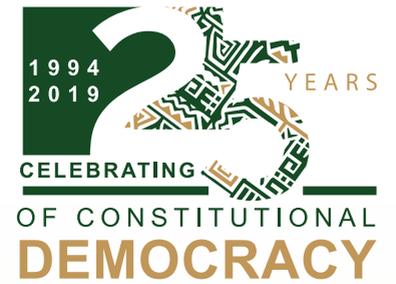




GAUTENG
LEGISLATURE

Your View — Our Vision



ANNUAL REPORT 2019/2020

GAUTENG PROVINCIAL LEGISLATURE

“Following up on our commitments,
making your future work better”

Meaningful Involvement
by the People

Responsive Laws

Coherent Legislative
Sector

Public Confidence in
Governance



TABLE OF CONTENTS

PART A

GENERAL INFORMATION

1.	Preamble to the Constitution	4
2.	List of abbreviations/acronyms	5
3.	Foreword by the Executive Authority	6
4.	Accounting Officer's Executive Summary	8
5.	Statement of responsibility and confirmation of accuracy for the annual report	12
6.	Strategic overview	13
6.1	Vision	13
6.2	Mission	13
6.3	Values	13
7.	Legislative and other mandates	13
8.	Office Bearers 2019-2020	14



PART B

PERFORMANCE INFORMATION

1.	Overview of Gauteng Provincial Legislature's performance	22
1.1	Report on performance of committees	22
1.2	Organisational environment	24
1.3	Key policy developments and legislative changes	24
1.4	Strategic outcome-oriented goals	24
2.	Performance information by programme	25
2.1	Programme 1: Leadership & Governance	25
2.2	Programme 2: Office of the Secretary	28
2.3	Programme 3: Corporate Support Services	32

2.4	Programme 4: Core Business	36
2.5	Programme 5: Chief Financial Officer's office	46
3.	Transfer of payment	50
4.	Donor funds received	50
5.	Capital investment, maintenance and asset management plan	50

PART C

GOVERNANCE

1.	Introduction	54
2.	Corporate governance statement: the Gauteng Legislature Services Board (LSB)	54
3.	Risk management	58
4.	Fraud and corruption	58
5.	Minimising conflict of interest	59
6.	Code of conduct	59
7.	Health safety and environmental issues	59
8.	Oversight Committee on the Premier's Office and the Legislature (OCPOL)	60
9.	SCOPA resolutions	62
10.	Modifications to audit reports	63
11.	Internal audit and audit committee	64
12.	Transversal mainstreaming	77
12.1	Capacity development	77
12.2	Advocacy and stakeholder engagement	77
12.3	Measures taken to facilitate transversal mainstreaming in the GPL	78
13.	Audit Committee Report	79

PART D

HUMAN RESOURCE MANAGEMENT

1.	Introduction	70
2.	Legislation that governs the GPL human resource management	70
3.	Overview of human resources	70
3.1	The status of human resources in the GPL	70
3.2	Human resource priorities for the year under review and the impact thereof	71

3.3	Employee performance management	71
3.4	Workforce Planning	71
3.5	Employee Wellness Programme	71
4.	Human Resource Statistics	71
4.1	Personnel-related expenditure	71
4.2	Employment and vacancies	74
4.3	Job evaluation	75
4.4	Employment changes	76
4.5	Employment equity	79
4.6	Performance rewards	84
4.7	Foreign workers	85
4.8	Leave utilisation	86
4.9	HIV/AIDS and health promotion programmes	88
4.10	Labour Relations	89
4.11	Injury on duty	91
4.12	Budget Allocation to Transformation Programmes	91

PART E:

FINANCIAL INFORMATION

1.	Report of the Auditor-General	95
2.	Annual financial statements	100
	<i>The reports and statements set out below comprise the Annual Financial Statements presented to the provincial legislature:</i>	
	Statement of Financial Position	100
	Statement of Financial Performance	101
	Statement of Changes in Net Assets	102
	Cash Flow Statement	103
	Statement of Comparison of Budget and Actual Amounts	104
	Accounting Policies	105
	Notes to the Annual Financial Statements	118

“Following up on our commitments, making your future work better”

PART - A -

“Following up on our commitments,
making your future work better”



LAW-MAKING



COOPERATIVE
GOVERNANCE



OVERSIGHT

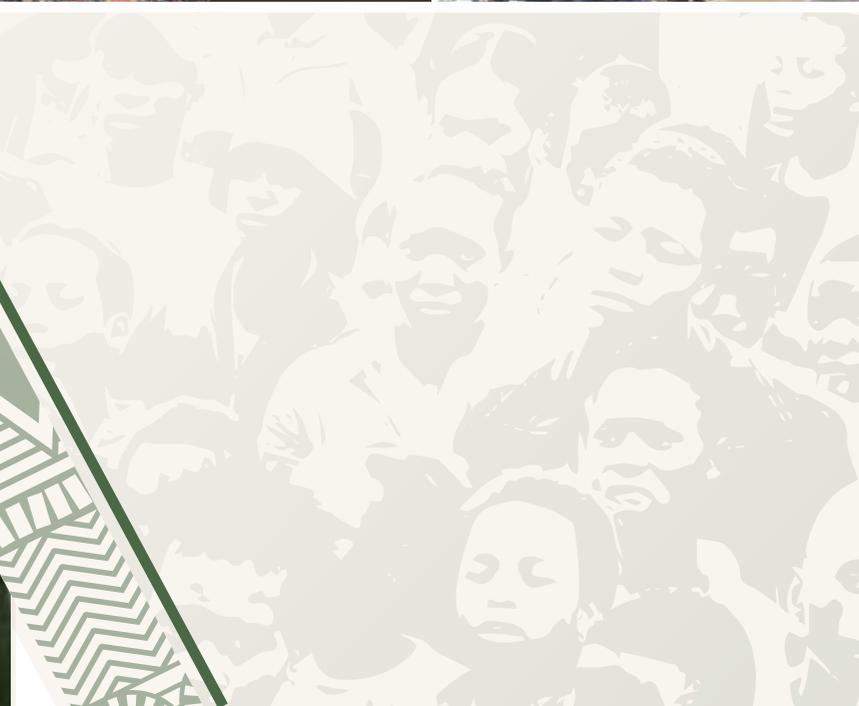


PUBLIC
PARTICIPATION





GENERAL INFORMATION



1. 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.”

2. LIST OF ABBREVIATIONS/ACRONYMS

APP	Annual Performance Plan	LAC	Legislature Adjudication Council
BBBEE	Broad-Based Black Economic Empowerment	LGBTI	Lesbian, Gay, Bisexual, Transgender and Intersex
BEP	Business Enhancement Plan	LSB	Legislative Services Board
CCTV	Closed Circuit Television	LSS	Legislative Sector Support
CHEA-AR	Commonwealth Hansard Editors Association Africa Region	MEC	Member of Executive Council
COID	Compensation for Occupational Injuries and Diseases	MPLs	Members of the Provincial Legislature
COSO	Committees of Sponsoring Organisations of the Treadway Commission Framework	MPWC	Multi-Party Women's Caucus
COVAC	Committees Oversight and Accountability Framework	NCOP	National Council of Provinces
CPA	Commonwealth Parliamentary Association	NGO	Non-Governmental Organisation
CRC	Citizens Responsibility Campaign	NSF	National Speakers' Forum
CRR	Capital Replacement Reserve	OCoC	Office of the Chairperson of Committees
CWP	Commonwealth Women Parliamentarians	OCPOL	Oversight Committee on the Premier's Office and Legislature
EAP	Employee Assistance Programme	O-Dep-CoC	Office of the Deputy Chairperson of Committees
ECM	Enterprise Composite Model	OHS	Occupational Health and Safety
EFT	Electronic Transfer	PBMER	Integrated Framework for Planning, Budgeting, Monitoring, Evaluation and Reporting
FIS	Focused Intervention Study	PDMC	Provincial Disaster Management Centre
FMPPLA	Financial Management of Parliament and Provincial Legislatures Act	PPPF Act	Preferential Procurement Policy Framework Act
GEYODI-R	Gender, Youth and People Living with Disabilities	PPE	Property, Plant and Equipment
GPF	Gauteng Partnership Fund	PSC	Public Service Commissioner
GPL	Gauteng Provincial Legislature	PwD	People with Disabilities
GRAP	Generally Recognised Accounting Practice	SADC	Southern African Development Community
GRIR	Goods Received Invoice Received	SALSA	Secretaries' Association of the Legislatures of South Africa
GSF	Gauteng Speakers' Forum	SA GAA	South African Statement of Generally Accepted Accounting Practice
HDI	Historically Disadvantaged Individuals	SCM	Supply Chain Management
Hon	Honourable	SCOPA	Standing Committee on Public Accounts
HVAC	Heating Ventilation and Air Conditioning	SDGs	Sustainable Development Goals
IAS	International Accounting Standards	SOM	Sector Oversight Model
ICT	Information and Communications Technology	SPOF	Strategic Projects Oversight Forum
IPSAS	International Public Sector Accounting Standards	TM Policy	Transversal Mainstreaming Policy
IPMS	Integrated Performance Management System	TMFP	Transversal Mainstreaming Audit and Training Project
IR	Invoice Received	UIF	Unemployment Insurance Fund
IT	Information Technology		



3. FOREWORD BY THE EXECUTIVE AUTHORITY

It is indeed an honour and privilege to introduce the **Annual Report of the Gauteng Provincial Legislature (GPL) for the 2019/2020 financial year to the people of Gauteng**. This annual report provides an account of the GPL achievements for the period under review. This period marks a period of highs and lows for Gauteng and for South Africa as a whole.

Hon LN Mekgwe
Speaker of the Gauteng Provincial Legislature

In May 2019, we successfully held our sixth election since democracy. It was a free, fair and peaceful election wherein more than 26 million registered voters were able to choose from 48 political parties nationally, offering a wide array of political homes. Citizens voted en-masse, and despite their varied political leanings, most were hopeful that their ballot would make a difference.

Accordingly, we congratulate the African National Congress (ANC) for winning the poll after securing just over 57% of the vote. On behalf of the GPL, we also extend a note of gratitude to the Independent Electoral Commission (IEC) for running yet another successful election. We express our deepest appreciation to the Board; the Chief Electoral Officer, Mr Simon Mamabolo; the Provincial Electoral Officer, Mr Thabo Masmula; and their teams for making our country proud.

We are confident that the governing party has heard the people of South Africa and has a clear understanding of what is expected by the people. In this regard, we also congratulate all Honourable

Members for being elected to the Gauteng Provincial Legislature to represent the interests of the people. We are confident that the dynamism and renewed energy they bring to the GPL will greatly benefit the people of our province. We also assure all Honourable Members that the GPL will support them fully in the execution of their duties.

