

GAUTENG PROVINCIAL LEGISLATURE

ANNUAL REPORT  
2009/2010



**GAUTENG**  
LEGISLATURE



The first function of the Provincial Legislature is to make laws for the province. The Constitution says that provinces must be able to make their own laws because each province is different and may have its own needs.

The laws that the Provincial Legislature can make are defined in the Constitution.

Of course, any law that a Provincial Legislature makes only applies in that province; it is possible, in certain circumstances, for Parliament to replace some of these laws.



# TABLE OF CONTENTS

## PART 1: LEGISLATIVE INFORMATION

Glossary .....	4
Your View – Our Vision .....	6
Vision Statement.....	6
Core Values .....	7
Preamble to the Constitution.....	8
Section I – Foreword.....	9
Section II – Legislative Overview.....	17
Section III – Performance per Programme (Non-Financial reporting) .....	31
Section IV – The Audit and Risk Committee.....	193

## PART 2: FINANCIAL INFORMATION

Section V – Annual Financial Statements .....	195
Report of the Auditor-General.....	198
Report of the Accounting Officer.....	200
Appropriation Statement.....	208
Notes to the Appropriation Statement.....	214
Statement of Financial Performance .....	215
Statement of Financial Position.....	216
Statement of Changes in Net Assets.....	217
Cash Flow Statement.....	218
Accounting Policies .....	219
Notes to the Annual Financial Statements.....	225
Disclosure Notes to the Annual Financial Statements .....	234
Annexures to the Annual Financial Statements .....	244
SECTION VI – Outlook for 2010/2011 .....	247



# GLOSSARY

Acronym	Description
AG	Auditor-General
AGM	Annual General Meeting
ATC	Announcements, Tablings and Committee reports
AV	Audio Visual
BBBEEA	Broad Based Black Economic Empowerment Act
BBBEE	Broad Based Black Economic Empowerment
BEE	Black Economic Empowerment
BSC	Balanced Scorecard
CBO	Community-Based Organisation
CCMA	Commission for Conciliation, Mediation and Arbitration
CCTV	Closed Circuit Television
CFO	Chief Financial Officer
CI	Constitutional Imperatives
CoJ	City of Johannesburg
CPA	The Commonwealth Parliamentary Association
CPS	Centre for Policy Studies
CRM	Customer Relationship Management
CSSL	Committee on the Scrutiny of Subordinate Legislation
EAP	Employee Assistance Programme
ECC	Events Coordinating Committee
ED	Executive Director
EEA	Employment Equity Act
EFT	Electronic Funds Transfer
EMS	Emergency Medical Services
ERP	Enterprise Resource Planning
ESS	Employee Satisfaction Surveys
EU	European Union
EULSP	European Union Legislature Services Programme
EXCO	Executive Committee
FAMLA	Financial Management of Gauteng Provincial Legislature Act
FAPLA	Financial Administration for Parliament and Legislatures Act
FIS	Focused Intervention Study
FPP	Fraud Prevention Plan
GEYODI	Gender, Youth and People with Disabilities Committee

Acronym	Description
GPG	Gauteng Provincial Government
GPL	Gauteng Provincial Legislature
GRAP	Generally Recognised Accounting Practice
HC	Human Capital
HDI	Historically Disadvantaged Individuals
HR	Human Resources
HRD	Human Resource Development
HRM	Human Resource Management
IC	Integrity Commissioner
ICSS	Internal Customer Stakeholder Satisfaction
ICT	Information and Communication Technologies
ID	Identification Document
IEC	Independent Electoral Commission
IoD	Institute of Directorates
IP	Intellectual Property
IPM	Institute of People Management
IPMS	Integrated Performance Management System
ISD	Institutions Supporting Democracy
ISS	Institutional Support Services
IT	Information Technology
JDA	Johannesburg Development Agency
JMPD	Johannesburg Metropolitan Police Department
JOC	Joint Operating Centre
JPC	Johannesburg Property Company
KM	Knowledge Management
KPA	Key Performance Areas
LAC	Legislature Acquisitions Council
LIASA	Library and Information Association of Southern Africa
LIMS	Legislature Information Management System
LoGB	Leader of Government Business
LR	Labour Relations
LSA	Legislature Service Act
LSB	Legislature Services Board
LSP	Legislature Support Programme
LSPSP	Legislative Sector Parliamentary Support Programme
MAC	Members Affairs Committee
MAD	Members Affairs Directorate



Acronym	Description
M and E	Monitoring and Evaluation
MoU	Memorandum of Understanding
MPL	Member of the Provincial Legislature
MTEF	Medium-Term Expenditure Framework
NCOP	National Council of Provinces
NEHAWU	National Education Health and Allied Workers Union
NIA	National Intelligence Agency
OCPOL	Oversight Committee on the Premier's Office and the Legislature
OD	Organisational Development
OHASA	Occupational Health and Safety Act
OSS	Operational Support Services
PCO	Parliamentary Constituency Office
PEBA	Programme Evaluation and Budget Analysis
PFMA	Public Finance Management Act
PO	Presiding Officers
PPPFA	Preferential Procurement Policy Framework Act
PPMS	Personnel Performance Management System
PPP	Public Participation and Petitions
PSOM	Public Service Oversight Model
PSTN	Public Switched Telephone Network
PwD	People living with Disabilities
SADC	Southern African Development Community
SALSA	Secretaries Association of Legislatures in South Africa
SANGONET	South African Non-Governmental Organisation Network
SAP	Systems Applications Processes
SAPS	South African Police Services
SCOPA	Standing Committee on Public Accounts
SDA	Skills Development Act
SETA	Sector Education and Training Authorities
SLA	Service Level Agreement
SLIS	Special Libraries and Information Sector
SMART	Specific, Achievable, Realistic and Timebound
UNISA	University of South Africa
VIP	Very Important Person
VoIP	Voice over Internet Protocol



## 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 (Constitution). It now exists in terms of section 108 of the 1996 Constitution. The GPL is an autonomous institution, empowered by the Constitution to make laws, oversee the provincial government and to 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 mandates. This has not been a static process and increasingly, the GPL has had to gear itself to respond to broader development 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 the government will deliver on its promises through effective governance and service delivery. In line with this expectation 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, among other tasks:

- Deliver on its constitutional mandates;
- 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.

