

The GPL measures all financial assets and financial liabilities after initial recognition using the following categories:

- » Financial instruments at fair value.
- » Financial instruments at amortised cost.
- » Financial instruments at cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

Fair value measurement considerations

The best evidence of fair value is quoted prices in an active market. If the market for a financial instrument is not active, the GPL establishes fair value by using a valuation technique. The objective of using a valuation technique is to establish what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal operating considerations. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. If there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, the entity uses that technique. The chosen valuation technique makes maximum use of market inputs and relies as little as possible on entity-specific inputs. It incorporates all factors that market participants would consider in setting a price and is consistent with accepted economic methodologies for pricing financial instruments. Periodically, an GPL calibrates the valuation technique and tests it for validity using prices from any observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on any available observable market data.

The fair value of a financial liability with a demand feature (e.g. a demand deposit) is not less than the amount payable on demand, discounted from the first date that the amount could be required to be paid.

Gains and losses

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit.

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

Impairment and uncollectibility of financial assets

If there is objective evidence that an impairment loss has been incurred on an investment in a residual interest that is not measured at fair value because its fair value cannot be measured reliably, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present

value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed.

Derecognition

Financial assets

The GPL derecognises financial assets using trade date accounting. The GPL derecognises a financial asset only when:

- » the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- » the GPL transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- » the GPL, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the GPL :
 - derecognise the asset; and
 - recognise separately any rights and obligations created or retained in the transfer.

The carrying amounts of the transferred asset are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations are measured at their fair values at that date. Any difference between the consideration received and the amounts recognised and derecognised is recognised in surplus or deficit in the period of the transfer.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

If the transferred asset is part of a larger financial asset and the part transferred qualifies for derecognition in its entirety, the previous carrying amount of the larger financial asset is allocated between the part that continues to be recognised and the part that is derecognised, based on the relative fair values of those parts, on the date of the transfer. For this purpose, a retained servicing asset is treated as a part that continues to be recognised. The difference between the carrying amount allocated to the part derecognised and the sum of the consideration received for the part derecognised is recognised in surplus or deficit.

If a transfer does not result in derecognition because the entity has retained substantially all the risks and rewards of ownership of the transferred asset, the entity continues to recognise the transferred asset in its entirety and recognise a financial liability for the consideration received. In subsequent periods, the entity recognises any revenue on the transferred asset and any expense incurred on the financial liability. Neither the asset, and the associated liability nor the revenue, and the associated expenses are offset.

Financial liabilities

The GPL removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another entity by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

Presentation

Interest relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Losses and gains relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

A financial asset and a financial liability are only offset and the net amount presented in the statement of financial position when the entity currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

1.6 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

Any contingent rents are expensed in the period in which they are incurred.

The determination of whether an arrangement is, or contains a lease is based on the substance of an arrangement at implicit date of whether the fulfillment of the arrangement is dependent on the use of specific asset or assets or the arrangement a right to use the asset. the classification of the lease is determined as follows;

Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

The aggregate cost of incentives is recognised as a reduction of rental revenue over the lease term on a straight-line basis. The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on a straight-line basis. Income for leases is disclosed under revenue in statement of financial performance.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability. The aggregate benefit of incentives is recognise as a reduction of rental expenses over the lease term on the straight line basis over the lease term. any contingent rent is recognise separately as an expense when paid or payable and is not straight lined over the lease term

1.7 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and current replacement cost where they are held for;

- » distribution at no charge or for a nominal charge; or
- » consumption in the production process of goods to be distributed at no charge or for a nominal charge.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the GPL.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.8 Impairment of cash-generating assets

Cash-generating assets are assets managed with the objective of generating a commercial return. An asset generates a commercial return when it is deployed in a manner consistent with that adopted by a profit-oriented entity.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets managed with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable amount of an asset or a cash-generating unit is the higher its fair value less costs to sell and its value in use. *Useful life is either:*

- » the period of time over which an asset is expected to be used by the GPL; or
- » the number of production or similar units expected to be obtained from the asset by the GPL.

Criteria developed by the GPL to distinguish cash-generating assets from non-cash-generating assets are as follow:

Identification

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

The GPL assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the GPL estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the GPL also test a cash-generating intangible asset with an indefinite useful life or a cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Value in use

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

When estimating the value in use of an asset, the GPL estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the constitutional institution applies the appropriate discount rate to those future cash flows.

Discount rate

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money, represented by the current risk-free rate of interest and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

Recognition and measurement (individual asset)

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the cash-generating asset to which it relates, the GPL recognises a liability only to the extent that is a requirement in the Standard of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate

the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Reversal of impairment loss

The GPL assess at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable amount of that asset.

An impairment loss recognised in prior periods for a cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit. Any reversal of an impairment loss of a revalued cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

1.9 Impairment of non-cash-generating assets

Cash-generating assets are assets managed with the objective of generating a commercial return. An asset generates a commercial return when it is deployed in a manner consistent with that adopted by a profit-oriented entity.

Non-cash-generating assets are assets other than cash-generating assets.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets managed with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use. *Useful life is either:*

- » the period of time over which an asset is expected to be used by the GPL; or
- » the number of production or similar units expected to be obtained from the asset by the GPL.

Criteria developed by the constitutional institution to distinguish non-cash-generating assets from cash-generating assets are as follow: [Specify criteria]

Identification

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

The GPL assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the GPL estimates the recoverable service amount of the asset.

Irrespective of whether there is any indication of impairment, the entity also test a non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Value in use

Value in use of non-cash-generating assets is the present value of the non-cash-generating assets remaining service potential.

The present value of the remaining service potential of a non-cash-generating assets is determined using the following approach:

Depreciated replacement cost approach

The present value of the remaining service potential of a non-cash-generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

The replacement cost and reproduction cost of an asset is determined on an "optimised" basis. The rationale is that the GPL would not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an overdesigned or overcapacity asset. Overdesigned assets contain

features which are unnecessary for the goods or services the asset provides. Overcapacity assets are assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of the replacement cost or reproduction cost of an asset on an optimised basis thus reflects the service potential required of the asset.