I also express sincerest appreciation to all citizens of our province and of the country as a whole, who had braved adverse weather to exercise their hard-won democratic rights to vote. Their vote places a huge responsibility on all of us, irrespective of party affiliation, to ensure their confidence in democracy is not in vain. We, therefore, owe it to the people to work hard as a collective to ensure that their aspiration and dreams are realised.

The end of the year under review saw South Africa being included on the list of unfortunate nations that fell victim to the growing COVID-19 pandemic. The bottom line, therefore, is that 2019/2020 has been a year of highs and lows in South Africa.

Despite the challenges that we are faced with as South Africans, **there is always an enduring feeling that thrives among our people – The feeling of Hope!**

In giving hope to our people, the GPL has continued to discharge its constitutional mandate of oversight and scrutiny, law-making, public participation and cooperative governance.

During the year under review, we have made substantial progress in holding the Executive accountable, using various tools and methodologies that have been adopted by the South African legislative sector. A total of three (3) of the four (4) Sector Oversight Model (SOM) imperatives in support of committee work were achieved. We conducted successful House Sitings whereby quarterly oversight reports, budget oversight



reports and Focused Intervention Studies (FIS) reports were tabled and subsequently adopted.

The GPL, through its committees, have intensified oversight visits to key service delivery sites to identify and investigate problems and establish processes to resolve these problems at a policy level including reporting back to the House with recommendations.

We have continued to oversee the Executive through oral and written questions as well as Motions on matters of service delivery and thus, ensuring that the Executive is accountable on how the taxpayers' money is spent.

With respect to our law-making function, we are committed to ensuring that the law-making power is exercised in an unbiased and responsive manner to ensure that people's needs are addressed and satisfied. In this regard, we have made tremendous strides in ensuring that laws are responsive to the needs of the people of Gauteng. The GPL had also continued to develop and implement laws that create an enabling environment to better the lives of the people of Gauteng through consultation processes or public hearings.

Notable improvements have also been made in creating various platforms for public participation to encourage citizens to directly voice their concerns and views and partake in the legislature programmes. These include sector parliaments, committee outreach programmes and stakeholder engagements.

As a legislature, we exist and operate in a network of local, national and global structures to enhance parliamentary processes and hold the Executive accountable. During the period under review, we have participated in various fora such as the Secretaries' Association of the Legislatures of South Africa (SALSA), the Commonwealth Parliamentary Association (CPA) and the Gauteng Speakers' Forum (GSF).

We continued to cooperate with structures such as the Public Participation Offices (PCOs), Non-Governmental Organisations (NGOs), the Constitution Hill, Commission for Gender Equality, Congress of the Traditional Leaders of South Africa (CONTRALESA) and other bodies supporting democracy. The National Council of Provinces' (NCOP) Taking Parliament to the People programme,

which took place on 16 - 20 September 2019, was successfully implemented. It was held under the theme, "Building Sustainable, Responsive and People-Centred Municipalities." The theme for the provincial week was "Celebrating 20 Years of the Constitution and the NCOP".

The GPL has received an unqualified opinion with findings for 2018/2019, which is a regression from the clean audit opinion achieved in the previous reporting periods. This is something that we have not taken lightly, and we remain committed and fully supportive of oversight structures such as the Auditor-General of South Africa (AGSA) and the Oversight Committee on the Premier's Office and the Legislature (OCPOL). To this end, we have scrutinised the recommendations by AGSA and have already implemented some of them starting from our 2019/2020 and 2020/2021 planning processes. Our common challenge for the current term is to achieve clean governance and to ensure that Gauteng is a better place to stay, work and play.

I am also pleased that we have made substantial achievements on the delivery of our mandates during the period under review. Going forward, we will continue to build on our successes and learn from our challenges. We remain fully considerate of the impact that the COVID-19 responses may have on our plans and operations, but I am confident that the GPL has the capacity to realise its vision and create the ultimate impact of an improved standard of living for the people of Gauteng.

Hon LN Mekgwe
Speaker of the Gauteng Provincial Legislature



4. ACCOUNTING OFFICER'S EXECUTIVE SUMMARY

In the period under review, all Sector Oversight Model (SOM) imperatives in support of committee work were achieved. Successful House sittings were conducted where quarterly oversight reports, Committee Budget Oversight reports, Focused Intervention Studies (FIS) reports were tabled and subsequently adopted.

Mr Peter Skosana
Accounting Officer of the Gauteng Provincial Legislature

Overview of the GPL Operations

The past two decades have seen the legislative sector evolve and transform to become a more robust, integrated arm of state that significantly enhanced its capacity for oversight, law-making and public involvement in its affairs. The GPL was at the coalface of these developments through its strategy, research and continuous innovations to the committee system, as well as focused and effective administrative support machinery for MPLs to interface with the departments, civil society, and the people of Gauteng.

From the GPL perspective, the quest for excellent quality oversight continues and cannot be divorced from meaningful public involvement of the people of Gauteng. As a result, the Fifth Term (2014-2019) strategy was reviewed and the strategic outcomes for the Sixth Term (2020-2025) were developed and aptly captured to address these evolving oversight, governance and service delivery challenges as follows:

 OUTCOME 1:	 OUTCOME 2:	 OUTCOME 3:
<p>Enhanced oversight and accountability towards service delivery: Oversight will be intensified to focus more on specific government programmes and commitments.</p>	<p>Improved responsiveness of laws to meet the needs of the people of Gauteng: The GPL will strengthen its legislative capacity and become more proactive and responsive to the needs of the people through law-making processes and initiatives.</p>	<p>Enhanced meaningful public engagement: The GPL public participation processes will be more meaningful and become more community-based and representative. These processes will assist the people of Gauteng to use democratic governance processes to improve their lives, resolve their problems, and hold their elected public representatives accountable.</p>



A total of 976 questions were processed (i.e. 858 questions for written reply and 118 questions for oral reply).

The processing of Members' questions for oral and written response involved editing the questions for compliance with the Standing Rules, communicating them to the Executive and publishing them in the Question Papers.

The Secretariat continued to play a critical role in providing strategic direction and effective decision making for the GPL administration. In this reporting period, it focused on monitoring and tracking progress on decisions based on reported performance information and institutional strategic projects as well as approval of policies. Furthermore, the reporting period was a prelude to the Sixth Legislature which required the development of the institutional five-year strategic plan in line with FMPPLA. Consequently, the Secretariat guided the process of developing the GPL strategy and tabling thereof in compliance with the said regulatory framework.

In compliance with the Contract Management Framework, the status of all contracts in relation to duration, costs and purpose was monitored and tracked through the contract register and reported on at various structures.

Furthermore, various awareness and capacity-building training sessions were held with Members, managers and staff to empower them to mainstream transversal issues of gender, youth, disability and race (GE-YO-DI-R) in the execution of their functions. Significantly, online training that focused specifically on gender-responsive budgeting was conducted.

The GPL continued to provide leadership by overseeing and monitoring the implementation of institutional projects. Achievements include the review and implementation of the governance framework to deliver efficient and effective management of projects and contracts.

The party fund and constituency allowances were made timeously to all political parties represented in the GPL to enable them to establish and maintain infrastructure



OUTCOME 4:

Improved alignment and collaboration with other spheres of government and organs of the state: The collaboration and cooperation in the legislative sector, specifically, will be steered in pursuit of the National Development Plan. Cooperative governance processes will be more sector-orientated and supportive of local legislatures.



OUTCOME 5:

Enhanced compliance with relevant fiduciary requirements and principles of good governance. The GPL administrative process will become more efficient, enabling and reflective of good governance standards.

Notably, the GPL oversight was structured to respond and seek redress to the development challenges experienced by the most vulnerable people of Gauteng.

Significantly, in the period under review, three (3) out of four (4) SOM imperatives in support of committee work were achieved. Successful House sittings were conducted where quarterly oversight reports, Committee Budget Oversight reports, Focus Intervention Studies (FIS) reports were tabled and subsequently adopted.

Furthermore, the effective utilisation of oversight tools, including committee hearings, questions, Motions, oversight visits and petitions, was achieved.

In this reporting period, processing of resolutions meant that eight hundred and forty-two (842) House Resolutions were communicated to the relevant Executive. Five hundred and fifty-six (556) responses¹ were received from the Executive and referred to the respective House Committees for oversight purposes, which include tracking the implementation of these resolutions by the provincial departments.

¹The responsibility for responding to resolutions rests with the Executive to whom the resolutions are put.

to serve the interests of their constituents. These transfers were made in terms of section 35 (1) of the Financial Management of Parliament and Provincial Legislatures Act (Act 10 of 2009) and comprehensive policies, which guide the spending of the transfer payments.

With regard to ICT, availability of support infrastructure has improved as a result of completion of the Enterprise Composite Model (ECM) project. Technology is a critical enabler of the GPL processes and the functions of oversight, law-making, public participation and co-operative governance.

One of the key highlights of this reporting period includes the partnership that the GPL has established with Microsoft, which is currently supporting the migration of GPL servers to the Cloud as part of the 4th Industrial Revolution Initiative (4IR) to modernise the legislature. Several efforts have also been made to secure the GPL against cyber attacks.

The work on the Organisational Development (OD) exercise to review the current organisational structure to ensure alignment with the institutional strategy continued. Consequently, activities of this initiative incorporated job evaluation, skills audit and job matching and other related focus areas. The initiative is nearing conclusion with various recommendations aimed at ensuring that the structure is fit for purpose and follows

strategy towards realisation of priorities set for the Sixth Legislature. It is anticipated that implementation of the OD exercise recommendations will commence in the 2020/2021 financial year. Furthermore, a total of 13 administration policies were reviewed by the Policy Committee and five (5) were approved by LSB.

The GPL continued to strengthen oversight and scrutiny as an effective mechanism to hold the Executive accountable. This was implemented through the Sector Oversight Model (SOM).

For the reporting period, implementation of SOM imperatives on the work of the House and its committees produced 141 oversight reports, comprising 64 quarterly, 44 annual and 18 budget reports as well as 15 Focused Intervention Study (FIS) reports. These reports were tabled and adopted by the House, resulting in 842 resolutions being adopted by the House and communicated to the relevant Executives for responding.

The FISes covered, amongst others, continued oversight in the matters around emerging partnerships in the implementation of the Township Economy Revitalisation Strategy - An Assessment of the Pick 'n Pay Market and Spaza Shops Model; assessment of the infrastructure development projects within the Sports and Recreation Programme; assessment of progress made on the programme in reducing crime and

pedestrian fatalities in 40 priority police stations in Gauteng; examination of sound financial management at the Emfuleni Local Municipality (Pillar 2 of the Back to Basics); an FIS arising from the budget of the Gauteng Department of Social Development for the 2019/2020 financial year; assessment of the role of the Gauteng Provincial Disaster Management in addressing the sinkholes in the West Rand District Municipality (WRDM) i.e. Merafong (Carletonville) during the 2018/2019 financial year; assessing the efficiency of emergency services in Gauteng, as well as an FIS Report on the Office of the Premier's Tshepo 1 Million Programme.