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

## VISION STATEMENT

We, the Gauteng Provincial Legislature, in observing our constitutional obligations, which include law-making, the exercise of oversight, ensuring co-operative governance and public participation will.

Strive for and maintain a modern, dynamic legislature in the 21st Century, which reflects the values, aspirations and cultures of the people of South Africa;

Strive for and maintain the most competent, accessible, transparent and accountable legislature;

Foster public confidence and pride in the GPL;

Enhance government's ability to deliver;

Foster Ethical governance;

Aim to attract and retain skilled and professional staff; recognise their roles/reward their efforts and provide a stimulating and exiting environment where people are respected and developed.



# CORE VALUES

## WE BELIEVE IN AND STRIVE FOR:

- Moral Integrity** Being honourable and following ethical principles;
- Goal Oriented** Working diligently to achieve results;
- Team Work** Being co-operative and working well with others;
- Courtesy** Being polite and having respect for individual dignity;
- Development** Encouraging the achievement of growth, learning and development;
- Economy** Being responsible and careful in spending;
- Excellence** Continuous improvement in performance and standards;
- Openness** Being sincere and candid in discussions;
- Participation** Involvement of everyone in decision or making processes;
- Social Equality** No unfair discrimination, directly or indirectly against anyone, on one or more grounds, including race, gender, sex, class, pregnancy, marital status, ethnic or social origin, colour, sexual orientation, age, disability, religion, conscious belief, culture, language and birth; and
- Professionalism** Being knowledgeable with a non-partisan positive attitude as well as proficient in executing duties.





## 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' iAfrika.*

*Morena Boloka setjhaba sa heso.*

*God seën Suid-Afrika.*

*God bless South Africa.*

*Mudzimu fhatutshedza Afurika.*

*Hosi katekisa Afrika”*





SECTION I  
FOREWORD

Your View ~ Our Vision



We are honoured and privileged to present to the people of Gauteng, the GPL *Annual Report* for the financial year 2009/2010, marking the second year of our current term of office, 2009-2014. This report is presented at the time when the whole world had descended on our country as a result of us hosting the Federation of International Football Association World Cup, billed the significant, important and most successful world cup ever, a first to be held on the African soil.

- To develop a new institutional strategy for the current term;
- To finalise the amendment of Legislature Service Act;
- To finalise and implement the new Financial Management of Gauteng Provincial Legislature Act, 2009 (FAMLA);
- To ensure the implementation of the Institutional Memory project;
- To build a responsive administrative service to support an activist GPL;
- To redefine the mainstreaming of public participation in order to enhance stakeholder engagement and public participation;
- To strengthen participation in National and Provincial Speaker's Forum as part of co-operative governance;
- To build a strong monitoring and evaluation mechanism for committees;
- To strengthen oversight by implementing recommendations of the Programme Evaluation and Budget Analysis (PEBA) Efficacy Study;
- To build capacity for corporate governance;
- To strengthen the role of the Members Affairs Unit with a view of enhancing services to members;
- To strengthen the Human Resource Directorate through building leadership capacity that will meet the needs of the labour force;
- To build a transformative and activist GPL;
- To improve the procurement process to ensure the acceleration of payment of service providers, particularly small-medium and micro enterprises; and
- To strengthen the Legislature Services Board (LSB) and its sub-committees;



As part of consolidating our new political mandates, the Presiding Officers developed and adopted the five-year strategic plan (2009-2014), confirming the following new political mandates for the current term:

- To ensure the implementation of the Ministerial Accountability as part of enhancing the Executive Accountability;
- To pilot the Committee Inquiry;
- To implement the project on the assessment of efficacy of laws passed;
- To finalise the institution-wide Stakeholder Relations Strategy;

The above mentioned political mandates are consistent with our new vision of building a caring, responsive, activist and transformative GPL. As part of building a responsive GPL, we have successfully implemented the Turn-Around Strategy. However, the challenge remains, to ensure the integration of the 3 main streams and the development of the



project management framework, including assessing the efficiency and effectiveness of the current structure.

We have in the year under review, developed a base document for the Monitoring and Evaluation (M and E) framework for the entire GPL. This framework document will amongst others, assist in improving the strategic management of committees with respect to their oversight role.

Having passed the Committee Inquiry Act, we have in the year under review, developed a programme as part of piloting the implementation of this Act, focusing on both health and education, which constituted part of the key priority areas for the province. Furthermore, this Act will in broad terms, give effect to section 115 of the Constitution, aimed at improving the GPL's oversight function thereby ensuring the Executive's accountability.

As part of implementing FAMLA, the GPL has established a task team which is currently finalising the regulations including building capacity to enable the Office of the Speaker to oversee the implementation thereof.

During the year under review, the Speaker's Budget Council was established to assist with the general financial management of the institution amongst others aimed at maintaining a clean audit. This will ensure that proper budgeting takes place and takes into account political priorities.

The GPL has successfully revised the rules of the House to incorporate additional oversight and public participation processes such as the *Ministerial Accountability* manual, Committee Inquiries process and recommendations of the PEBA Efficacy Studies.

Policy development is an evolving process in the GPL aimed at creating a conducive environment for decision-making on a number of key and strategic leadership and managerial areas. In the year under review, we have reviewed 18 policies and have since adopted 3 new policies.

In an effort of strengthening public participation and stakeholder management, the Presiding Officers have adopted a Stakeholder Management Strategy, and are currently finalising the new Public Participation Strategy for the institution.

We have again, introduced the Bua le Sechaba campaign as part of strengthening public participation and channelling information from

our people into the oversight system of the GPL.

We are also pleased to report that we have, and are continuing to play a significant role in the life of the National Speakers Forum. In this regard, we are currently appointed as the political sponsor for the development of the oversight model for the sector.

Finally, we want to thank the people of Diepkloof in Soweto, for working together with us and the Chinese Consulate-General in providing food and clothing to the 350 needy families.

We present this report as part of the collective effort of the Presiding Officers of the GPL, Honourable Members, Senior Management and the staff in general. To this end, we would like to thank you for your contribution for ensuring that the GPL becomes the best African legislature of the 21st Century.

In conclusion, we have highlighted some of the key achievements and challenges in the year under review, but would like to encourage the people of the province to take keen interest in assessing our performance by going through this report in detail, for ours, in the GPL, is not like marathon runners who will eventually get to the finishing line, but sprinters who understand that working together, we can do much more.

I thank you.