Recognition and measurement

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued non-cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the non-cash-generating asset to which it relates, the GPL recognises a liability only to the extent that is a requirement in the Standards of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Reversal of an impairment loss

The GPL assess at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the GPL estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit. Any reversal of an impairment loss of a revalued non-cash-generating asset is treated as a revaluation increase. After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

1.10 Employee benefits

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- » wages, salaries and social security contributions;
- » short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- » bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- » non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

When an employee has rendered service to the entity during a reporting period, the entity recognise the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- » as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the GPL recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- » as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The GPL measure the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The entity recognise the expected cost of bonus, incentive and performance related payments when the GPL has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

Post-employment benefits

Other long-term employee benefit

The GPL provides other long-term employee benefits to its employees. The other Long-term employee benefits may include.

- » Long-term compensated absences such as long services leave;
- » Other long service benefits

- » Bonus incentive and performance related payments payable 12 months or more after the end of the reporting period in which the employees render the related services.

The amount recognised as a liability for other long-term employee benefits is the net total of the following amounts:

- » The present value of the defined benefit obligation at the reporting date;
- » minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly.

The GPL shall recognise the net total of the following amounts as expense or revenue, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- » current service cost;
- » interest cost;
- » the expected return on any plan assets and on any reimbursement right recognised as an asset;
- » actuarial gains and losses, which shall all be recognised immediately;
- » past service cost, which shall all be recognised immediately; and
- » the effect of any curtailments or settlements.

1.12 Provisions and contingencies

Provisions are recognised when:

- » the GPL has a present obligation as a result of a past event;
- » it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- » a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the constitutional institution settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised. Provisions are not recognised for future operating deficits.

If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:

- » has a detailed formal plan for the restructuring, identifying at least:
 - the activity/operating unit or part of a activity/operating unit concerned;
 - the principal locations affected;
 - the location, function, and approximate number of employees who will be compensated for services being terminated;
 - the expenditures that will be undertaken; and
 - when the plan will be implemented; and
- » has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both:

- » necessarily entailed by the restructuring; and
- » not associated with the ongoing activities of the GPL

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 27.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

The GPL recognises a provision for financial guarantees and loan commitments when it is probable that an outflow of resources embodying economic benefits and service potential will be required to settle the obligation and a reliable estimate of the obligation can be made.

Determining whether an outflow of resources is probable in relation to financial guarantees requires judgement. *Indications that an outflow of resources may be probable are:*

- » financial difficulty of the debtor;
- » defaults or delinquencies in interest and capital repayments by the debtor;
- » breaches of the terms of the debt instrument that result in it being

payable earlier than the agreed term and the ability of the debtor to settle its obligation on the amended terms; and

- » a decline in prevailing economic circumstances (e.g. high interest rates, inflation and unemployment) that impact on the ability of entities to repay their obligations.

Where a fee is received by the GPL for issuing a financial guarantee and/or where a fee is charged on loan commitments, it is considered in determining the best estimate of the amount required to settle the obligation at reporting date.

Where a fee is charged and the GPL considers that an outflow of economic resources is probable, an GPL recognises the obligation at the higher of:

- » the amount determined using in the Standard of GRAP on Provisions, Contingent Liabilities and Contingent Assets; and
- » the amount of the fee initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the Standard of GRAP on Revenue from Exchange Transactions.

1.12 Commitments

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- » Contracts should be non-cancelable or only cancelable at significant cost (for example, contracts for computer or building maintenance services); and
- » Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

1.13 Revenue from exchange transactions

Exchange transaction is one in which the GPL receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. *The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:*

- » the amount of revenue can be measured reliably;
- » it is probable that the economic benefits or service potential associated with the transaction will flow to the GPL;
- » the stage of completion of the transaction at the reporting date can be measured reliably; and
- » the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by .

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends or similar distributions is recognised when:

- » It is probable that the economic benefits or service potential associated with the transaction will flow to the GPL, and
- » The amount of the revenue can be measured reliably.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

1.14 Revenue from non-exchange transactions

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, an GPL either receives value from another GPL without directly giving approximately equal value in exchange, or gives value to another GPL without directly receiving approximately equal value in exchange.

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the GPL satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the GPL.

When, as a result of a non-exchange transaction, the GPL recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue. Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislative procedure, including those set out in the Financial Management policy of the Gauteng Legislature , and is recognised when the recovery thereof from the responsible board members or officials is virtually certain.

Gifts and donations, including goods in-kind

Gifts and donations, including goods in kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the GPL and the fair value of the assets can be measured reliably.

1.15 Borrowing costs

Borrowing costs are interest and other expenses incurred by an entity in connection with the borrowing of funds. Borrowing costs are recognised as an expense in the period in which they are incurred.

1.16 Comparative figures

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are restated. The nature and reason for the restriction is disclosed where accounting errors have been identified in the current period., the correction is made retrospectively as far as practicable, and the period comparatively as far as practicable, and the prior year comparatives are restated accordingly.

1.17 Unauthorised expenditure

Unauthorised expenditure means:

- » overspending of a vote or a main division within a vote; and
- » expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.18 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.19 Irregular expenditure

Irregular expenditure as defined in section 1 of the FMPPA as expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including -

Irregular expenditure that was incurred and identified during the current financial and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register disclosed in the Financial Statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register and disclosed in the Financial Statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

1.20 Budget information

GPL is typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

The annual financial statements and the budget are on different basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts and a reconciliation between actual surplus and deficit and budget is disclosed in the note.

The Statement of comparative and actual information has been included in the annual financial statements as the recommended disclosure when the annual financial statements and the budget are on the same basis of accounting as determined by National Treasury.

1.21 Related parties

The GPL operates in an economic sector currently dominated by entities directly or indirectly owned by the South African Government. As a consequence of the constitutional independence of the three spheres of government in South Africa, only entities within the provincial sphere of government are considered to be related parties.