Gifts and Donations received in-kind from non-related parties

The GPL received no gifts or donations in kind for the year under review.

Other

To the best of my knowledge, there are no other material facts or circumstances which may impact on the understanding of the financial state of affairs not addressed elsewhere in this report.

The legislature continues to enjoy strategic support as well as political guidance from the Executive Authority, the Legislature Services Board, the Office of the Chairperson of Committees and the Office of the Chief Whip. The GPL management team and staff worked tirelessly in their strive for continuous improvement of service delivery and steady increase in the value addition that the GPL brings to the GPG. This resulted in the smooth running of the legislature.

It is against this background that I am pleased to submit the 2019/2020 Annual Report to the Honourable Speaker of the Gauteng Legislature for approval.



Mr P Skosana

Accounting Officer of the Gauteng Provincial Legislature





5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF **ACCURACY** OF THE ANNUAL REPORT

To the best of my knowledge and belief, I confirm the following:

- » All information and amounts disclosed throughout the annual report are consistent.
- » The annual report is complete, accurate and is free from any omissions.
- » The annual report has been prepared in accordance with the guidelines on the annual report as issued by the National Treasury.
- » The Annual Financial Statements (Part E) have been prepared in accordance with Generally Accepted Accounting Practice (GRAP) and the requirements of the Financial Management of Parliament and Provincial Legislature's Act of 2009 (FMPPLA) issued by the National Treasury.
- » The Annual Financial Statements (Part E) have been prepared in accordance with the modified cash standard and the relevant frameworks and guidelines issued by the National Treasury.

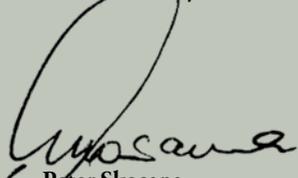
The Accounting Officer is responsible for the preparation of the annual financial statements and for the judgements made in this information.

The Accounting Officer is responsible for establishing and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.

The external auditors were engaged to express an independent opinion on the annual financial statements.

In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the Gauteng Provincial Legislature for the financial year ended 31 March 2019.

Yours faithfully


Peter Skosana
Secretary to the Legislature



6. STRATEGIC OVERVIEW



Our vision

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



Our Mission

In observing our 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 provide a stimulating environment.



Our Values

The GPL believes and strives for:



Moral integrity: Being honourable and following ethical principles.



Goal-orientated: Working diligently to achieve results.



Professionalism: Being knowledgeable with a non-partisan, positive attitude as well as proficient in executing duties.



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 process.



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

7. LEGISLATIVE AND OTHER MANDATES

The constitutional mandates of the legislature remained unchanged. The provincial legislatures are established in terms of Chapter 6 of the *Constitution of the Republic of South Africa, 1996* (thereafter referred to as the Constitution). Section 114 of the Constitution of the Republic of South Africa clearly states the responsibility of the Gauteng Provincial Legislature. This section entrusts the GPL with the responsibility to pass, amend and reject any Bill before it, including initiation or preparation of legislative Bills. The Act further extends the responsibilities of the GPL to oversee the Executive over the implementation of their departments' mandate. The GPL also has the responsibility to facilitate the involvement of the public in the legislative and other processes of the legislature and its committees in line with Section 118 of the Constitution.

The following are key legislative mandates that further outline the GPL's responsibilities and requirements:

- » Constitution of the Republic of South Africa, Act No. 108 of 1996 (Chapter 3 and Sections 114, 118 and 142 of the Constitution);
- » Financial Management of Parliament and Provincial Legislatures Act, 2009;
- » Political Party Fund Act, 2007;
- » Preferential Procurement Framework Act, No. 5 of 2000;
- » The Promotion of Access to Information Act, No. 2 of 2000;
- » Public Finance Management Act, No. 1 of 1999;
- » Gauteng Provincial Legislature Service Act, No.5 of 1996;
- » Gauteng LSB Amendment Act, No 6 of 1999; and
- » Treasury Regulations.

8. OFFICE BEARERS 2019-2020

Presiding Officers



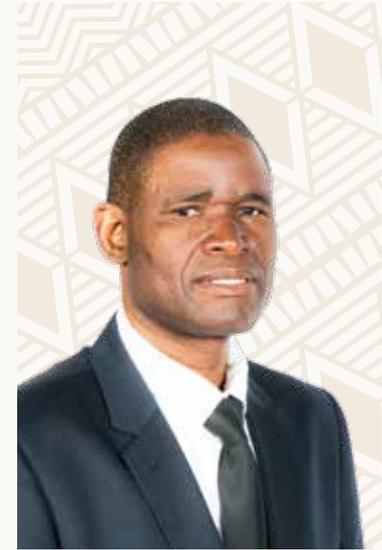
Hon Lentheng Ntombi Mekgwe
Speaker of The Gauteng Legislature



Hon Nomvuyo Memory Mhlakaza-Manamela
Deputy Speaker



Hon Hon Sizakele Nkosi-Malobane
Chairperson of Committees



Hon Mpapa Kanyane
Deputy Chairperson of Committees

Chairpersons of Standing Committees



Hon Lentheng Ntombi Mekgwe
Rules and Programming Committee



Hon Nomvuyo Mhlakaza-Manamela
Privileges and Ethics Committee



Hon Sizakele Nkosi-Malobane
Chairperson of Committees



Hon Bonginkosi Wesley Dhlamini
Oversight Committee on the
Premier's Office and the Legislature



Hon Boitumelo Ezra Letsoalo
Petitions Committee



Hon Keith Dulton Adams
Committee on the Scrutiny of
Subordinate Legislation



Hon Sochayile Khanyile
Public Accounts Committee

“A real leader uses every issue, no matter how serious and sensitive, to ensure that at the end of the debate we should emerge stronger and more united than ever before.” - Nelson Mandela

Leader of Government Business



Hon Panyaza Lesufi
Member of the Executive Council

Leaders of Political Parties



Hon Mzi Khumalo
African National Congress (ANC)



Hon Solly Msimanga
Democratic Alliance (DA)



Hon Mandisa Mashego
Economic Freedom Fighters (EFF)



Hon Anton Albert
Freedom Front Plus (FFP)



Hon Bonginkosi Dhlamini
Inkatha Freedom Party (IFP)



Hon Keith Dulton Adams
African Christian Democratic
Party (ACDP)

Chairpersons of Portfolio Committees



Hon Mapiti Matsena
Community Safety Committee



Hon Nomathemba Mokgethi
Co-operative Governance,
Traditional Affairs and Human
Settlements Committee



Hon Lindiwe Lasindwa
Economic, Environment, Agriculture
and Rural Development Committee



Hon Matome Chiloane
Education Committee



Hon Joe Mpsi
Finance Committee



Hon Rebecca Phaladi-Digamela
Health Committee



Hon Mpho Modise
Infrastructure Development
Committee



Hon Dumisani Dakile
Roads and Transport Committee



Hon Refiloe Kekana
Social Development Committee



Hon William Matsheke
Sport, Arts, Culture and
Recreation Committee

Whips of Political Parties



Hon Mzi Khumalo
Chief Whip
African National Congress (ANC)



Hon Thokozile Magagula
Deputy Chief Whip
African National Congress (ANC)



Hon Dolly Ledwaba
Governance Cluster Whip
African National Congress (ANC)



Hon Kedibone Diale
Service Delivery Whip
African National Congress (ANC)



Hon Lesego Makhubela
Programming Whip
African National Congress (ANC)



Hon Paul Malema
Constituency Whip
African National Congress (ANC)



Hon Petrus Mabunda
Economic Transformation Cluster Whip
African National Congress (ANC)



Hon Busisiwe Pinky Mncube
NCOP Whip
African National Congress (ANC)



Hon Anna Alphina Ndlovana
Social Development Cluster Whip
African National Congress (ANC)



Hon Mike Moriarty
Chief Whip
Democratic Alliance (DA)



Hon Kate Lorimer
NCOP Whip
Democratic Alliance (DA)



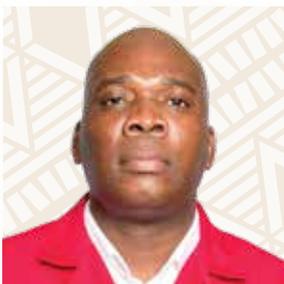
Hon Khume Ramulifho
Programming Whip
Democratic Alliance (DA)



Hon Mervyn Ciroti
Members Affairs Whip
Democratic Alliance (DA)



Hon Fred Nel
Rules Whip
Democratic Alliance (DA)



Hon Itani Mukwevho
Caucus Whip
Economic Freedom Fighters (EFF)



Hon Moses Koma
Constituency Whip
Economic Freedom Fighters (EFF)

“A good leader can engage in a debate frankly and thoroughly, knowing that at the end he and the other side must be closer, and thus emerge stronger. You don’t have that idea when you are arrogant, superficial, and uninformed.” - Nelson Mandela

The 2019 Official Opening of the Legislature



University of Johannesburg - Soweto Campus
Monday, 1st July 2019



The 2020 Official Opening of the Legislature



Sefako Makgatho Health Sciences University, Ga-Rankuwa (Tshwane)
Tuesday, 25th February 2020

PART - B -

“Following up on our commitments,
making your future work better”



LAW-MAKING



COOPERATIVE
GOVERNANCE



OVERSIGHT



PUBLIC
PARTICIPATION





PERFORMANCE INFORMATION





PERFORMANCE INFORMATION

In conducting oversight over the Executive, the GPL committees have conducted numerous oversight visits to service delivery sites in the Gauteng Province, which included schools, clinics, landfill sites, e-maintenance projects and industrial hubs.

Hon Sizakele Emelda Nkosi-Malobane ^(Right)
Chairperson of Committees

Hon Mpapa Kanyane ^(left)
Deputy Chairperson of Committees

1. Overview of Gauteng Provincial Legislature's Performance

1.1 Report on performance of committees

The work of the committees is core to the mandate of the legislature as committees oversee service delivery by the Executive. The discharge of the GPL's oversight mandate is given effect through the Committees Oversight and Accountability Framework (COVAC), which is the GPL customisation of the Sector Oversight Model (SOM). This work is championed and overseen by the Office of the Chairperson of Committees.

In conducting oversight over the Executive, the GPL committees have conducted numerous oversight visits to service delivery sites in the Gauteng Province, which included schools, clinics, landfill sites, e-maintenance projects and industrial hubs. The oversight visits were conducted in all regions of Gauteng throughout the period under review.



In addition, committees have produced at least

141
oversight reports
on the work of the
provincial departments.

These included Annual, Budget Oversight, Quarterly and Focused Intervention Study (FIS) reports in a wide range of portfolio-specific service delivery areas.



As a result of the detailed oversight and scrutiny by the GPL committees on the work of the Executive,

842 House
resolutions were passed.

The House resolutions are a mechanism applied to gauge the effectiveness of the legislature on its role of oversight and scrutiny to hold the Executive accountable.