**LINDIWE MASEKO**  
**SPEAKER OF THE GAUTENG PROVINCIAL LEGISLATURE**



## INTRODUCTION

The year under review was characterised by the election of new Presiding Officers and new mandates for the GPL, and the establishment of the Fourth Legislature (2009-2014). The mandates focus broadly on the following:



- To develop capacity for rigorous oversight on the Executive;
- To review the impact of laws passed for the people of Gauteng, and making laws that are relevant to improve the quality of their lives;
- To enhance public participation to enable the public to participate in decision-making processes that affect their daily lives;
- To improve the capacity of the GPL administration to support members to discharge their constitutional obligations; and
- To improve the capacity of LSB to provide leadership, hold the administration accountable; and improve corporate governance.

Whilst the report will reflect a lot of progress in achieving the mandates, the report will also reflect the negative impact that poor funding had on the programmes of the GPL. Lack of funding led to the

deferment of several projects such as Bua le Sechaba; the renovation of the Auditorium to increase committee rooms and make committees more effective; and reviewing the committee system.

The Constitution places a huge responsibility on accountability as a basic value and principle. The GPL as an organ of state which has a constitutional obligation to, *inter-alia*, hold the Executive accountable, must first demand high levels of accountability on itself, and it is with a great sense of privilege and humility that we present the Annual Report of the GPL 2009/2010 to the people of Gauteng.

During the financial year under review, the GPL produced a citizen's version of the Annual Report in Braille and in 5 different languages.

## OVERSIGHT AND SCRUTINY

House committees are the nerve centre of the oversight role that the GPL plays on the Executive. They allow for more detailed scrutiny and investigation and in-depth review of policies; and the findings of committees inform the debates, recommendations and resolutions of the House. In this regard, 28 House sittings and 235 House committee meetings were successfully convened to *inter-alia* consider budget votes for 2009/2010; Annual Reports of 2008/2009; 1st, 2nd and 3rd quarterly reports of departments and 27 oversight visits to communities as part of Focused Intervention Studies.

The quality of the oversight information that is supplied to the House committees has improved, leading to an improvement of the quality of committee reports. This improvement can be attributed to the following:

- Collaborative work between researchers, committee coordinators and the Information Centre;
- Implementation of the GPL Research Agenda;
- Revised format for committee reports, which includes an executive summary section that all Chairpersons of Committees use to report to the House; and
- Implemented the Specific, Measurable, Achievable, Realistic and Time Bound (SMART) resolution format for all House resolutions.

In order to further improve the level of House debates and ministerial accountability, and to strengthen the role of the GPL on oversight and scrutiny, the rules of the House were successfully revised to incorporate additional oversight and public participation processes, such as the use of the Ministerial Accountability manual, Committee Inquiries process and recommendations of the PEBA Efficacy Studies.

The Legislative Information Management System (LIMS) project, aimed at improving the core business processes of the institution, was





completed and launched, and deployment has commenced with electronic petitions to enhance public participation. The processes that have been automated through this project include the *Annual Report*, quarterly reports and Focused Intervention Studies.

The successful revision of the GPL House rules was a particular area of note for the reporting period, incorporating additional oversight and public participation processes such as the use of the *Ministerial Accountability* manual, Committee Inquiries process and recommendations of the PEBA Efficacy Studies. The rules are now ready for House adoption and roll out during the 2010/2011 Financial Year.

The institution also produced an *Institutional Memory DVD* covering key business processes, with a view to securing institutional memory as part of the Knowledge Management project.

### PUBLIC PARTICIPATION

As part of taking the GPL to the people, 3 priority committees convened meetings in communities: Community Safety, Health and Social Development, and Agriculture and Rural Development.

Six pre-public hearings and 5 public hearings were held to get inputs on the Financial Management of Gauteng Provincial Legislature Bill, Provincial Adjustment Bill, Draft Constitution of the RSA Seventeenth Amendment Bill, National House of Traditional Leaders Bill [B56B-2008] and Traditional Leadership and Governance Bill [B57B-2008].

Ninety-six (96) Public Education workshops were held to inform the relevant stakeholders about the role of the GPL and to prepare them to participate in GPL processes, including public hearings and petitions. The draft Public Participation Strategy has been developed to provide guidelines that inform an integrated public participation system for the GPL.

### LAW-MAKING

One of the crucial constitutional obligations of the GPL is to make provincial laws that are relevant for improving the quality of life of the people of Gauteng, and to make inputs on national laws that impact on Gauteng. In the year under review, the GPL processed the following Provincial laws:

- Gauteng Youth Commission Repeal Act, 2009;
- Committee Inquiries Act, 2009 (awaiting assenting by Premier);
- Financial Management of Gauteng Provincial Legislature Act, 2009;

- Provincial Adjustment Act, 2009;
- Provincial Adjustment Act, 2010; and
- Provincial Appropriation Bill, 2010.

In line with constitutional requirements of co-operative government, the GPL processed 76 NCOP mandates .

### STAKEHOLDER MANAGEMENT

Two surveys were conducted in the year under review, that is, Internal Customer Stakeholder Satisfaction (ICSS) and Employee Satisfaction Surveys (ESS). The ICSS rated the performance of all units within the GPL on customer service issues such as consultation, service standards, accessibility, redress, integrity, attitude, communication and courtesy. Both surveys indicated that although there is progress on various dimensions, there is still room for improvement.

The GPL contributed to the development of the legislative sector through active participation of the Speaker, Deputy Speaker and other staff members in the National Speakers' Forum and the Secretaries Association of Legislatures of South Africa (SALSA). The Annual General Meeting (AGM) of the Commonwealth Parliamentary Association (CPA), Gauteng Branch, was held and new leadership elected. The GPL also participated in CPA activities in Nigeria and Tanzania.

As part of sharing experiences and benchmarking with other legislatures, the GPL hosted several delegations from *inter-alia*, China; Nigeria; USA (Women Senators); Lesotho; KwaZulu-Natal; Northern Cape; and the Free State.

Corporate citizens, such ABSA, Standard Bank, the SABC and institutions of higher learning have been engaged to forge partnership with the GPL.

### FINANCIAL MANAGEMENT

As part of risk management, the Top Ten Risks of the GPL and the Risk Management Strategy were reviewed, and the Risk Register updated accordingly.

Audits were conducted on constituency allowance and political party funding. An unqualified audit opinion with 2 matters of emphasis was expressed on political party funding.