Management are those persons responsible for planning, directing and controlling the activities of the GPL, including those charged with the governance of the GPL in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, that management in their dealings with the GPL.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended March 31, 2017

2. Standards Approved and not yet Effective

2.1 Standards and interpretations not yet effective or relevant

The following standards and interpretations have been published and are mandatory for the GPL’s accounting periods beginning on or after April 1, 2017 or later periods but are not yet effective:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
GRAP 20: Related parties	April 1, 2017	Unlikely there will be a material impact
GRAP 108: Statutory Receivables	April 1, 2017	Unlikely there will be a material impact

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended March 31, 2017

3. Heritage assets

Figures in Rand	2017			2016		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Art work	1,920,264	-	1,920,264	1,934,977	-	1,934,977

Reconciliation of heritage assets - 2017

	Opening balance	Disposals	Total
Art work	1,934,977	(14,713)	1,920,264

Reconciliation of heritage assets - 2016

	Opening balance	Total
Art work	1,934,977	1,934,977

Heritage assets

Heritage assets is in respect of Art work inherited from the previous government. Heritage are measured at historical cost.

4. Property, plant and equipment

Figures in Rand	2017			2016		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	9,111,028	-	9,111,028	9,111,028	-	9,111,028
Buildings	60,653,049	(8,346,955)	52,306,094	55,636,653	(6,956,633)	48,680,020
Leasehold property	22,307,001	(13,789,154)	8,517,847	12,849,736	(10,495,307)	2,354,429
Plant and machinery	13,792,888	(6,180,058)	7,612,830	13,242,841	(5,495,480)	7,747,361
Furniture and fixtures	14,243,121	(6,307,255)	7,935,866	14,563,160	(6,204,501)	8,358,659
Motor vehicles	5,586,871	(2,218,262)	3,368,609	5,586,905	(1,609,782)	3,977,123
Office equipment	700,186	(239,138)	461,048	806,795	(241,432)	565,363
IT equipment	21,265,157	(8,725,762)	12,539,395	20,736,002	(8,258,496)	12,477,506
Leasehold improvements	14,222,742	(2,387,579)	11,835,163	9,576,209	(470,961)	9,105,248
Library books	3,366,615	(1,588,536)	1,778,079	3,267,452	(1,505,402)	1,762,050
Total	165,248,658	(49,782,699)	115,465,959	145,376,780	(41,237,995)	104,138,784

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended March 31, 2017

4. Property, plant and equipment (*continued*)

Reconciliation of property, plant and equipment - 2017

	Opening balance	Additions	Disposals	Depreciation	Impairment loss	Total
Land	9,111,028	-	-	-	-	9,111,028
Buildings	48,680,020	5,016,396	-	(1,390,322)	-	52,306,094
Leasehold assets	2,354,429	9,457,265	-	(3,293,847)	-	8,517,847
Plant and machinery	7,747,361	652,281	(28,556)	(758,256)	-	7,612,830
Furniture and fixtures	8,358,659	1,014,608	(467,088)	(970,313)	-	7,935,866
Motor vehicles	3,977,122	-	-	(608,513)	-	3,368,609
Office equipment	565,363	-	(45,974)	(58,341)	-	461,048
IT equipment	12,477,505	2,558,897	(547,939)	(1,334,938)	(614,130)	12,539,395
Leasehold improvements	9,105,248	4,646,533	-	(1,916,618)	-	11,835,163
Library books	1,762,049	211,210	(29,201)	(165,979)	-	1,778,079
	104,138,784	23,557,190	(1,118,758)	(10,497,127)	(614,130)	115,465,959

Reconciliation of property, plant and equipment - 2016

	Opening balance	Additions	Disposals	Depreciation	Total
Land	9,111,028	-	-	-	9,111,028
Buildings	49,576,204	413,142	-	(1,309,326)	48,680,020
Leasehold assets	3,780,345	2,386,876	-	(3,812,792)	2,354,429
Plant and machinery	3,672,211	4,482,615	(407)	(407,058)	7,747,361
Furniture and fixtures	9,348,847	19,855	(44,163)	(965,880)	8,358,659
Motor vehicles	3,190,629	1,548,842	(177,427)	(584,922)	3,977,122
Office equipment	250,762	346,858	(1,483)	(30,774)	565,363
IT equipment	12,164,040	1,863,052	(332,824)	(1,216,763)	12,477,506
Leasehold improvements	-	9,576,209	-	(470,961)	9,105,248
Library books	1,565,419	294,469	-	(97,839)	1,762,049
	92,659,485	20,931,918	(556,304)	(8,896,315)	104,138,784

Expenditure incurred to repair and maintain property, plant and equipment

Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance

Repairs and maintenance	4,270,074	3,880,706
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The repairs and maintenance cost is mainly in respect of maintenance towards the assets of the GPL.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended March 31, 2017

5. Intangible assets

Figures in Rand	2017			2016		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Computer software, other	21,052,892	(15,271,622)	5,781,270	22,342,166	(14,482,218)	7,859,948

Reconciliation of intangible assets - 2017

	Opening balance	Disposals	Amortisation	Total
Computer software, other	7,859,948	(67,538)	(2,011,140)	5,781,270

Reconciliation of intangible assets - 2016

	Opening balance	Amortisation	Total
Computer software, other	10,094,164	(2,234,216)	7,859,948

6. Operating lease liabilities

	2017	2016
Current liabilities	(2,217,103)	(1,667,126)

The operating lease is in respect of five year rental agreement for office space

7. Prepayments

Prepayments is in respect of Insurance (R 1,413,349) paid for the period April 2017 to December 2017.
2015/16 R 1,804,620

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended March 31, 2017

Figures in Rand	2017	2016
8. Inventories		
Memorabilia for sale	142,137	156,279
Consumable stores	742,517	1,154,017
Maintenance materials	433,633	373,594
	1,318,287	1,683,890
9. Receivables from exchange transactions		
Trade debtors	1,156,864	864,203
Interest receivable	1,142,811	-
Debtors Impairment	(192,583)	-
Current assets	2,107,092	864,203
	-	-
	2,107,092	864,203
Trade and other receivables pledged as security		
Trade and other receivables were not used as collateral		
Fair value of trade and other receivables		
Trade and other receivables	2,107,092	864,203

In estimating the future cash flows, management estimates the cash flows that it expects to collect based on the facts and circumstances at the reporting date.