The petitions system provides a platform for the people of Gauteng to submit their petitions or complaints to the legislature.

111 submissions received in this reporting period for consideration by the **Petitions Standing Committee (PSC)**.

The petitions as an oversight mechanism allowed the PSC, on behalf of the petitioners, to facilitate, oversee and demand action on the backlogs and feedback on queries relating to service delivery issues from the provincial departments.

With respect to meaningfully involving the public in the business of the GPL, the legislature held a number of committee outreach programmes, stakeholder engagements and sector parliaments. Sector parliaments are used by the GPL as a tool to enhance public participation and deepen democracy by involving specific targeted groups in the legislature's activities of oversight, law-making, and public participation. In this regard, the legislature held four sector parliaments in this period under review. Furthermore, various feedback sessions were held to report back on the resolutions emanating from the sector parliaments or community queries raised during the "*Taking the Legislature to the People*" activities.

The GPL committees were hard at work to discharge the law-making mandate of the institution. The committees have recorded substantial progress to ensure that laws passed are responsive to the needs of the people. This is done through the process of drafting Bills as well as through referral of Bills to the National Council of Provinces (NCOP) to ensure that not only do the Bills pass constitutional muster, but that they are also representative of the needs of the people of Gauteng.

In the period under review, the GPL considered approximately eight (8) Bills that comprised four (4) NCOP Bills and four (4) provincial Bills.

It is important to note that the committees of the legislature do not exist and work as islands unto themselves. As legal formations, they collectively represent the interests of the people and thus, through the Committees Oversight and Accountability Framework (COVAC), they have reported on the meaningful partnerships that have been created, maintained or sustained with government institutions and constitutional bodies. This is to ensure that the oversight, public participation and law-making work conducted by the committees is shared, corroborated, peer-reviewed and strengthened through cooperative governance processes.

During the period under review, committees have maintained meaningful involvement of the public and established sustainable partnerships with key stakeholders. This includes Chapter 9 Institutions (i.e. the Auditor-General of South Africa, the Human Rights Commission, the Electoral Commission, to mention a few), civil society organisations, media, and traditional leadership organisations. Committees thus remained key in promoting and intensifying meaningful involvement of the public and key stakeholders in the SOM imperatives, particularly during the budget and annual report processes.

Having noted the considerable achievements made by the committees during the period under review, it is clear that they have delivered on their mandates and given effect to the constitutional provisions as well as the Standing Rules with respect to oversight and scrutiny, public participation, law-making and cooperative governance. The relentless and in-depth focus on oversight proves that the GPL is serious about holding the Executive accountable, thereby ensuring that planned performance is indeed achieved.

However, no improvement is to be considered with complacency and relief, but with a sense of pride for the mission now at hand is to ensure that the Sixth Legislature is a vast improvement and strengthening of the achievements registered in the previous Terms.

1.2 Organisational environment

In the year under review, the institution managed to sign a mutually agreeable contract with organised labour. Albeit the agreement was reached under continuously declining economic conditions, it symbolises a relationship, strength and willingness of the parties to engage fruitfully. In spite the fact that the relationship between the GPL management and organised labour has become tense, the signing of the agreement signifies a relationship that has the potential to mature further. The cornerstone to the relationship is the establishment of the Labour Employer Organisation (LEO), centralising collective bargaining to which the Gauteng Legislature and the majority union are represented. The human resources value chain continues to uphold and enshrine the relevant legislative framework in which it operates, resembled by the good governance principles that are in place.

The effective implementation of the human resource value chain resulted in the successful appointment of critical senior managers. **The overall institutional vacancy rate is**

2.4%.

The Organisational Development (OD) Project, guided by the tenets of the 4th Industrial Revolution (4IR), is in the final stages of completion. Approval of the final OD Report is anticipated in the next reporting period, and the institution is poised to implement the recommendations of the report to ensure that it is strategically positioned to achieve its strategic mandate.

1.3 Key policy developments and legislative changes

During the reporting period, there were no major key policy developments and/or legislative changes that affected the mandate of the GPL. However, in the ensuing financial year, the GPL will further process the development of the Gauteng “Integrity Act” in close collaboration with the national parliament.

1.4 Strategic Outcome-Oriented Goals

The GPL has one strategic outcome-oriented goal:

“To be a responsive legislature that fosters public confidence”.

It is supported by six (6) strategic objectives, and progress made towards achieving this five-year goal is provided below.

S01	Improved accountability by the Executive to the legislature in respect of service delivery.
S02	Improved meaningful involvement of the public in the legislature business.
S03	Increased responsiveness of laws to meet the needs of the people of Gauteng.
S04	Fostered coherent and coordinated legislative sector.
S05	Enhanced public confidence in the governance and leadership of the legislature.
S06	Modernised business practices towards supporting the functions of the legislature.



2. Performance information by programme

2.1 Programme 1:



Leadership & Governance

The purpose of Programme 1 is to provide overall strategic leadership and direction to the institution. The core function of the programme is to ensure alignment of the legislature processes as outlined in the GPL's Five-Year Strategy, and to monitor and oversee the execution of institutional obligations.

In addition, the programme provides leadership and direction to the Legislature Services Board (LSB) and safeguards the strategic political management of the Presiding Officers and Office Bearers, including the strategic management of committees to ensure political outcomes. The programme comprises six subprogrammes, namely: the Office of the Speaker, the Office of the Deputy Speaker, the Office of Chairperson of Committees, the Office of Deputy Chairperson of Committees, the Legislature Services Board, and the Inter-Legislature Relations Office. Although Programme 1 contributes to all six (6) GPL strategic objectives, the focused contribution is in four strategic objectives, namely: Improved accountability by the Executive in respect of service delivery, Improved meaningful involvement of the public in the legislature business, Fostered coherent and coordinated legislative sector, and Enhanced public confidence in the governance and leadership of the legislature.

Strategic objectives, performance indicators, planned targets and actual achievements

House committees are the engine through which the legislature discharges its day-to-day constitutional mandates it is entrusted with. During the period under review, committees utilised various oversight tools such as

resolutions, unannounced and announced oversight visits, focused intervention studies, and scrutiny of Bills and regulations to strengthen the effectiveness of legislative oversight. Oversight visits are conducted to various service delivery sites to oversee the level of service delivery in the province. Several feedback sessions were held with respective Gauteng communities, and media platforms were also used extensively to engage with the people of Gauteng, thereby profiling the work of the committees.



While Programme 1 contributes to the execution of the six strategic objectives of the legislature, it has made specific contribution towards the three strategic objectives, namely:

STRATEGIC OBJECTIVE	STRATEGIC OBJECTIVE	STRATEGIC OBJECTIVE
01	02	05
Improved accountability by the Executive to the legislature with respect to service delivery;	Fostered coherent and coordinated legislative sector; and	Enhanced public confidence in the governance and leadership of the legislature.

To realise the strategic intent of Strategic Objective 1, the Sector Oversight Model (SOM) is operationalised through the Committees Oversight and Accountability Framework (COVAC). This work is championed by the Office of the Chairperson of Committees, and it includes monthly and quarterly performance assessments of all the committees. The findings are then presented to the chairpersons of various portfolios at the Standing Committee of Chairpersons Review sessions. As one of the highest decision-making bodies in the institution, this forum provides a space for robust engagements and peer review into the performance of the committees.

The GPL, as guided by Programme 1, has continued to foster a coherent and coordinated legislative sector through the participation at both political and administrative level in the local, regional and international platforms. To this end, the legislature participated in the forums such as the National Speakers' Forum (NSF), Commonwealth Parliamentary Association (CPA) Africa Region Conference, CPA Africa-Region Society of Clerks-at-the-Table (SoCATT), CPA International Conference, National Conference of State Legislatures (NCSL) Summit, and Secretaries Association of Legislatures of South Africa (SALSA). The GPL implemented various sector strategies, frameworks and standards that have been put in place through these forums and coordinated by the Legislative Support Services (LSS). The aim is



to facilitate standard practices across the sector. Such implementation at the sectoral level enhanced and promoted collaboration among the legislative arms at different spheres of government.

The GPL is also central in coordinating the work of the Commonwealth Parliamentary Association (CPA). During the period under review, it prepared and delivered a paper at the fourth CPA SoCATT Africa Region meeting, which was held in Zambia in June 2019. The seminar was held under the theme 'Supporting Parliamentarians to provide effective oversight of National Development Plans and Strategies in the context of the SDGs and Agenda 2063'.

The GPL has also been the epicentre for benchmarking by other legislatures. In this reporting period, it hosted

delegations from the parliaments of India, New Zealand, the Oromia State of Ethiopia, Bermuda, Ghana, Nyandarua County of Kenya and Namibia. It also delivered a groundbreaking paper at the 41st Annual Council on Governmental Ethics Law (COGEL) International Conference, which was held in Chicago in December 2019.

In this reporting period, the legislature played a very critical role as legislatures were preparing themselves for the disestablishment of the Fifth Administration and the establishment of the Sixth Administration. This meant that the legislative sector had to develop sector-wide frameworks, procedures and manuals that will facilitate a uniform approach for this process by all the stakeholders in the ten legislatures across the country. Specifically, this included the Orientation Manual for the incoming Members of the Parliament and Legislatures; the

Committee Procedure, Practice and System; and review of the templates for oversight reporting.

The Gauteng Legislature spearheaded the Gauteng Speakers' Forum – a forum established to strengthen the uniform approach to legislative oversight across the municipalities and the provincial legislature, and share insights about emerging practices. Quarterly meetings of the forum as well as those of its task teams were held to monitor the activities that were taking place across the municipalities. The GPL Multi-Party Women's Caucus also continued to provide support to the established Multi-Party Women's Caucuses at the municipality level, as well as to those municipalities that were planning to establish this forum.

Performance indicators

Leadership & Governance | Programme / Subprogramme

No.	Performance Indicator		Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
Strategic Objective 1: Improved accountability by the Executive to the legislature in respect of service delivery							
1.1	Number of quarterly oversight reports on the performance of committees		4	4	4	No deviation	None
Strategic Objective 4: Fostered coherent and coordinated legislative sector							
4.1	Number of reports on fostering a coherent legislative sector		4	4	4	No deviation	None
Strategic Objective 5: Enhanced public confidence in the governance and leadership of the legislature							
5.1	Number of initiatives conducted to promote the ethical conduct in the GPL		1	1	0	Seminar was rescheduled to comply with the National State of Disaster Regulations to address COVID-19 pandemic.	Seminar has been rescheduled and will take place in the next reporting period



Performance deviation and reasons for non-performance:

The performance deviation was reported under one performance target i.e instead of namely, 'the number of initiatives conducted to promote the ethical conduct in the GPL'. The Ethics Seminar that was planned to take place in March 2020 was postponed. This was as a result of the Gauteng Legislature complying with the declaration of COVID-19 as a disaster by His Excellency, President Matamela Cyril Ramaphosa in March 2020.