Monthly and quarterly financial statements and performance reports were prepared and submitted to all relevant stakeholders on a monthly and quarterly basis. The Fraud Prevention Plan and Strategy were revised and adopted by the Audit and Risk Committee.



### COST-CUTTING AND EFFICIENCY MEASURES

The global economic meltdown posed serious financial challenges for the country as the economic activities slowed down, resulting in a lower consolidated budget revenue projection for the state to fund current government programmes:

- Supporting efficient and sustainable financial management is fundamental to the promotion of economic development and good governance. The FAMLA, mandates the Executive Authority to ensure transparency, accountability and sound management of the revenue, expenditure, assets and liabilities of the GPL;
- In response to this call, the Office of the Speaker tasked the Office of the Chief Financial Officer (CFO) to embark on an in-depth expenditure analysis in an effort to identify areas of inefficiencies and potential of curbing extraneous costs;
- The findings and recommendation of this exercise were presented to Presiding Officers (POs) and the recommendations were adopted with immediate implementation;
- The recommendations were the outcome of the initial phase on strategies to curb expenditure. As trends and economic analysis are pursued further, it is inevitable that further areas will be identified with appropriate recommendations;
- This situation further compelled the GPL to prioritise and thus shift limited available resources to areas with critical need;
- The inadequacy of resources and its impact resulted in the deferment of a number of identified projects;
- This reality also emphasised the need to exercise more economy in the performance of day-to-day activities; and
- The situation further demanded the exercising of greater control on expenditure, with the introduction of cost-saving measures, identifying areas where savings could be realised and to ensure that the limited allocated resources were optimally and efficiently utilised.

### SUPPLY CHAIN MANAGEMENT

- The GPL is committed to the broader achievement of socio-economic goals whilst processes are governed and driven by adherence to the aims and objectives of both the Broad Based Black Economic Empowerment Act (BBBEEA) and the Preferential Procurement Policy Framework Act (PPPFA);
- A preference mechanism has been introduced in the procurement of all goods and services, to target especially those individuals

discriminated against under the previous political dispensation. Progress has been made in its implementation but not to its full extent. A Compliance Officer position has been created to oversee and ensure full implementation in this regard; and

- Refined tender processes will largely contribute to the achievement of the set BEE goals as they encompass preferential procurement points. That will benefit existing and emerging businesses managed and owned by Historically Disadvantaged Individuals (HDIs), women, youth, and People living with Disabilities (PwDs), with preference to those located in the Gauteng Province. More preferential points will be allocated to HDIs, including PwDs. This initiative will assist in the realisation of the projected BEE spend for the MTEF. The CFO will monitor progress in achieving the targets.

### LEADERSHIP AND ORGANISATIONAL DEVELOPMENT

The disestablishment of the Third Legislature and the establishment of the Fourth Legislature were conducted successfully. Members were inducted and the GPL *Induction Manual* developed. The official opening of the GPL's, First Session of the Fourth Legislature was held in an external venue, Kliptown, for the first time in the history of the GPL. This gave added meaning to "Taking Parliament to the People", and a massive public participation record was achieved. As part of completing the GPL Turn-Around strategy that started in 2008/2009, the Corporate Support Stream underwent an Organisational Development (OD) exercise. The exercise resulted in the new structure and clarity of the mandates of the stream and its directorates.

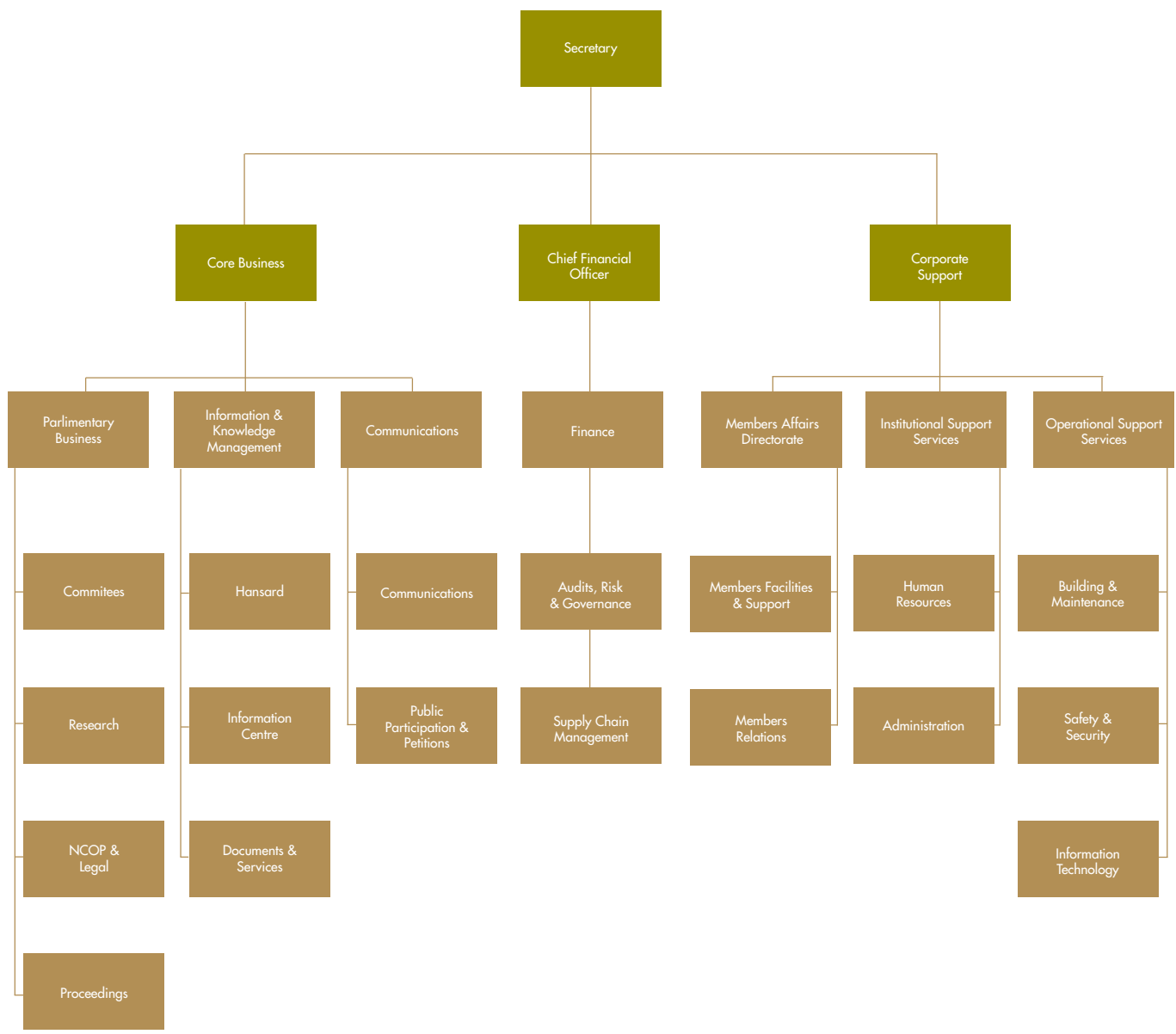
Eighteen (18) existing policies were reviewed, and 7 new policies were developed.