Management adopted the pattern of each receivable over the previous 12 months as the most appropriate methodology as it reflects the amount likely to be collected in future.

Trade and other receivables past due but not impaired

Trade and other receivables which are less than 12 months past due are not considered to be impaired. At March 31, 2017, R2,107,092 (2016: R 864,203) were past due but not impaired.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended March 31, 2017

Figures in Rand

The ageing of amounts past due but not impaired is as follows:

0 to 30 days	1,254,207	145,708
31 to 60 days	126,164	146,098
61 days and over	726,721	572,397

Trade and other receivables impaired

As of March 31, 2017, trade and other receivables of R 192,582 (2016: R -) were impaired and provided for.

The amount of the provision was R 192,582 as of March 31, 2017 (2016: R -).

The ageing of these debtors is as follows:

Over 6 months	192,583	-
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10. Receivables from non-exchange transactions

Direct charge	-	2,915,050
---------------	---	-----------

11. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	-	1,980
Bank balances	191,718,739	144,606,049
	191,718,739	144,608,029

Below is the description in terms of Sec 56 of FMPPLA

Standard Bank

Standard Bank Main	50,882,241	-
Standard Bank Revenue	140,716,303	-
Standard Salaries	96,102	-
Standard Bank Petty cash	24,093	-
FNB - Main	-	57,912,332
FNB Revenue	-	86,398,450
FNB Salaries	-	290,210
FNB Petty cash	-	5,057
Cash on hand	-	1,980
	191,718,739	144,608,029

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended March 31, 2017

Figures in Rand

2017

2016

12. Finance lease obligation

Minimum lease payments due

- within one year

5,056,421

1,442,247

- in second to fifth year inclusive

4,555,026

992,719

9,611,447**2,434,966**

less: future finance charges

(1,017,017)

(132,295)

Present value of minimum lease payments
8,594,430**2,302,671**
Present value of minimum lease payments due

- within one year

4,377,800

1,347,337

- in second to fifth year inclusive

4,216,630

955,334

8,594,430**2,302,671**

Non-current liabilities

4,216,630

955,334

Current liabilities

4,377,800

1,347,337

8,594,430**2,302,671**

It is GPL's policy to lease certain cell phones and photo copy machine under finance leases.

The average lease term was 2-3 years and the average effective borrowing rate was in line with the contract.

Where the contract was not specific the prime rate is applied.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended March 31, 2017

Figures in Rand	Opening Balance	Additions	Utilised during the year	Total
13. Provisions				
Reconciliation of provisions - 2017				
Bonus	8,533,865	9,587,783	(8,210,964)	9,910,684
Leave	18,510,337	18,739,125	(14,377,084)	22,872,378
Long service award	-	5,673,632	-	5,673,632
	27,044,202	34,000,540	(22,588,048)	38,456,694
Reconciliation of provisions - 2016				
Bonus	7,729,409	8,533,865	(7,729,410)	8,533,865
Leave	8,847,973	18,510,337	(8,847,972)	18,510,337
	16,577,382	27,044,202	(16,577,382)	27,044,202
Non-current liabilities			4,630,641	-
Current liabilities			33,826,053	27,044,202
			38,456,694	27,044,202

14. Staff payables

Staff payable is in respect of a monthly savings payable in December -R 672,587 (2015/16 - R 669,313)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended March 31, 2017

Figures in Rand	2017	2016
15. Payables from exchange transactions		
Trade payables	1,039,142	310,995
GIIR clearing payable	3,008,252	17,567,450
Retention	335,547	-
Uncleared EFT	3,912,293	12,500
Accruals	19,478,193	14,510,182
	27,773,427	32,401,127
16. Revenue from non-exchange transactions		
Voted funds	649,557,000	600,473,000
Direct charges	67,905,960	68,481,248
Aid assistance	115,000	400,000
	717,577,960	669,354,248

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended March 31, 2017

Figures in Rand	2017	2016
17. Revenue from exchange transactions		
Interest on debtors	125,422	-
Parking income	1,861,043	1,760,124
Sundry income	326,775	83,328
Hall bookings	542,358	288,520
	2,855,598	2,131,972
18. Interest Income		
Interest revenue		
Bank interest	11,568,538	8,437,518
The amount included in Investment revenue arising from exchange transactions amounted to R 11,568,538.		
19. Appropriation and Direct Charges		
Operating grants		
Voted funds	649,557,000	600,473,000
Direct charges	67,905,960	68,481,248
	717,462,960	668,954,248

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended March 31, 2017

Figures in Rand	2017	2016
20. Employee related costs		
Basic	316,696,912	294,600,649
UIF	813,873	786,758
Overtime payments	10,244,036	6,529,484
Acting allowances	7,367,273	7,440,000
Car allowance	24,908,884	27,057,054
Less: Members remuneration	(67,905,960)	(68,465,057)
	292,125,018	267,948,888
Remuneration of Provincial Secretary		
Annual Remuneration	1,865,451	1,493,198
Car Allowance	380,432	362,743
	2,245,883	1,855,941
Remuneration of Chief Finance Officer		
Annual Remuneration	1,509,900	1,239,073
Car Allowance	421,585	405,371
Performance Bonuses	-	233,680
	1,931,484	1,878,124
Remuneration of Executive Director - Corporate service		
Annual Remuneration	1,278,795	1,130,721
Car Allowance	152,412	593,031
Performance Bonuses	-	244,185
	1,431,207	1,967,937
Remuneration of Executive Director - Core Business		
Annual Remuneration	1,123,395	1,297,462
Car Allowance	153,346	233,300
Performance Bonuses	-	217,058
	1,276,741	1,747,820
Remuneration of Executive Director - Leadership and Governance		
Annual Remuneration	1,155,909	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended March 31, 2017

Figures in Rand

21. Impairment of assets

Impairments

Property, plant and equipment

It is the policy of the GPL to test its Assets for impairments on an annual basis in line with GRAP 21. At year end the GPL used an independent valuator to test for impairments. The Fair Market Value approach was used in determining the values.