Strategy to overcome areas of underperformance: The Gauteng Legislature has deferred the Ethics Seminar to June 2020.



Changes to planned targets: There were no changes made to the performance targets in the 2019/2020 financial year.

Looking Ahead - 2020/2021

- 1** Continue to measure the performance of the GPL committees, through quarterly oversight reports, in order to strengthen oversight and scrutiny.
- 2** Maintain oversight on the discharge of the GPL law-making mandate, through annual oversight reports, to ensure vigilance in monitoring the implementation of laws that it has passed.
- 3** Enable inter-legislative relations through implementation of the integrated GPL Inter-Legislature Relations (ILR) Strategy.

2.2 Programme 2:



Office of the Secretary

The Office of the Secretary provides strategic management to the institution as well as overall management and administration. It serves as the custodian of the development and implementation of the strategy and provides strategic, tactical and operational leadership to the GPL administration for the achievement of the institutional mandates of oversight and scrutiny, law-making, public participation and cooperative governance.

The office is established to enable the Secretary to the Legislature to fulfil administrative and financial obligations in line with applicable legislation and legal directives. The programme consists of strategic management; planning, monitoring and evaluation; cooperative advice, transversal mainstreaming as well as Project Governance Office. The programme also consists of the Office of the Integrity Commissioner fulfilling its mandate in line with the GPL standing rules and Rule 282 of the Standing Rules which makes provision for the appointment of an Integrity Commissioner whose functions are prescribed under Rule 281. It plays a critical role in providing strategic direction to facilitate effective decision-making by the GPL administration. The programme achieves this through the Secretariat, which is the highest decision-making body in the institution. In this reporting period, the Secretariat focused on monitoring and tracking progress on decisions based on reported performance information and institutional strategic projects.

Strategic objectives, performance indicators, planned targets and actual achievements



The programme contributes to all strategic objectives. It ensures alignment of strategy to operational plans, monitors the GPL programmes in their performance, and directly responds to:

STRATEGIC OBJECTIVE

05

Enhanced public confidence in the governance and leadership of the legislature.

This reporting period was a prelude to the Sixth Legislature, which required the development of the Institutional Five-Year Strategic Plan in line with the Financial Management of Parliament and Provincial Legislatures Act (FMPPLA). The GPL Strategy was developed and tabled in compliance with the said regulatory framework. Furthermore, it was developed to ensure that staff is focused on performance and achieve results at the end of the Fifth Administration, with an overall performance at 77% for the period under review.

In compliance with the Contract Management Framework, the status of all contracts in relation to duration, costs and purpose was monitored and tracked through the contract register and reported at various structures. This was to ensure streamlining of contract management, management of risks of each contract as well as aligning the procurement process in terms of cancellations and renewals. This also



ensured that all stages of decisions of the Legislature Acquisition Council are properly followed.

In this reporting period, several key activities were undertaken to improve the culture of performance. These include the rollout of the transversal mainstreaming training to create awareness and build capacity for both Members and staff on cross-cutting issues of marginalised groups. The programme facilitates awareness, knowledge and skills for Members, managers and staff to mainstream human rights and transversal issues of gender, youth, disability and race (GE-YO-DI-R) in the mandates and operations of the GPL, thereby enabling the institution to contribute to the country's transformation goals.

A total of four of training sessions were held. The face-to-face training reached both the internal and external participants (i.e. other government departments and municipalities). Additional online training that focused specifically on gender-responsive budgeting saw a total of 38 out of 46 enrolled staff and Members successfully completing the three-week course. With this training, there is an increased level of awareness at the various levels of the institution, and it is anticipated that lessons learnt through these initiatives will be incorporated into the institutional planning and budgeting for future implementation. This project thus established a systematic basis for planning and measuring the performance of the GPL in mainstreaming issues of gender, race, youth and disability, as well as exploring challenges hindering the required progress in mainstreaming gender and human rights.

One key area of investigation to better understand perceptions that drive media portrayal of people based on stereotypes relating to gender, race, disability and youth was explored in the current reporting period and will be implemented in the next reporting periods.

Through the Office of the Integrity Commissioner (IC), the institution complied with Part 4 (20)(3) of the Code of Conduct, which requires that Members disclose their registrable interests within 30 days after the Official Opening of the Legislature for the reporting period. In this regard, the Office of the Integrity Commissioner also undertook a scrutiny of the Register of Members' Interest for the 2018/2019 financial year but only published it in the period



under review. The register for 2019/2020 has been completed and will duly be published in the next reporting period as prescribed in the Code. The office continues to provide services to the Members in line with the mandate of the Integrity Commissioner.

During this period, the GPL continued to provide leadership by overseeing and monitoring the implementation of institutional projects, through the Project Governance Office. The GPL's capacity and capability to successfully implement projects was assessed as part of the overall Organisational Development Project and it is anticipated that the implementation of its recommendation will strengthen project governance across the institution. Key achievements include the review and implementation of the governance framework to deliver efficient and effective management of projects and contracts. Through this programme, the institution was introduced to the Introduce Basic Institutional Project Support Network and Guidelines. The guidelines are aimed at harnessing and enhancing aspects of the Project Management Methodology, Project Management Governance Framework, and the Project Management Process Framework of the Legislature.

Performance indicators

Office of the Secretary | Programme / Subprogramme

No.	Performance Indicator	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
Strategic Objective 5: Enhanced public confidence in the governance and leadership of the legislature							
5.2	Number of performance information reports on APP progress	5	5	6	6	No deviation	None
5.3	Number of transversal mainstreaming capacity development training conducted	New indicator	4	4	4	No deviation	None
5.4	Develop and approve the 2019-2024 Strategic Plan	New indicator	New indicator	1	1	No deviation	None



Changes to planned targets: No changes were made to the subprogramme's performance indicators or targets during the reporting period.



Changes to planned targets: No changes were made to the subprogramme's performance indicators or targets during the reporting period.



Looking Ahead - 2020/2021

- 1** Implement initiatives that strengthen leadership development at all levels, and promote transformation of services and a culture of performance.
- 2** Implement transversal mainstreaming training and gender-responsive budgeting.
- 3** Integrate GPL systems, processes and procedures.
- 4** Strengthen the institutional project governance capacity to ensure an effective project implementation and benefit realisation management in the period ending 2024/2025.
- 5** Continue to provide services to the Members in line with the mandate of the Integrity Commissioner.

2.3 Programme 3:



Corporate Support Services

The purpose of the Corporate Support Services is to give support to all internal stakeholders. These include providing enabling facilities and benefits for Members and their political parties, rendering human resource and Members' facilities management services; providing household, security and logistical services, including facilitation of occupational health and safety services; rendering administrative and user support services, as well as enhancing and maintaining information technology infrastructure.

Programme 3 is a support function comprising four (4) directorates, i.e. *Members' Affairs, Operational Support Services, Institutional Support Services as well as Information Communication Technologies.*

Strategic objectives, performance indicators, planned targets and actual achievements



Although the programme contributes to all the set strategic objectives, it specifically contributed, in this reporting period, to:

STRATEGIC OBJECTIVE	STRATEGIC OBJECTIVE
05	06
Enhanced public confidence in the governance and leadership of the legislature.	Modernised business practices towards supporting the functions of the legislature.

The programme has the responsibility to ensure that customised / enabling corporate support services provided to the institution enable political parties and Members

to discharge their mandate in an effective and efficient manner. The services provided include capacity building, property and facility management services, information and communication technologies, people management, and human and other operational services to political parties and Members.

This reporting period coincided with the last year of the Fifth Legislature and a successful transition into the establishment of the Sixth Legislature executed. This included the ushering in of returning and new Members into the Sixth Legislature. As such, an intensive induction programme including several mandatory training sessions designed to strengthen the capacity of members to deliver on their constitutional mandate was implemented.

Scheduled training included orientation into the constitutional mandates of *oversight, law-making and public participation, understanding of the legislative environment, Sector Oversight Model and the GPL Standing Rules.*

This resulted in a **69%** achievement of scheduled training planned for the opening year of the Sixth Legislature.

In the period under review, the party fund and constituency allowances were made timeously to all political parties represented in the GPL to enable them to establish and maintain infrastructure to serve the interests of their constituents. These transfers were made in terms of Section 35 (1) of the Financial Management of Parliament and Provincial Legislatures Act (Act 10 of 2009) and comprehensive policies, which guide the spending of the transfer payments. Each political party represented in the legislature signed a memorandum of agreement and the implementation thereof was monitored and reported accordingly. The transfers made to political parties were audited and all five (5) parties achieved clean audit outcomes, which is attributable to the support and monitoring offered to the parties by the GPL.

The GPL's ICT Governance Framework is aligned to the King IV Report, the Department of Public Service and Administration's (DPSA) Governance of ICT Framework, Control Objectives for Information and Related Technologies (COBIT) and Information



Technology Infrastructure Library (ITIL) principles. In this reporting period, the GPL complied fully with the prescripts of the ICT Governance Framework.

Although the risk of ageing ICT equipment is a concern, infrastructure availability has improved as a result of completion of the Enterprise Composite Model (ECM) project. *Through this project, all network infrastructure devices in the Main Building were replaced.*

This resulted in infrastructure availability of

95.2%

against the projected target of 90%.

The next year's projection is set at 95%.

The main aim is to ensure access to Information and Communications Technology (ICT) to improve the efficacy of business of the GPL. ICT is a critical enabler of GPL processes and the functions of oversight, law-making, public participation and co-operative government.

One of the key highlights of this reporting period is the establishment of a partnership between the GPL and Microsoft, which is currently supporting the migration of GPL servers to the Cloud as part of the 4th Industrial Revolution (4IR) initiative to modernise the legislature. Several efforts have also been taken to secure the GPL against cyber attacks. The GPL is committed to developing and improving the services it delivers. It is also committed to upholding its core values, namely: *integrity, professionalism, courtesy, transparency and respect.*

The GPL recognises the importance of investing in the development of its staff, both individually and collectively. Executive management has established a range of key strategies and initiatives designed to support the achievement of this, as detailed in Part E of this report. The institution embarked on the Organisational Development (OD) exercise to review the current organisational structure to ensure that the new design is aligned to the institutional strategy. Activities of this initiative incorporated job evaluation, skills audit and job matching and other related focus areas. The initiative is almost at the final stage. The implementation of the various recommendations of the OD exercise will ensure that the structure is fit for purpose and follows strategy towards realisation of

priorities set for the Sixth Legislature. It is anticipated that implementation will commence in the 2020/2021 financial year.

Furthermore, a total of **13** administration policies were reviewed by the Policy Committee and **five (5)** of them were approved by the LSB.