Leadership development for senior and middle management was undertaken in the year under review. The GPL also developed institutional frameworks and guidelines, that is, a draft M and E framework to guide monitoring and evaluation as well as an Inter-Institutional Relations Strategy to guide our internal and external stakeholder relations.

### HUMAN RESOURCE MANAGEMENT

In the year under review, the GPL had a staff complement of 300, comprising 56.5% women and 43.5% men. Women constituted 45% at senior management. There were 6 people with disability which constituted 2% of the total staff complement. Two hundred and three staff members were trained. The total cost of training was R931 495.

**PETER SKOSANA**  
PROVINCIAL SECRETARY









# SECTION II LEGISLATIVE OVERVIEW

Your View ~ Our Vision



The LSB was established in terms of the Gauteng Provincial Service (Act 5 of 1996). The Board of directors is appointed in terms of section (4)1 of the Act and comprises the Speaker of the GPL, who acts as chairperson of the Board, the Deputy Speaker, Chairperson of Committees, Leader of the Democratic Alliance, Leader of the Congress of the People, the Provincial Secretary, Chairperson of the Risk and Audit Committee and the Chief Financial Officer. To ensure its efficient operation, and in compliance with best practice and legislative requirement, the Board has appointed a Board Secretary (LSB Secretary) to assist the organisation in carrying out its mandates on behalf of the Board.

### ROLE AND FUNCTION OF THE BOARD OF DIRECTORS

The LSB is responsible and accountable for the affairs and performance of the GPL, and for ensuring the sustainability of the organisation's existence 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

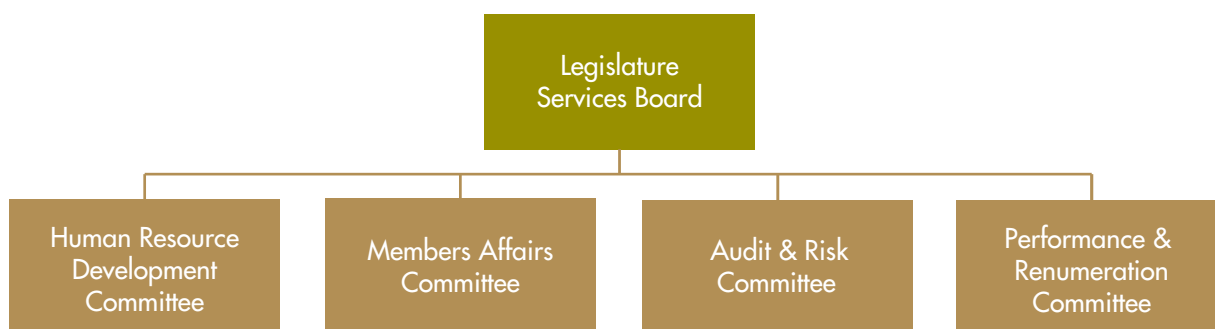
budgets as well as monitoring financial performance and expenditure; and

- To ensure accurate, concise, transparent and timely reporting the Board executes its responsibility by delegating authority to Board committees and management. The functions of the Board committees are described comprehensively in the terms of reference (Charters) of these committees. 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 Board.

The following are the committees of the Board:

- Human Resource Development Committee;
- Members Affairs Committee;
- Performance and Remuneration Committee; and
- Audit and Risk Committee.

Each committee is governed by its own Charter, which determines its terms of reference and responsibilities. Meetings of the LSB and its committees are on an annual schedule and the Board is required to conduct a minimum of 4 meetings a year. Committees make recommendations to the Board, which is the final decision-making structure on policy and strategic issues.





## APPOINTMENT AND INDUCTION OF DIRECTORS

Board members are the organisation's key decision-makers and their individual competence is therefore essential. In addition to their fiduciary duties in protecting GPL's assets, they must act with due diligence and skill, and are therefore, required to have a sound understanding of the business and knowledge of the organisation. The members of Board committees must have specialist business expertise in respect of the obligations assigned to them as mandated in the terms of reference.

Our directors are appointed on the basis of their proven track records in business and wide ranging expertise gained in many different fields. Gender and race are also taken into account in order to reflect the demographics of the country.

An orientation programme for new directors is in place to ensure that they are adequately trained and have the required knowledge of the group's structure, operations and policies to enable them to fulfil their fiduciary duties and responsibilities. Continuous empowerment sessions on good governance are also part of the programme aimed at keeping their skills up to date.

## FEES FOR NON-EXECUTIVE DIRECTORS

Only external members (Non-executive directors) receive a fee for their contribution to the respective boards and Board committees of which they are members. Fee structures are recommended to the Board by the chairperson of the Performance and Remuneration Committee, based on market research on trends and levels of directors' remuneration.

## THE CHAIRPERSON OF THE BOARD

- The Chairperson manages the Board and provides effective leadership in setting strategic direction;
- Appropriate governance principles are adopted and implemented at Board meetings and conflicts of interest are managed properly; and
- The Board meets at least 6 times a year. Apart from those scheduled, additional meetings are convened as circumstances dictate.

## BOARD EVALUATION

The Board carries out a self evaluation process annually. The evaluation focuses on whether the Board is fulfilling its mandates as contained in the group's Board Charter as well as examining the Board's effectiveness. The conclusions from the evaluation are reviewed by the Board and, where appropriate, best practice recommendations are put in place.