2017

2016

614,130

-

22. Finance costs

Finance leases

644,949

195,084

23. Auditors' remuneration

Fees

4,525,741

3,163,849

24. Cash generated from operations

Surplus

48,169,658

56,983,762

Adjustments for:

Depreciation and amortisation

13,122,393

11,130,529

Finance costs - Finance leases

644,949

195,084

Movements in operating lease assets and accruals

549,977

568,206

Movements in provisions

11,412,492

10,466,820

Other non-cash items - Property, Plant and Equipment

-

154,306

Asset Disposals

1,059,790

-

Staff payables

3,274

(2,805)

Changes in working capital:

Inventories

365,603

85,864

Receivables from exchange transactions

(1,242,889)

(151,292)

Other receivables from non-exchange transactions

2,915,050

(2,915,050)

Prepayments

391,271

(1,521,556)

Payables from exchange transactions

(4,627,696)

10,440,148

72,763,872

85,434,016

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended March 31, 2017

	At fair value	Total
25. Financial instruments disclosure		
Categories of financial instruments		
2017		
Financial assets		
Trade and other receivables from exchange transactions	2,107,092	2,107,092
Cash and cash equivalents	191,718,739	191,718,739
	193,825,831	193,825,831
Financial liabilities		
Trade and other payables from exchange transactions	27,773,427	27,773,427
Staff payables	672,587	672,587
Finance lease	8,594,430	8,594,430
	37,040,444	37,040,444
2016		
Financial assets		
Trade and other receivables from exchange transactions	864,203	864,203
Other receivables from non-exchange transactions	2,915,050	2,915,050
Cash and cash equivalents	144,608,029	144,608,029
	148,387,282	148,387,282
Financial liabilities		
Trade and other payables from exchange transactions	32,401,127	32,401,127
Staff payable	669,313	669,313
Finance lease	2,302,671	2,302,671
	35,373,111	35,373,111

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended March 31, 2017

Figures in Rand

2017

2016

26. Commitments

Authorised expenditure

Already contracted for but not provided for

» Goods and services

18,153,465

30,062,081

Total commitments

Already contracted for but not provided for

18,153,465

30,062,081

Authorised operational expenditure

The commitments will be funded through Grants received from Provincial treasury

Operating leases - as lessee (expense)

Minimum lease payments due

- within one year

9,829,146

8,798,428

- in second to fifth year inclusive

23,412,623

34,716,813

33,241,769

43,515,241

Operating lease payments represent rentals payable by the GPL for certain of its office properties. Leases are negotiated for an average term of five years and rentals increases on a annual rate of 9% per annum. No contingent rent is payable.

27. Contingencies

Contingent liabilities

Four Senior Managers vs GPL. We have applied for review of the Arbitration award. The award state that the Four must be reinstated permanently and be paid their salaries retrospectively from 1 July 2016 until 31 January 2017, then they should resume work from 1 February 2017. The GPL has appealed the matter:

The GPL cannot reliably estimate a reasonable amount at this point.

Contingent assets

GPL vs Anglyn Trading CC, GPL issued Summons for R2 168 661. The GPL have established that this CC has been or is in the process of being de-registered. The amount off R3 524 655 disclosed in the prior year was based the amount it cost the GPL to replace the services provider, the amount has since been reduced to the amount claimed through the summons

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended March 31, 2017

Figures in Rand

2017

2016

28. Related parties

Relationships

Controlling entity

Provincial Treasury

Related party balances

Amounts included in Trade receivable (Trade Payable) regarding related parties

Provincial Treasury

-

2,915,050

Revenue received from Provincial Treasury

Voted funds

649,557,000

600,473,000

Direct charge

67,905,960

68,481,248

Amounts paid to political parties

Political Party funding and constituency allowances

110,584,597

97,910,437

Remuneration - Members

Annual Remuneration

50,519,557

50,814,776

Car allowances

10,019,130

10,210,752

Political allowances

7,367,273

7,440,000

67,905,960

68,465,528

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended March 31, 2017

Key management information

Remuneration of management Key management

Remuneration of Key Management has been disclosed under note 20

	Annual Remuneration	Political Allowances	Total
29. Member's emoluments			
2017			
Executive authority			
Speaker	1,781,919	120,000	1,901,919
Deputy Speaker	1,374,358	120,000	1,494,358
	3,156,277	240,000	3,396,277
2016			
Speaker	1,746,006	120,000	1,866,006
Deputy Speaker	1,316,466	120,000	1,436,466
	3,062,472	240,000	3,302,472

30. Change in estimate

Change in estimate

The estimates used in determining the provision of IPMS was changed from basis 70/30 to historical cost. The effect of this revision has increased the provision by R 1.4 million for the current -

31. Prior-year error

During the financial year, it was determined that fruitless and wasteful expenditure incurred in the 2014/15 financial year was identified in 2015/16 financial year however it was not disclosed. Hence, the prior year fruitless & wasteful expenditure has been adjusted by the amount of R 2,168,661.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended March 31, 2017

32. Risk management

Financial risk management

The GPL is exposed to interest rate risk, all funds deposited into a current account are not invested. The GPL's financial statements consist mainly of cash at bank and cash equivalents, other receivables and payables. The bank deposit and bank balances, receivables and payables. The bank deposits and bank balances, receivables and payables approximates their fair value due to short-term nature of these instruments. The GPL, recognise the need to implement Risk Management.

Liquidity risk

The GPL's risk to liquidity is a result of the funds available to cover future commitments. The GPL manages liquidity risk through an ongoing review of future commitments and credit facilities.