During this reporting period, the GPL continued to provide a conducive working environment, which is an essential element to ensure effective and efficient proceedings of the legislature for both Members and staff alike. In this reporting period, the legislature continued to provide both physical built environment services that cover people, the organisation and its work psychology, and occupational physiology. Other services included fleet management as well as improved measures to secure the legislature and its related facilities. During this reporting period, there was an increase in the capacity of water tanks in the Main Building, and offices were successfully allocated after the establishment of the Sixth Legislature.



Performance indicators

Corporate Support Services Programme / Subprogramme							
No.	Performance Indicator	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target 2019/2020	Comment on deviations
Strategic Objective 5: Enhanced public confidence in the governance and leadership of the legislature							
5.5	Percentage implementation of scheduled Member training programmes	N/A	N/A	60%	69%	9%	The GPL programme allowed for more training time for Members than anticipated.
Strategic Objective 6: Modernised business practices towards supporting the functions of the legislature							
6.1	Percentage availability of all IT infrastructure services	N/A	N/A	90%	95%	5%	The risk of ageing infrastructure was addressed by installing new network equipment.



Strategy to overcome areas of underperformance: There were no areas of underperformance in this reporting period.



Changes to planned targets: No changes were made to the subprogramme's performance indicators or targets during the reporting period.



Looking Ahead - 2020/2021

- 1** Finalise and implement the Sixth Term ICT Strategy to modernise the legislature and leverage technology to achieve the constitutional mandate and simultaneously addressing ICT risks associated with the adoption of technology.
- 2** Sign Memorandum of Agreements (MoAs), conduct courtesy visits with political parties, as well as build capacity for Members to effectively execute their mandates.
- 3** Continue with the implementation of the Space Optimisation Project by appointing a technical advisor (TA) and conducting a feasibility study, and procurement of services for new space for the GPL will ensue.
- 4** Finalise the OD Project and commence with the implementation and resourcing of the proposed structure.
- 5** Develop and implement a Five-year Human Resource Strategy aligned to the priorities of the Sixth Legislature.

2.4 Programme 4:



Core Business

The purpose of the Core Business Programme is to provide comprehensive support to the House and its committees to be able to advance the constitutional mandates of law-making, oversight and scrutiny over the work of the Executive, public participation and cooperative governance. In all the mandates, Core Business ensures public involvement by the people of Gauteng in the business of the legislature, through the provision of adequate support to different public participation initiatives and creation of platforms that ensure effective participation.

The programme consists of three subprogrammes that play a central role in the attainment of key strategic objectives of the GPL, namely: *Parliamentary Business, Communications & Public Participation and Petitions, and Information and Knowledge Management.*

Strategic objectives, performance indicators, planned targets and actual achievements



In the current reporting period, the programme contributed to all strategic objectives which support the constitutional mandates of the legislature as part of integrated programme implementation. However, specific contribution was mainly to the four key strategic objectives (SO):

STRATEGIC OBJECTIVE	STRATEGIC OBJECTIVE	STRATEGIC OBJECTIVE	STRATEGIC OBJECTIVE
01	02	03	05
Improved accountability by the Executive to the legislature in respect of service delivery;	Improved meaningful involvement by the public in the legislature business;	Increased responsiveness of laws to meet the needs of the people of Gauteng; and	Enhanced public confidence in the governance and leadership of the legislature.

In executing the mandates, the programme continued to provide comprehensive professional support to the legislature through procedural and legal support as well as the coordination and administration of House and committees business. Further support was provided through communications, information and research support to the entire institution. In strengthening oversight and scrutiny, the programme continued to support the implementation of the Sector Oversight Model (SOM) and other oversight tools.

In line with the SOM imperatives, the House, through its committees, produced **141** oversight reports

on the work of the provincial departments, comprising **64 quarterly, 44 annual, and 18 budget reports.** Furthermore, **15 Focused Intervention Study (FIS) reports** were produced and focused on the following areas:

- » Emerging partnerships in the implementation of the Township Economy Revitalisation Strategy: An Assessment of the Pick 'n Pay Market and Spaza Shops Model.
- » An assessment of the infrastructure development projects within the Sports and Recreation Programme:





A case study of Operation Mabaleng and HM Pitje Stadium.

- » Assessment of progress made on the Deliverology Programme in reducing crime and pedestrian fatalities in the 40 priority police stations in Gauteng.
- » Examination of sound financial management at the Emfuleni Local Municipality [Pillar 2 of the Back to Basics (B2B) Programme].
- » An assessment of an extent to which the abandoned housing projects contributed to the loss of housing opportunities: A case of selected townships in the Emfuleni Region.
- » An FIS arising from the budget of the Gauteng Department of Social Development for the 2019/2020 financial year: Functionality of the Change Agent Programme as an Exit Strategy linked to the Foodbank Programme.
- » A Focused Intervention Study on the Ambient Air Quality of the Gauteng Province.
- » Revisiting tourism as a sector for economic development and growth in Gauteng: Destination Marketing and Support.
- » Assessment of the role of the Gauteng Provincial Disaster Management in addressing the sinkholes in the West Rand District Municipality (WRDM), i.e. Merafong (Carletonville), during the 2018/2019 financial year, and the assessment of the Municipal Infrastructure Grants expenditure and performance of the WRDM based on the five pillars of the Back to Basics Programme;
- » Assessment of the capacity of the Gauteng Department of Community Safety to oversee the performance and conduct of law-enforcement agencies.
- » Assessment of support provided to schools of specialisation and technical schools in Gauteng Province.
- » Assessing the efficiency of emergency services in Gauteng.
- » An FIS Report emanating from the annual report of the Department of Human Settlements (DHS) for the 2018/2019 financial year on the evaluation of the 1996 housing allocation: A case of Rand West Region.
- » An FIS Report on the Office of the Premier's Tshepo 1 Million Programme.
- » An investigation into the challenges related to the infrastructure development projects in Gauteng: A case of community libraries.

The oversight reports as well as the FIS reports, referred to above, were subsequently tabled and adopted by the House, culminating into

842 House resolutions

that were passed in the year under review.

House resolutions are a mechanism applied to gauge the effectiveness of the legislature on its role of oversight and scrutiny to hold the Executive accountable. In this reporting period, processing of resolutions meant that eight hundred and forty-two (842) House resolutions were communicated to the relevant Executive.

Five hundred and fifty-six (556) responses² were received and referred to the respective House committees for oversight purposes, which include tracking the implementation of these resolutions by the provincial departments. The legislature also uses questions and Motions as oversight tools to hold the Executive accountable. In the reporting period, a total of 976 questions (i.e. 858 questions for written reply and 118 questions for oral reply) were processed.

The processing of Members' questions for oral and written responses involved editing the questions for compliance with the Standing Rules, communicating them to the Executive and publishing them in the Question Papers.

In addition, a total of **10** Motions were passed by the House (refer to the table below for the list of these Motions).

Processing of Motions meant that all 10 substantive Motions, after selection by the Programming Committee, were subsequently placed on the Order Paper for debate and to be voted on in the House plenary.

² The responsibility for responding to resolutions rests with the executive to whom the resolutions are put.



Motions debated by the House Plenary in the 2019/2020 financial year

01	Motion on the payment of compensation to the families of the victims of the Life Esidimeni tragedy which falls under the jurisdiction of the Office of the Premier.
02	Motion on the Department of Social Development's Financial Plans.
03	Motion on vandalism in Gauteng.
04	Motion on the 16 Days of no Violence against Women and Children.
05	Motion on the outsourcing of property management functions.
06	Motion on the adoption of the Gauteng Appropriation Bill.
07	Motion on Gender-Based Violence.
08	Motion on the adoption of the Provincial Adjustment Appropriation Bill [G002-2020] for the 2019/2020 financial year.
09	Motion on Women's Month.
10	Gauteng Provincial Appropriation Bill [G003-2019]

The petitions, as an oversight mechanism, provided a platform for the people of Gauteng to submit their petitions or complaints to the legislature, as provided for by the Gauteng Petitions Act. The petitions system allowed the Petitions Standing Committee (PSC) to facilitate, oversee and demand action on the backlogs and/or feedback on queries relating to service delivery from the provincial departments, and to provide feedback to the petitioners.



The processing of petitions involved providing administrative support in terms of receiving and registration of petitions submitted and ensuring thorough preparation of submissions for consideration by the PSC.

In the period under review, a total of

111 petitions were received from the public.

Of this total, 62 were tabled before the PSC for consideration.

To build and maintain records of the House, all the House proceedings as well as committee meetings were recorded. Transcripts of the House Sittings were produced and published. On the public participation front, several public participation initiatives were undertaken in support of the legislature business such as House Sittings, committee outreach programmes and stakeholder engagements, Speaker's Outreach Programme and sector parliaments. Sector parliaments are used by the GPL as a tool to enhance public participation and deepen democracy by involving specific targeted groups in the business of the legislature of oversight, law-making, and public participation. A total of four (4) sector parliaments took place as listed.

01 | Children's Parliament



Atteridgeville Hall,
Tshwane Region

05 July 2019

03 | Senior Citizens Parliament



Chief Mogale Hall, Kagiso

11 October 2019

02 | Women's Parliament



Tsakane Menzi Primary
School, Ekurhuleni

16 August 2019

04 | People with Disabilities Parliament



Sedibeng Region

04 December 2019



Additionally, various feedback sessions were held to report back on the resolutions emanating from the sector parliaments or community queries raised during the activities of the Taking the Legislature to the People. Public education with a focus on civic education formed the core of the work undertaken in this reporting period. The implementation of the GPL Integrated Communication Strategy resulted in several key achievements towards meaningful involvement of the people of Gauteng in the business of the legislature.

To this end, the GPL used different media platforms including mainstream media (print, radio and television) and social media (that is, Facebook, Twitter and Instagram) to engage the people of Gauteng.

These platforms contributed towards a notable **increase of awareness and visibility about the activities that were taking place at the Gauteng Legislature, reaching at least**

+924 468
people in the year under review.

The institution also hosted a successful First Sitting of the Sixth Session of the Legislature at the University of Johannesburg (Soweto Campus), City of Johannesburg, on 1 July 2019, under the theme, “Growing Gauteng Together”. This was followed by another successful State of the Province Address, which was held on 25 February 2020 at the Sefako Makgatho Health Sciences University (SMU), City of Tshwane, under the theme, “Building the Gauteng City Region of our Dreams”.