## THE BOARD SECRETARY

The Board Secretary was appointed following best practice, the recommendation of the Companies Act, *King II Report* and *King III Report*. The GPL's Board Secretary plays a vital role in ensuring the effectiveness of the Board and its committees. The Group Board Secretary reports and has unrestricted access to the Chairperson of the Board and the chairpersons of all its committees, including the Provincial Secretary (Chief Executive Officer).

The Board Secretary's functions include the following:

- Providing information on legislation relevant to or affecting the GPL;
- Reporting at any meeting of the Board and its committees on any failure to comply with relevant legislation;
- Ensuring that minutes of all LSB meetings, sub-committee meetings are properly recorded and resolutions communicated;
- Ensuring that the GPL submits the *Annual Report* timeously;
- Ensuring that the GPL has systems processes in place to address all corporate governance requirements; and
- Managing and facilitating the induction of Board members.

## GOOD CORPORATE GOVERNANCE

Governance is essentially about effective leadership based on an ethical foundation. Compliance, like any other business activity, should take place within the context of leadership and sound governance principles.

The LSB has a duty to ensure that the GPL complies with all applicable laws and rules; and the responsibility to consider adherence to codes and standards. All these compliance responsibilities are very onerous, and especially so, where the state is involved. This is exacerbated by the fact that different single provisions in laws, rules, codes and standards cannot be read in isolation, but need to be interpreted in the context of the whole compliance universe applicable to an entity.

The GPL has strived to ensure alignment of the Public Finance Management Act (PFMA) with *King III Report*, on principles of good governance and improved accountability. In its endeavour to respond to, and prioritise financial management, the GPL created an enabling law for the management of its finances called the FAMLA.

## MANAGEMENT OF RISKS

The specialist intervention of managing risks is handled by internal audit, the function part of which is outsourced. In line with the PFMA



and the *King III Report* on Corporate Governance as well as FAMILA, internal audit provides the Audit and Risk Committee and management, 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 to the controls and processes.

During the year under review, the Board monitored the corporate governance review implementation plan based on the 10 key risk areas identified for effective corporate governance. One of the key strategic projects approved by the Board as part of building a responsive administration to the political imperatives was the Turn-Around Strategy which resulted in a new organisation of the institution. The GPL completed a high level risk assessment process, which enabled the determination of the high level Top Ten material risks to which the institution was exposed, and evaluated the strategy for managing these risks. The outcome of this risk assessment was formally documented and approved by the Audit and Risk Committee and subsequently, by the Board. The GPL also developed a 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 at all divisions including action plans to mitigate risks. The Risk Register now features as a standard agenda item at the Audit and Risk Committee, LSB and senior management meetings.

### FINANCIAL MANAGEMENT

The FAMILA was signed and promulgated on 2 November 2009. A Task Team was constituted by the Provincial Secretary to focus on the implementation of FAMILA. An implementation plan has been developed for subsequent recommendation and tracking by the Secretariat and progress reporting to the Speaker as Executive Authority and Chairperson of the Board.

The initial implementation focuses on the transitional arrangements as prescribed in schedule 3 of the Act. Schedule 3 provides that during the interim, the GPL must continue to comply with the applicable requirements of the PFMA and its regulations. Until new regulations, as required by FAMILA come into effect, any policies, regulations or rules concerning the subject matter of such regulations remain in force.

### DELEGATION OF AUTHORITY

The Board has delegated the management of the GPL to the Provincial Secretary who functions with the assistance of Executive Directors. In delegating these powers, the Board has imposed certain restrictions, conditions and limits that they believe are appropriate for the effective exercise of such delegated powers. The Board approves the delegation of authority annually, whereafter it can be varied or revoked as deemed fit. Having delegated power in this manner, the Board still has the ultimate duty to monitor management's performance.

## CORE LEGISLATIVE BUSINESS OF THE LEGISLATURE

### OVERVIEW OF COMMITTEE WORK

#### BACKGROUND

The Chairperson of Committees acting on behalf of all Chairpersons of Committees of the GPL, presents an overview report of the work of committees for the year 2009/2010 to the people of Gauteng. This is the first *Annual Report* of committee work for the political term 2009-2014. It represents an overview of the work undertaken by the House committees to make laws that represent the interests of the people of Gauteng; work undertaken to ensure that government departments in Gauteng are accountable and deliver quality services to the people of Gauteng; work undertaken to improve the co-ordination between local and provincial government spheres as well as work to ensure that the people of Gauteng participate in the processes of the GPL.

The GPL has a total of 18 committees composed of Members of the Legislature. The committees of the GPL are divided into portfolio and standing committees. The mandates of the committees of the GPL are to drive the core business of the GPL as set out in the Constitution namely: law-making, oversight and facilitating public participation in the work of the GPL.

The year under review was marked by the National and Provincial Elections wherein the nation exercised their democratic right to choose their preferred government. The formation of the new government for the political term 2009-2014 resulted in new government priorities based on the needs of the people. As per the constitutional requirement, after the announcement of the election results and the formation of the new government, the GPL elected new Presiding Officers and new Chairpersons of Committees to drive the programme of action of the GPL for the political term 2009-2014.

The work of the new team of chairpersons started in earnest with the annual strategic planning session wherein the vision of committee work for the period 2009-2014 was unveiled. The vision in short, states the following:

- That the GPL must increase the accountability of the government by implementing additional oversight work mechanisms such as the Committee Inquiries Act, House rules as revised, and site visits;
- That the GPL must open up more opportunities for the people of Gauteng to participate in law-making and oversight activities;
- That the GPL must increase their capacity to initiate and pass laws; and





- That the GPL must be more visible in the various communities of Gauteng by convening their meetings in those communities, listening to the needs of the people on the ground, and creating mechanisms for feedback.

The vision outlined above was a further confirmation of the ground work and foundation laid by chairpersons of the Third Legislature during the period 2004-2009. The challenge for the new term is to consolidate and improve the work done already.

### OVERSIGHT WORK

The oversight model of the GPL provides for committees to scrutinise the work of the departments at various stages, namely:

- The Appropriation Bill stage wherein departments submit their proposed budget for approval by the GPL; and
- The performance reporting stages wherein the departments submit their quarterly and annual performance reports to the GPL.