At March 31, 2017	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Trade and other payables	27,773,427	-	-	-
Finance lease	4,377,800	2,853,338	1,363,291	-
At March 31, 2016				
Trade and other payables	32,401,127	-	-	-
Finance lease	1,347,337	955,334	-	-

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The GPL only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Financial assets exposed to credit risk at year end were as follows:

Financial instrument	2017	2016
Receivables from exchange transactions	2,107,092	864,203
Cash and cash equivalent	191,718,739	144,608,029
Receivables from non-exchange transactions	-	2,915,050

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended March 31, 2017

Market risk

Interest rate risk

As the GPL has no significant interest-bearing assets, the GPL's income and operating cash flows are substantially independent of changes in market interest rates. At year end the financial instruments exposed to interests rate risk were as follow:

Financial instrument	Current interest rate	Due in less than a year	Due in one to two years	Due in two to three years	Due in three to four years	Due after five years
Cash in current banking institutions	6.00 %	191,718,739	-	-	-	-

Fair value interest rate risk

Interest rate risk table

The following table demonstrate the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the GPL's surplus for the year. There is no impact on the fund's equity.

2017

Surplus for the year	+1% effects	1,917,187
Surplus for the year	-2% effects	-3,834,375

2016

Surplus for the year	+1% effects	1,446,080
Surplus for the year	-2% effects	-2,892,161

Figures in Rand

33. Fruitless and wasteful expenditure

	2017	2016
Opening Balance	5,331,035	-
Add: Fruiless and wasteful expenditure - identified during the year	-	3,162,374
Add: Fruitless and wasteful expenditure - identified during the year (error)	-	2,162,374
Less: Amounts condoned	(3,162,374)	-
	2,168,661	5,324,748

The expenditure of R 2,168,661 was consequential to a contractor failing to complete the air-conditioning works relating to the City Hall. This amount is recoverable. Legal proceedings against the service provider are still in progress for the recovery of the funds.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended March 31, 2017

Figures in Rand	2017	2016
34. Irregular expenditure		
Opening balance	867,173	-
Add: Irregular expenditure - introduced during the year	52,794	973,288
Less: Amounts condoned	(867,173)	(106,115)
	52,794	867,173
Analysis of expenditure awaiting condonation per age classification		
Current year	52,794	867,173
Details of irregular expenditure – current year		
The irregular expenditure is in respect of Goods and Services procured without following SCM processes	-	
No disciplinary actions was taken as these expenditure was identified during the audit. The amounts is not recoverable as the GPL benefited from the services	-	
	-	
35. Reconciliation between budget and statement of financial performance		
Reconciliation of budget surplus/deficit with the surplus/deficit in the statement of financial performance:		
Net surplus per the statement of financial performance	48,169,658	56,983,762
Adjusted for:		
Capitalisation of Assets	(17,574,941)	(20,931,918)
Depreciation and Amortisation recognised	12,508,234	11,130,531
Disposal of Assets	1,060,478	157,481
Provisions	11,608,348	4,064,830
Inventory	365,603	85,864
Movement in Leases	1,195,036	(1,521,556)
Impairment	614,130	-
Other revenue	(14,539,137)	(11,569,490)
Net surplus per approved budget	43,407,409	38,399,504

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended March 31, 2017

Figures in Rand	2017	2016
36. Re-appropriation		
The reappropriation is in respect of funds transferred to Treasury from retained earnings for re-appropriation to GPL. During the year an amount of R 7,884,000 was reappropriated during the adjustment budget		
37. Budget differences		
Material differences between budget and actual amounts		
Compensation of employees - The variance of 1% (R 4.2 million) is as a result of unfilled vacancies and non payment of IPMS for senior management.		
Goods and services-; The variances of 15% (R35.4 million) is as a result of activities not conducted as planned and savings realised during the year.		
Capital Assets - The underspending of R 3.8million is in respect of the following;		
» deferment of procurement of furniture due the non-completion of the 8th floor		
» Non procurements of Laptops due to the service provider not meeting specification		
» Motor vehicles not procured.		
Differences between budget and actual amounts basis of preparation and presentation		
The budget and the accounting bases differ. The annual financial statements for GPL are prepared on the accrual basis using a classification based on the nature of expenses in the statement of financial performance. The annual financial statements differ from the budget, which is approved on the cash basis.		
The amounts in the annual financial statements were recast from the accrual basis to the cash basis and reclassified by functional classification to be on the same basis as the final approved budget. In addition, adjustments to amounts in the annual financial statements for timing differences associated with the continuing appropriation and differences in the GPL were made to express the actual amounts on a comparable basis to the final approved budget.		

DETAILED INCOME STATEMENT

for the year ended March 31, 2017

Figures in Rand	Note(s)	2017	2016
Revenue			
Aid assistance		115,000	400,000
Appropriation	19	717,462,960	668,954,248
		717,577,960	669,354,248
		-	-
Other income		14,424,136	10,569,490
Expenses (Refer to page 42)		(683,187,489)	(622,744,890)
Operating surplus		48,814,607	57,178,848
Finance costs	22	(644,949)	(195,084)
Surplus for the year		48,169,658	56,983,764

DETAILED INCOME STATEMENT

for the year ended March 31, 2017

Figures in Rand	Note(s)	2017	2016
Operating expenses			
Access control consumables		26,950	10,260
Accommodation		10,084,646	10,973,404
Advertising		8,616,042	6,538,813
Air travel		12,156,343	10,332,889
Asset disposal		1,060,477	154,305
Assets expenses		578,827	493,654
Auditors remuneration	23	4,525,741	3,163,849
Bad debts		192,583	-
Bank charges		98,109	197,001
Catering contract		2,001,370	1,579,306
Cleaning		964,752	1,235,926
Cleaning materials		453,099	410,001
Computer consumables		636,036	683,825
Conferences		1,651,119	1,766,267
Consulting and professional fees		7,318,016	10,476,270
Depreciation, amortisation and impairments		13,122,364	11,130,530
Employee Assistance Programme expenses		720,992	2,096,141
Employee costs		292,125,018	267,948,888
Entertainment		324	980
Fuel & Lubricants		363,702	593,620
General stationery		134,863	135,985
Gifts		1,511,317	1,766,748
Hansard outsourcing		6,705,307	5,634,217
Inventory write off		129,267	-
IT services		8,106,987	3,794,615
Insurance		481,113	615,350
Internal audit fees		1,073,145	991,425
Rent		10,723,896	10,473,341
Library reference books		54,685	251,173
Licence fees		3,913,805	7,800,117