In August 2019, the GPL hosted the 5th Annual Vita Basadi Awards to recognise excellence by Gauteng women in various industries and acts of community service throughout the city region. **Through this initiative, the Honourable Speaker, Ntombi Mekgwe, honoured at least 10 Gauteng women in eight (8) general and two (2) special categories as follows:**

Award Category	Winner	Runner-Up
1. Community Builder of the Year	Kgomotso Nyalungo	Carol Madumo
2. Community Heroine	Bathabile Moreki	Nonhlanhla Mazaleni
3. Woman of Honour	Stacey Lee May	Julia Sheila Sekhitla
4. Youth Philanthropist	Lungako Magida	Katleho Paballo Makupu
5. Outstanding Creative	Lebohang Monyatsi	Nomsa Manaka
6. Unsung Legend	Matodzi Irene Mawela	Maria Diamond
7. Young Dignitary	Lethabo Monametsi	Tsholofelo Phakathi
8. Guardian Award	Lerato Mngomezulu	Candy Portia Mabala

Special category

1. Mary Ramaesela Phalane	Lifetime Achievement Award - Supercentenarian: 110 Years Old
2. Steve Real Letsika	Speaker's Special Award Human Rights Activism





Law-making power in Gauteng is vested in the Gauteng Provincial Legislature by Constitution. Section 114 (1) of the Constitution mandates it to consider, pass, amend or reject any Bill before it and initiate or prepare legislation.

The legislature also participates in the National Council of Provinces (NCOP) to ensure that all the Bills passed by parliament represent the interests and needs of the people of Gauteng. In the period under review, the GPL considered eight Bills that comprised four (4) NCOP Bills and four (4) provincial Bills.

The table indicates the **names of the Bills that were passed or mandates given by the GPL** during the year under review.

Type of Bill	Name
Section 76 Bills	1. Traditional Courts Bill [B1B-2017]
	2. Local Government Municipal Structures Amendment Bill [B19-2018]
	3. Customary Initiation Bill [B7B-2018]
Section 77 Bills	1. Division of Revenue Amendment Bill [B15-2019]
Provincial Bills	1. Gauteng Provincial Appropriation Act [G003-2019]
	2. Gauteng Appropriation Bill [G001-2020]
	3. Gauteng Provincial Adjustment Appropriation Bill [G005-2019]
	4. Gauteng Provincial Second Adjustment Appropriation Bill [G002-2020]

To enhance public confidence in the governance and leadership of the legislature, a study on the efficacy of laws passed in Gauteng was planned. However, due to the challenges of finding a suitable service provider timeously, the study could not be concluded in the financial year under review. It has been rolled over into the new financial year.

Performance indicators

Programme / Subprogramme:							
No.	Performance Indicator	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
Strategic Objective 1: Improved accountability by the Executive to the legislature in respect of service delivery.							
1.2	Number of Sector Oversight Model (SOM) imperative reports produced	49 quarterly oversight reports	64 quarterly oversight reports	64 quarterly oversight reports produced	64 quarterly oversight reports produced	No deviation	N/A
		16 budget oversight reports produced	16 budget oversight reports produced	16 budget oversight reports produced	18 budget oversight reports produced	2 additional reports were produced on the Gauteng Provincial Adjustment Appropriation Bill for the 2019/2020 FY and the Gauteng Provincial Second Adjustment Appropriation Bill for the 2019/2020 financial year	The 16 budget oversight reports are as per the standard in line with SOM requirements, and these informed the planned target. However, given the requirements to consider the two (2) Adjustment Appropriation Bills, the additional (2) reports had to be produced.
		30 annual oversight reports produced	46 annual oversight reports (which included the budget Votes)	30 annual oversight reports produced	44 annual oversight reports produced	14 additional annual oversight reports were produced for the agencies of the provincial departments	The planned target is informed by the 15 Departmental Votes, plus 15 SCOPA Reports on the same Votes, not the agencies' reports. However, once these agencies' reports were tabled, they were also considered and reported on)
		21 FIS Reports produced	20 FIS Reports produced	20 FIS reports produced	15 FIS reports produced	5 FIS reports produced	The variance will be considered by committees in the new financial year
1.3	Percentage of committee inquiries conducted by the legislature	100%	100%	100%	None	No committee inquiry was undertaken in this financial year.	The committees have tabled a plan, outlining the committee inquiries that will be undertaken in the Sixth Legislature.
1.4	Number of regulations processed by the House	N/A	100% (9 regulations processed)	3	3 regulations were processed by the House	No deviation	N/A
1.5	Percentage of House resolutions communicated to the relevant Executives	100%	93% (625 of 724 resolutions communicated and 307 of 321 replies referred)	100%	100% (842 House resolutions were communicated to the relevant Executives)	No deviation	N/A

Programme / Subprogramme:

No.	Performance Indicator	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
1.6	Percentage of responses to House resolutions received referred to relevant House Committees	N/A	93% (625 of 724 resolutions communicated and 307 of 321 replies referred)	100%	100% (556 responses to House resolutions received were referred to the relevant House committees)	No deviation	N/A
1.7	Percentage of Questions referred to the relevant Executives	N/A	100% (1 127 questions)	100%	100% (976 questions referred to the relevant Executives)	No deviation	N/A
1.8	Percentage of Questions placed on the Question Paper	N/A	New indicator	100%	100% (976 questions placed on the Question Paper)	No deviation	N/A
1.9	Percentage of Motions considered by the House	N/A	100% (21 Motions)	100%	100% (10 Motions considered by the House)	No deviation	N/A
1.10	Percentage provision of records services to the House	100%	100% (29 House Sittings – although it was a composite target)	100%	100% (21) provision of records services to the House	No deviation	N/A
	Percentage provision of records services to the committees	N/A	100% (344 committee meetings – although it was a composite target)	100%	100% (264 of 264) provision of records services to the committees	No deviation	N/A

Strategic Objective 2: Improved meaningful involvement by the public in the legislature business

2.1	Percentage of petitions considered by the Legislature	93% (79 out of 80 petitions)	60% (86 of 144 petitions)	100%	56% (62 of 111 submissions were considered, with 4 submissions separated into 8 petitions).	44% (49 submissions were not tabled before the PSC for consideration. The committee considered 58 submissions from the backlog).	Petitions will be processed by the PSC and all portfolio committees of the legislature. This will assist in eliminating backlog and ensuring quicker resolution of petitions by the legislature.
2.2	Percentage increase in the people of Gauteng who participate in the business of the GPL	329% (101 665)	15 069	20% (12 200)	- 8% (9325 from the baseline of 10 167 from the 2017/2018 financial year = 842)	28% (2 875). Planned activities had to be adjusted to comply with the National State of Disaster Regulations to address COVID-19 pandemic	The GPL is working on a new approach to deal with public participation as a constitutional imperative. The new approach will be presented to the various governance structures of the legislature for approval.

Programme / Subprogramme:

No.	Performance Indicator	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
2.3	Percentage year-on-year increase on GPL social media presence and activities	New Indicator	135 617	5% (96 073)	910% (924 468)	905% (828 395)	There has been a noticeable increase in the number of people following the GPL Social Media and an increased focused of the utilisation of the platform by the legislature.

Strategic Objective 3: Increased responsiveness of laws to meet the needs of the people of Gauteng

3.1	Percentage of Bills processed by the GPL	100%	100% (19 Bills: 9 Section 76, 1 Section 77, and 9 Provincial)	100%	100% (8 Bills processed by the GPL – comprised 4 NCOP and 4 Provincial Bills)	No deviation	N/A
-----	--	------	---	------	---	--------------	-----

Strategic Objective 5: Enhanced public confidence in the governance and leadership of the legislature

5.6	Number of studies conducted – assessment on laws passed in Gauteng	New Indicator	1 Public Perception Survey Report produced	1	0	1	The GPL could not secure a reasonably qualified service provider timeously, and it has, therefore, decided to use both internal resources and outsource parts of the study. The project will be completed in the new financial year
-----	--	---------------	--	---	---	---	---



Performance deviation and reasons for non-performance: The performance deviation was reported under the following performance targets: the focused intervention study reports, the petitions processed, public participation, and an evaluation study into laws passed in the Gauteng Province. A number of challenges contributed to the reported performance deviation. This include, among others, the challenges with finding the suitably qualified service providers to undertake the evaluation study, and the disestablishment of the Fifth Legislature and the establishment of the Sixth Legislature, which meant that new Members of the Legislature had to be taken through an orientation programme before they could undertake their constitutional mandates with which they are entrusted. Furthermore, the declaration of COVID-19 as a disaster by His Excellency, President Matamela Cyril Ramaphosa, in March 2020, meant that most of the public participation activities planned to support the work of the House and its committees had to be cancelled.



Strategy to overcome areas of underperformance: The Gauteng Legislature has put measures in place to address reported non-performance areas. This includes, firstly, ensuring that the Petitions Standing Committee collaborates with other portfolio committees of the legislature to process petitions. This will assist to eliminate the backlog and ensure quicker resolution of petitions by the legislature. This collaboration was also approved at the Standing Committee of Chairpersons' session, which took place in March 2020. Secondly, to address issues of public participation, the GPL is working on a new approach of dealing with public participation as a constitutional imperative. The new approach will be presented to the various governance structures of the legislature for approval in the new financial year. The programme has developed a Public Participation Enhancement Plan to improve performance in the area of stakeholder mobilisation and participation. The plan includes allocating all sector parliaments to the relevant committees. This will enable the legislature to process resolutions generated from these parliaments. Furthermore, the legislature has prioritised the Speaker's Outreach Programme, focusing on civic education and school readiness programme. The GPL will soon launch an issue-based and targeted stakeholder management approach. The plan will lead to the development of a GPL stakeholder matrix, resulting in an interactive stakeholder engagement and public participation. Lastly, with respect to the focused intervention study reports and the study on laws passed, the activities have been rolled over into the new financial year. They will be concluded and reported on in the 2020/2021 financial year.

**Changes to planned targets:**

There were no changes made to the performance targets in the 2019/2020 financial year.

Looking Ahead - 2020/2021

- 1 Continue to provide an uninterrupted service and ensure that the business of the legislature is achieved through innovative initiatives.
- 2 Prioritise the utilisation of digital platforms to conduct oversight; enhance public participation and reposition the brand GPL.
- 3 Complete the study on laws passed, and implementation of the recommendations will enhance oversight and accountability on laws passed.
- 4 Complete the feasibility study on the implementation of Money Bills Amendment Act to give more powers to the legislature to amend Money Bills from the Executive.



2.5 Programme 5:



Chief Financial Officer's Office

Programme 5 is the custodian of governance processes as they pertain to financial management, supply chain management, as well as audit and risk management.

The purpose of the programme is to promote strong financial, supply chain and risk management practices through partnership processes with all programmes of the GPL and stakeholders for the realisation of the institutional strategic goals and objectives.

Strategic objectives, performance indicators, planned targets and actual achievements



The programme strives to raise financial resources equitably to ensure adequate funding for the implementation of the institution's strategic plan whilst promoting effective financial management in respect of revenue, expenditure, assets and liabilities. It contributes towards

STRATEGIC OBJECTIVE

05

Enhanced public confidence in the governance and leadership of the legislature.

Finance, Supply Chain and Risk Management activities were increasingly aligned and managed to promote good governance. This was to enhance a continuation of economic, efficient and effective utilisation of resources for the achievement of the GPL's objectives. The programme conducted workshops with management, to increase the understanding of their role and responsibility in adhering to relevant policies and procedures.