In the year under review, committees responded to findings of the GPL's oversight model efficacy study by enhancing their oversight activities in the following manner:

- More committees conducted Focused Intervention Studies (FIS) to further scrutinise outcomes of oversight work during the budget and Annual Report processes. Furthermore, FIS reports of committees were scheduled for debate in the House. The office intends to ensure that all committees plan and conduct FIS in the next financial year;
- For the first time in the GPL, committees allocated more time, effort and resources to the consideration of all quarterly performance reports of departments. This assisted oversight over the Executive by ensuring that expenditure and service delivery by the Executive are more in line with initially agreed targets. Oversight reports of committees were scheduled in the House for consideration and adoption. This exercise ensured that resolutions on quarterly performance were traceable;
- Committees also enhanced their work on resolutions in that for the first time, all committees were required to formulate recommendations that are in line with the SMART principle, ensuring that resolutions of the House are more qualitative, relevant and easier for the Executive to understand and respond to. Committees also implemented a new resolutions tracking system of the GPL. This system improved the focus, quality and processing of resolutions by the GPL. This office will ensure that this is further enhanced through the introduction of the e-Resolutions tracker, which is meant to ensure electronic processing and tracking of resolutions of the House; and

- The Committee of Chairpersons was, in the year under review, established as a full committee of the GPL to provide strategic guidance to all committee chairpersons. This committee will start its work in earnest in the next financial year and will assist this office to offer guidance to chairpersons to ensure ever improving levels of oversight, law-making and public participation.

### APPROPRIATION BILL PROCESS OF 2009/2010

During the year under review, the House committees considered budgets from the various government departments and concluded as follows:

- That the GPL must approve the budgets as proposed, noting the financial difficulties that the country was under as a result of the world-wide economic and financial meltdown. In this regard, the House committees impressed upon government departments to do more with less by spending wisely; and
- That the impending re-organisation of departments in the province should be seen to be beneficial to the people of Gauteng, and must lead to improved service delivery. To this end, House committees are expected to be more vigilant and more focused during their oversight activities.

The people of Gauteng were afforded the opportunity to express their views about the provincial budget, and to also ask the departments questions on the allocations. This area of work requires ongoing improvement until such time that all the people of Gauteng can see themselves in the budgets of the various departments.

### FORWARD LOOKING ON THE APPROPRIATION BILL STAGE

The House committees are continuously seeking ways of improving the Appropriation Bill stage in such a way that it leads to the quality improvement of the lives of the people of Gauteng. The following aspects will be pursued in the new financial year:

- Creating more meaningful public participation during the Appropriation Bill stage. In this regard, committees will be required to convene sector forums wherein organisations of civil society make meaningful inputs into the budgets of departments; and
- Developing a law that gives the GPL power to change the budgets of departments when it has been proven that such budgets will not address the needs of the people of Gauteng.

### PERFORMANCE REPORTING STAGE

At the time of writing this report, government departments were compiling Annual Reports for the year 2009/2010 for submission to the GPL in September 2010. During the same time last year, House committees were considering Annual Reports of departments for the



year 2008/2009. The recommendations of the committees to the House with regard to the 2008/2009 can be summarised as follows:

- That in general, there is notable progress towards improving the lives of people in Gauteng and on the same note, government departments must still do a lot to tackle the daily socio-economic challenges facing ordinary people; and
- Government departments must improve their financial management and internal control systems in order to ensure that the public funds are used efficiently and effectively when addressing the needs of the people of Gauteng. In this regard, all departments must receive a clean audit by 2014.

In addition to the above, the committees reaffirmed their commitments to improving oversight on the performance of departments by among other things:

- Insisting that all quarterly departmental reports must be debated in the House. This means that the programme of the GPL must allow more time for committees to consider and report on the performance of departments;
- Undertaking more oversight visits to see for themselves, conditions of people on the ground. This includes verifying information from the departments about service delivery; and
- Implementing a system of monitoring and evaluating the work of House committees in relation to their oversight work. This is to assess and continuously improve the oversight work of committees.

## LAW-MAKING

During the year under review, the GPL was presented with laws that, through its committees, were diligently considered and passed within the given time. These were laws at both provincial and national levels. The following provincial laws were passed; namely:

### 1. Provincial Appropriation Act and Adjustment Appropriation Act:

The Acts provide for departmental budgets.

### 2. Financial Management of Gauteng Provincial Legislature Act (FAMLA):

FAMLA regulates the financial management of the GPL, promotes accountable, transparent and sound financial management, and will ensure that all revenue, expenditure, assets and liabilities of the GPL are managed efficiently, effectively and transparently.

### 3. Committee Inquiry Act:

Regulates the summoning, attendance and examination of witnesses before an inquiry of the GPL or any of its committees.

The House committees submitted provincial mandates to the National Council of Provinces (NCOP) on the following legislation, namely: Three section 76 Final Mandates processed on the following Bills; namely:

#### 3.1 Division of Revenue:

- Introduced annually to *inter-alia*, give effect to the provisions of section 214 of the Constitution and the Intergovernmental Fiscal Relations Act, and to provide for the equitable division of revenue raised annually amongst the 3 spheres of government;
- To promote better co-ordination between policy, planning, budget preparation and execution processes between and within the different spheres of government; and
- To promote transparency and equity in the resource allocation process.

#### 3.2 National House of Traditional Leaders Bill:

- Whose purpose was amongst others; to make amendments to the principal legislation in order to update outdated references and to align fully with the Constitution.

#### 3.3 Traditional Leadership and Governance Framework Amendment Bill:

- Whose purpose was to amongst others amend the principal legislation, provide for the recognition of kingships and queenships, and also to make provision for the remuneration of non-traditional leaders.

## WORK WITH LOCAL GOVERNMENT STRUCTURES

- One NCOP Provincial Oversight visit was conducted and reports thereof were produced; and
- One "Taking Parliament to the People" was supported and report produced.

The team has completed the base report and a Memorandum of Understanding (MoU) framework for improving the relations between the GPL and the local municipalities.





## PUBLIC PARTICIPATION

The mandates of committees on the public participation function is to seek the views of broad sectors of the people of Gauteng, especially the vulnerable groups during the various legislative processes.

During the work under review, committees undertook the above-mentioned task with the necessary vigour. In this regard, more committees were held in the various communities of Gauteng, and the views of the people were sought when considering laws of the province.