DETAILED INCOME STATEMENT

for the year ended March 31, 2017

Figures in Rand	Note(s)	2017	2016
Members remuneration		67,905,960	68,465,057
Municipal service		7,104,472	9,046,166
Photocopy consumables		344,473	296,231
Placement fees		5,539,804	1,548,979
Plant services		148,736	67,589
Postages		18,509	7,346
Print room rentals		2,201,277	1,562,424
Printing general		2,472,215	2,568,473
Professional fees		2,456,552	443,208
Public hearing venue		14,958,685	23,091,753
Refreshments		1,836,142	1,458,232
Repairs & maintenance		3,494,344	2,770,050
Repairs of IT equipment		775,730	1,110,657
Security maintenance		14,255,628	12,736,506
Special events opening		3,910,065	4,807,576
Staff bursaries		1,607,452	1,788,615
Staff training		3,428,638	3,060,348
Storage Consumables		14,136	11,143
Subscriptions		3,163,234	2,500,567
Telephone and fax		9,402,863	435,195
Special project opening		8,297,169	-
Political party funding and Constituency allowances		110,584,597	97,971,341
Transport services		14,460,092	12,767,056
Travel & subsistences		3,782,909	3,091,730
Travel & subsistence Overseas		5,461,695	4,211,957
Uniforms		656,172	333,277
Workshop and functions		5,375,045	5,344,514
		683,187,489	622,744,890



“Following up on our commitment
to the people of Gauteng”

PART F

SECTION VII



Outlook 2017/18



OUTLOOK 2017/18

Introduction

Since its inception, the GPL has increasingly sought innovative ways to improve its operational efficiency and impact in executing its constitutional mandate of oversight and scrutiny, law-making, public participation and cooperative governance. To improve governance and operational efficiencies, the GPL continues to implement ground-breaking projects that inform excellence in the way that the institution does its business. Some of the projects that were initiated in the current reporting period were concluded, with recommendations for implementation in the next financial year, while others are continuing as multi-year projects. The outlook is concerned mainly with implementing the recommendations of the various projects, which are summarised below:

Implementing the recommendations of the re-engineering of public participation project

Public participation in the business of the GPL is a constitutional requirement for the institution to promote public access and involvement. The GPL has thus created various platforms for public participation such as sector parliaments, public education programmes and taking the legislature to the people of Gauteng. The project to re-engineer public participation was implemented in the current reporting period, and it sought to redefine the landscape for public participation, and improve operational efficiency and impact in the implementation of

public participation intervention in the legislature. The project has provided a paradigm shift in relation to the institution's approach to promoting public participation, informed by research conducted as part of the project. Some of the project recommendations for implementation in the next financial year include:

- » Establishing a framework for the Constituency Programme to connect Presiding Officers and MPLs to their constituencies.
- » Developing strategies for enhancing existing public participation mechanisms.
- » Establishing a baseline on the current implementation and impact of public participation interventions.
- » Developing a comprehensive public education programme supported by a curriculum for civic education.
- » Aligning GPL strategies, policies, processes and systems to support public participation.

The outlook is, therefore, to implement these recommendations in pursuit of meaningful public participation in the GPL.

Implementing The GPL Consolidated Governance Framework

In the current financial year, the Gauteng Legislature initiated a project to review and consolidate the institutional governance frameworks, which culminated in the development of a comprehensive and consolidated institutional governance framework.

The framework is intended to improve accountability through enhanced governance processes in the institution, since the GPL believes that good governance contributes to effective management and enhanced performance. The implementation of this comprehensive governance framework will ensure that the GPL does the right things, in the right way and for the right people in a timely, inclusive, open, honest and accountable manner. The GPL will, therefore, in a focused manner, promote systems, processes, culture and values by which it is directed and controlled and through which the institution accounts to and engages with stakeholders, including the people of Gauteng. Implementation of the comprehensive governance framework will enhance the legislature's contribution to improved accountability and service delivery through:

- » Effective business processes and institutional management.
- » Enhanced performance and productivity.
- » Effective stakeholder management.
- » Strong social and environmental practices, and
- » Good business ethics and practices, amongst other things.

Continuity of the business enhancement project

The Business Enhancement Project is a multi-year project that was initiated in the current reporting period and continues in the next financial year. Since its inception, the project has achieved various milestones, including modernising the GPL technologies, which has improved operational

efficiency and institutional performance in support to the House and its committees. The project is an innovative initiative that integrates and streamlines all business solutions to enable the institution to better discharge its core mandates. The project ensures that the institution implements modern practices through technology and benchmarked world class practices in the legislative sector. Furthermore, the project promotes an institutional culture and change management approach that will set a solid foundation, and prepares the environment to embrace new innovations and realise business value from investments made by the institution. Technological advances resulting from this project include the capturing of audio-visual aspects of proceedings, preserving documents in a digital format, advancing other document management practices such as centralising document repositories, enhancing document editing capabilities, as well as webcasting proceedings and committee meetings. One of the most important aspects of this project is that communication with the electorate will be improved through enhanced use of social media and enabling mobile device capabilities and applications for Members as representatives of the people of Gauteng.

Improving procurement opportunities for businesses owned by persons with disabilities in the GPL

The GPL has continuously sought various ways to support businesses owned by persons with disabilities. Thus, this project was initiated within this context. The research project was implemented in the current reporting period to explore prospects and assess limitations and constraints faced by entrepreneurs with disabilities, and how the legislature has dealt with procurement aspects relating to sourcing services from this category of businesses. The following are the research recommendations for implementation by the legislature.