During the period under review, committees lived the decision of mainstreaming public participation in all committees in that all committees facilitated public participation in their processes in the following manner:

- Numerous committee meetings were held in communities of Gauteng during the consideration of *Annual Reports* of departments, and the views of the public were considered during this process. This exercise also had the added benefit of informing the public about the work of the GPL; and
- Committees were allocated more resources to facilitate the involvement of the public in meetings of committees. This saw more members of the public attending committee meetings and making submissions to processes.

## FORWARD LOOKING ON PUBLIC PARTICIPATION

Committees will continue to open up more opportunities for the people of Gauteng to participate in processes of governance. In this regard, the GPL is revising its current public participation processes with a view of identifying additional mechanisms of public participation as well as the use of technology for improved interaction between the people and their representatives.

## CLOSING REMARKS

The Chairperson of Committees congratulates all the Chairpersons of Committees as well as members of committees for their sterling work during the year under review. The report above demonstrates the resolve and conviction of the GPL to continue representing the interests of the people of Gauteng.



## OFFICE BEARERS



**Speaker**  
Lindiwe Maseko  
ANC



**Deputy Speaker**  
Steward Ngwenya  
ANC



# OFFICE BEARERS



**Chairperson of Committees**  
**Uhuru Moiloa**  
ANC



**Deputy Chairperson of Committees**  
**Valentine Mbatha**  
ANC



**Chief Whip**  
**Brian Hlongwa**  
ANC



**Deputy Chief Whip**  
**Jacqueline Mofokeng**  
ANC



**Leader of Government Business**  
**Mandla Nkomfe**  
ANC



**Leader of the Opposition**  
**John Moodey**  
DA



# OFFICE BEARERS

## Portfolio Committees



**Chairperson**  
**Agriculture and Rural**  
**Development**  
**Nokuthula Sikakane**  
**ANC**



**Chairperson**  
**Community Safety Committee**  
**Chairperson**  
**Sizakele Malobane**  
**ANC**



**Chairperson**  
**Economic Development**  
**Committee**  
**Anthony Selepe**  
**ANC**



**Chairperson**  
**Education Committee**  
**Chairperson**  
**Patricia Chueu**  
**ANC**



**Chairperson**  
**Finance Committee**  
**Hope Papo**  
**ANC**



**Chairperson**  
**Health and Social**  
**Development Committee**  
**Molebatsi Bopape**  
**ANC**



**Chairperson**  
**Local Government &**  
**Housing Committee**  
**Errol Magerman**  
**ANC**



**Chairperson**  
**Infrastructure**  
**Development Committee**  
**Joachim Boers**  
**ANC**



**Chairperson**  
**Roads and Transport**  
**Committee**  
**Erick Xayiya**  
**ANC**



**Chairperson**  
**Sport, Recreation, Arts**  
**and Culture Committee**  
**Nompzi Nhlapo**  
**ANC**





# OFFICE BEARERS

## Standing Committees



**Chairperson**  
**Rules and Programming**  
**Committee**  
**Lindiwe Maseko**  
**ANC**



**Chairperson**  
**Oversight Committee on**  
**the Premier's Office and**  
**the Legislature**  
**Godfrey Tsotetsi**  
**ANC**



**Chairperson**  
**Public Accounts**  
**Committee**  
**Sipho Makama**  
**ANC**



**Chairperson**  
**Privileges and Ethics**  
**Committee**  
**Steward Ngwenya**  
**ANC**



**Chairperson**  
**Committee on the**  
**Scrutiny of Subordinate**  
**Legislation**  
**Refilwe Letwaba**  
**ANC**



**Chairperson**  
**Petitions Committee**  
**Jacob Khawe**  
**ANC**



**Chairperson**  
**Committee on Gender,**  
**Youth and People with**  
**Disabilities**  
**Lindiwe Lasindwa**  
**ANC**



# OFFICE BEARERS

## Whips and Leaders of Political Parties



**Party Leader**  
Lydia Meshoe  
ACDP



**Party Leader**  
Lyndall Shope-Mafole  
COPE



**Party Leader**  
Rose Gudhuza  
ID



**Party Leader**  
Khethamabala Sithole  
IFP



**Party Leader**  
Frederick Mulder  
FF PLUS



**Programming Whip**  
Lebogang Maile  
ANC



**Senior Whip of the  
Official Opposition Party**  
Glenda Steyn  
DA



**Whip**  
Paul Willemburg  
DA



**Constituency Work Whip**  
Kenneth Batyi  
ANC



**NCOP Whip**  
Refilwe Mogale  
ANC



OFFICIAL OPENING, JOHANNESBURG FEBRUARY 2010



From left to right

- 1st Row:** JC Moodey; BS Nkosi (MEC); NF Mazibuko (MEC); MK Lekgoro (MEC); BD Creecy (MEC); EK Mosunkutu (MEC); NP Mokonyane (Premier); LM Maseko (Speaker); S Ngwenya (Deputy Speaker); QD Mahlangu (MEC); F Cachalia (MEC); GM Nkomfe (MEC); NP Mbatha-Mhimikulu (MEC); N Mayathula-Khoza (MEC); B Hlongwa
- 2nd Row:** LF Shope-Mafole; N Nkomo-Ralehoko; WV Mbatha; ST Williams-De Bruyn; JM Mafokeng; MF Bopape; UJ Lasindwa; EV Magerman; AHM Papo; AD Selepe; ES Malobane; NI Nhlapo; S Khumalo; CG Tsotetsi; FM Madlala; RS Letwaba
- 3rd Row:** P Skosana(Secretary); UD Molloa; Dr LL Meshoe; ME Xayiya; JH Boers; JB Bloom; H Koorts; HJL Kruger; LI Maile; S Chen; D Montitsi; RE Gudlhuza; BL Abrahams; MA Mgcina; S Makama
- 4th Row:** B Modise; PB Mokgohlwa; NG Campbell; DZS Senokoanyane; CS Motaui; P Mabe; B Mncube; D Feldman; AM Moeng; RN Ndzuia;
- 5th Row:** CS Nkhi; GJ Steyn; Dr G Lewis; FJ Mulder; MS Moriarty; LB Labuschagne; KP Sithole; N Ramulifho; TS Wessels; N Kalipa; A Matlha; AR Mogale; CN Ndaba; TW Nkabinde; N Kholisile
- 6th Row:** TCR Walters; KL Lorimer; FP Nel; PSR Willemburg; N Sikakane; ZK Bati; NJ Pekane; M Sekhukhune; M Mayekiso; J Khawe; MP Chueu.