The GPL must:

- » Ensure reasonable accommodation for persons with disabilities, including accessibility of both the GPL Main Building and the Sage Building.
- » Develop disability awareness programmes.
- » Promote disability-aware and friendly SCM



processes, including partnering with relevant organisations to promote education on procurement processes for persons with disabilities, and data disaggregation to monitor progress.

- » Ensure SCM keeps a database of businesses owned by persons with disabilities.

Implementing Recommendations Of The Transversal Mainstreaming Audit And Training Project

The GPL implemented a transversal mainstreaming audit and training project in the current reporting period, which will be completed in the next financial year. The project seeks to assess the mainstreaming of gender, race, disability and youth in the institutional structures, policies, procedures, operational processes and organisational practices in order to establish a basis for improving both strategic and operational efficiencies, as well as enhancing technical capacity to mainstream transversal issues in the institution. In the current reporting period, the project has produced background papers that provide contextual information for conducting transversal mainstreaming audits, which will also contribute to knowledge creation in the legislative sector. The project outlook includes:

- » Publication of background papers.
- » Development of plans to implement the recommendations of the audit, including the provided tools for transversal mainstreaming.
- » Implementation of the requirements of the transversal mainstreaming policy whose development was informed by the audit findings.
- » Development of GPL-specific training material on transversal mainstreaming, which will be customised for Members, management and staff.
- » Training of GPL Members, management and staff on transversal mainstreaming.
- » Establishment of ongoing educational programmes for transversal mainstreaming.

Stakeholder management

Stakeholder management is central to the effective implementation of the constitutional mandate of the legislature. As such, participatory democracy may be fully expressed through engaging various stakeholders, which include the people of Gauteng, experts and

practitioners in the legislative sector, both nationally and internationally, from different spheres of government as well as other partners such as institutions supporting democracy (ISD). The GPL engages in various initiatives to promote stakeholder relations, which include the publication of the annual report in a citizen-friendly version in six (6) languages, namely: Xitsonga, isiZulu, isiXhosa, Sepedi, English and Afrikaans, as well as in Braille. The publication of the annual report in multiple languages ensures that the work of the GPL is disseminated to diverse groups in Gauteng in order to widen the reach of stakeholders.

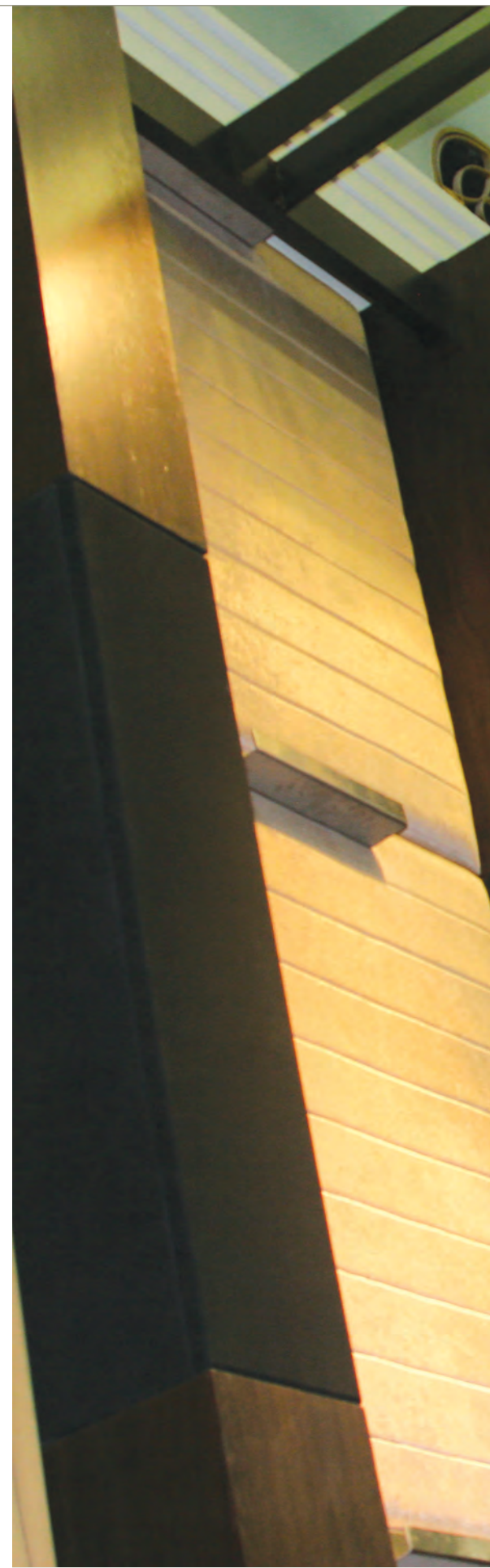
The GPL Multi-Party Women's Caucus is pioneering a Commonwealth Women Parliamentarians (CWP) regional project, the e-Discussion Forum Project.

The forum will facilitate continuous and consistent stakeholder dialogue, including:

- » Networking amongst women parliamentarians across the Commonwealth.
- » Promoting dialogue amongst women parliamentarians.
- » Advancing the sharing of knowledge, ideas, experiences and project information.
- » Providing a platform for sharing resources.
- » Providing a platform for expert-facilitated day-to-day interactions.
- » Keeping the gender and human rights mainstreaming debate alive in the legislative sector.

Conclusion

Efficient operational processes are key to any successful business. Thus, the GPL continuously implements projects that are geared towards a progressive improvement of its operational efficiencies and impact in executing its mandates, with the ultimate goal of improved service delivery. In the next financial year, the GPL intends to mainly focus on implementing recommendations of various projects to ensure action-oriented project implementation. The outlook for 2017/18 makes it apparent that the legislature is pursuing excellence through promoting good governance, enhancing business practices, establishing a scientific basis for measuring performance, enhancing public participation, enhancing the implementation of the transformation agenda and specifically improving procurement processes to better reach businesses owned by persons with disabilities. This is thus an activist legislature that strives to remain the '21st Century Legislature' in practice.







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Your View — Our Vision

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Gauteng Legislature condemns violence
against Women & Children



Accountability by the
Executive