The programme continued with its objective of ensuring that the GPL achieved its stated objectives with limited resources, by implementing cost-cutting measures and prioritising activities and projects. It provided strategic leadership during the annual budgeting process to ensure adequate costing and funding of the annual performance plans were within available resources as aligned to the strategic objectives of the GPL. The programme coordinated and finalised the 2020/2021 budget of the GPL. In line with Section 51 of FMPPLA, financial reports were prepared on a monthly basis and submitted to both internal and external stakeholders within 15 days of each month. The programme coordinated and facilitated the 2018/2019 regulatory audit by the Auditor-General of South Africa, in line with the requirements of FMPPLA. An external audit strategy was developed to address the AG's reported findings. The implementation of the action plans was monitored and reported on throughout the period.

The Supply Chain Management (SCM), Asset Management Policy, Procedure Manual and Delegation Of Authority (DoA) were reviewed during the year to elevate the provision of professional SCM services to the next level. 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 2019/2020 financial year.



In response to the GPL's imperative of Taking the Legislature to the People, the programme reprioritised the allocation of business to local and township service providers. The programme ensured monthly reporting of HDIs, PwDs, women and youth participating in procurement processes. The table below depicts the results for the reporting year:

	% Targets	Quarterly Achievements				Annual Achievement
		Quarter 1 Apr 19 – Jun 19	Quarter 2 Jul 19 - Sep 19	Quarter 3 Oct 19 – Dec 19	Quarter 4 Jan 20 – Mar 20	2019/2020
HDIs	60%	70.56%	80%	67.30%	68.36%	71.56%
Female	30%	38.01%	46%	37.22%	36.13%	39.34%
Youth	10%	9.59%	15%	22.02%	11.67%	14.57%
PwDs	0.5%	1.01%	0.2%	3.64%	0.28%	1.28%

The Asset Management Policy was enhanced and revised in the period under review. The asset lifecycle management stages (i.e. planning, acquisition, maintenance of the asset throughout its use and disposal) were managed. The programme also played a key role in the National SALSA Cluster meetings. It is a platform for Chief Financial Officers (CFOs) and financial practitioners in the legislative sector where best practices, innovations and challenges are addressed.

Despite the performance deviation reported on the audit outcome of the 2018/2019 financial year, all these activities contributed to enhanced public confidence in the governance and leadership of the legislature, which directly impact on its vision of becoming a responsive legislature that fosters public confidence.



Performance indicators

Chief Financial Officer's Office | Programme / Subprogramme:

No.	Performance Indicator	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for the 2019/2020	Comment on deviations
-----	-----------------------	------------------------------	------------------------------	--------------------------	------------------------------	---	-----------------------

Strategic Objective 5: Enhanced public confidence in the governance and leadership of the legislature

5.7	Results of the audit outcome	Clean audit outcome for the 2016/2017 financial year	Clean audit outcome for the 2017/2018 financial year	Achieve clean audit outcome for the 2018/2019 financial year	Achieved unqualified audit opinion with matters of emphasis for the 2018/2019 financial year	The GPL did not achieve an unqualified audit opinion with NO matters of emphasis (Clean Audit) for the 2018/2019 financial year	Deviation attributable to the material adjustments to the AFS and irregular expenditure identified by the AG. Majority of the adjustments were technical by nature and as a result of a different interpretation between management and the audit team. An audit strategy to achieve a clean audit was immediately updated to respond to the AG's findings.
-----	------------------------------	--	--	--	--	---	--



Performance deviation and reasons for non-performance: The performance deviation was reported under one performance target, i.e. "Achieve a clean audit outcome for the 2018/2019 financial year".



Strategy to overcome areas of underperformance: The Gauteng Legislature has put measures in place to address reported findings by the Auditor-General. This includes continuous monitoring of the audit strategy to achieve a clean audit as well as the improvement of the internal control environment.



Changes to planned targets: There were no changes made to the performance targets in the 2019/2020 financial year.



Looking Ahead - 2020/2021

The 2020/2021 budget responds to the new adopted strategy for the Legislature Term. The GPL remains committed to improving the quality of life of the people of Gauteng through implementation of its constitutional obligations of law-making, oversight over the Executive and facilitation of public participation in legislative processes.

The GPL budget allocation increases from R761.4 million in 2019/2020 to R817.8 million in the 2020/2021 financial year, representing an increase of R56.4 million or 7% on average. It makes provision for compensation of employees for both the GPL and political parties' support staff, House Sittings, Members' facilities, committee activities, including public outreach programmes and sector parliaments, as well as existing contractual obligations and operational costs. Compensation of employees accounts for 50% of the allocation in 2020/2021, followed by goods and services at 32% and transfers to political parties at 17%. In addition, capital assets constitute 1% of the 2020/2021 budget.



3. Transfer of payment

In this reporting period, the GPL fulfilled the requirements of Section 236 of the South African Constitution which promotes multi-party democracy and, in particular, funding of political parties participating in the provincial legislatures on an equitable and proportional basis. The transfer payments for political party funding and constituency allowances are paid to political parties that are represented in the GPL. The main objective of the payment of a constituency allowance, on the one hand, is to enable parties represented in the GPL to establish and maintain infrastructure to serve the interests of their constituents. The intent of the political party funding, on the other hand, is to allow each party represented in the GPL to establish and maintain own administrative infrastructure within the GPL precinct; to enable Members to obtain the required training to fulfil their constitutional mandate as well as to enable them to attend party political meetings in the interest of the GPL.

The transfers are regulated in terms of Section 35 (1) of the Financial Management of Parliament and Provincial Legislatures Act (Act 10 of 2009) and Gauteng Political Party Funding Act.

In this reporting period, a total amount of

R126 040 698

was transferred to the political parties as reflected in the table.

Party Name	Political Party Funding	Constituency Allowance	Total Transfers to date
ANC	38 193 256	20 767 695	58 960 951
DA	22 214 194	11 303 836	33 518 030
EFF	12 939 064	5 953 735	18 892 799
VF	5 392 758	1 556 836	6 949 594
IFP	3 689 559	556 692	4 246 251
ACDP	2 973 004	500 069	3 473 073
TOTAL	85 401 835	40 638 863	126 040 698

4. Donor funds received

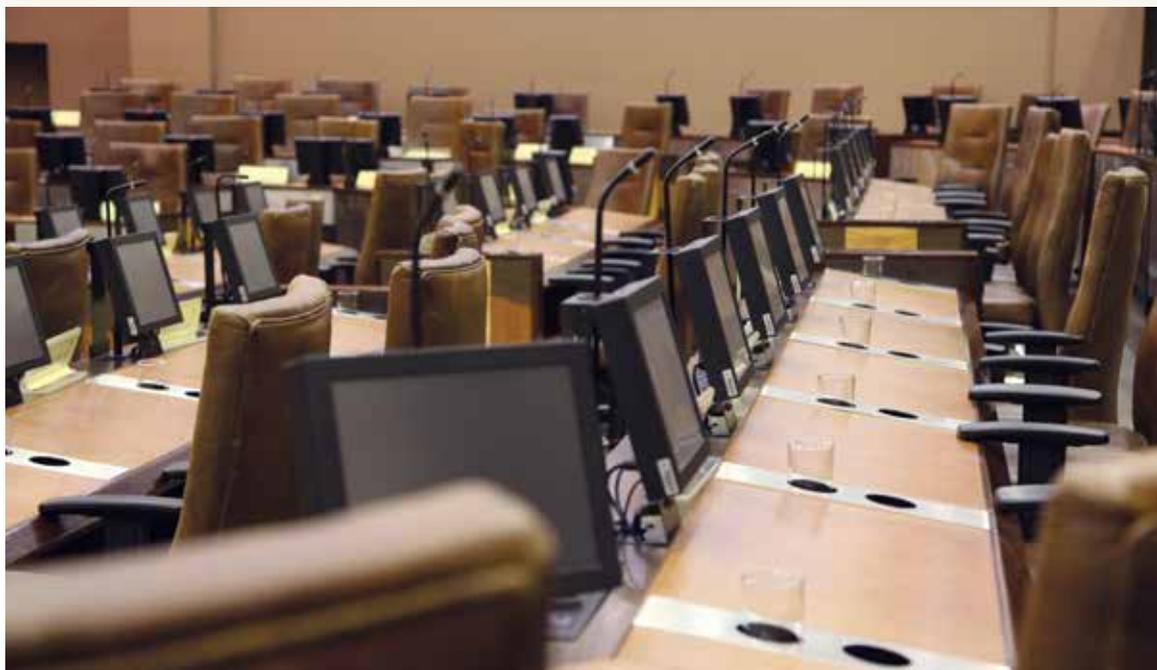
In this reporting period, the GPL received no donations.

5. Capital investment, maintenance and asset management plan

The safeguarding of GPL's assets remained a priority as prescribed by FMPPLA. All assets within the GPL were physically verified through stocktake exercises conducted at mid- and end-year. The legislature maintained and updated an asset register that adheres to the requirements of relevant prescripts. The asset register is updated immediately with acquisitions, disposals and any other movements of assets.

In line with the GPL strategy, replacement and disposal of old and redundant equipment that no longer support effective GPL service delivery was undertaken. All assets that could not be cost-effectively repaired or refurbished were disposed of. All stolen and lost assets were dealt with in line with the GPL policy on the management of losses. Furthermore, all losses due to theft were investigated and recommendations were made on whether to recover the loss or to write it off. The number of losses due to theft was relatively low. All losses were removed from the asset register after approval. All new assets were updated by barcoding them before distribution, and asset locations were also updated accordingly. Asset verification was conducted to ensure that all changes in the asset register are updated.

Continued efforts were made to strengthen the overall control of assets, and compliance was monitored on an ongoing basis.





PART - C -

“Following up on our commitments,
making your future work better”



LAW-MAKING



COOPERATIVE
GOVERNANCE



OVERSIGHT



PUBLIC
PARTICIPATION





GOVERNANCE



Governance

"Follow us,
our commit-
to the peopl-
Gauteng"

CELEBRATING 20 YEARS OF
REPUBLICAN CONSTITUTIONALISM



GOVERNANCE

The LSB, as supported by management, is responsible for ensuring high governance standards in the GPL. The legislature continuously strives to deliver on its key mandates and strategic objectives by entrenching risk management and internal controls in its day-to-day operations.

Hon LN Mekgwe ^(Right)
Speaker of the Gauteng Provincial Legislature

Hon Nomvuyo Mhlakaza-Manamela ^(Left)
Deputy Speaker

1. Introduction

The GPL's Corporate Governance Framework embodies the principles of the King reports, where applicable, FMPPLA as well as structures, processes and systems that enable the legislature to maintain the highest standards of good governance.

The governance of the GPL is two-pronged, with the Legislature Services Board (LSB) as headed by the Executive Authority being held accountable by the Oversight Committee on the Premier's Office and the Legislature (OCPOL) while the Accounting Officer is held responsible by the LSB.

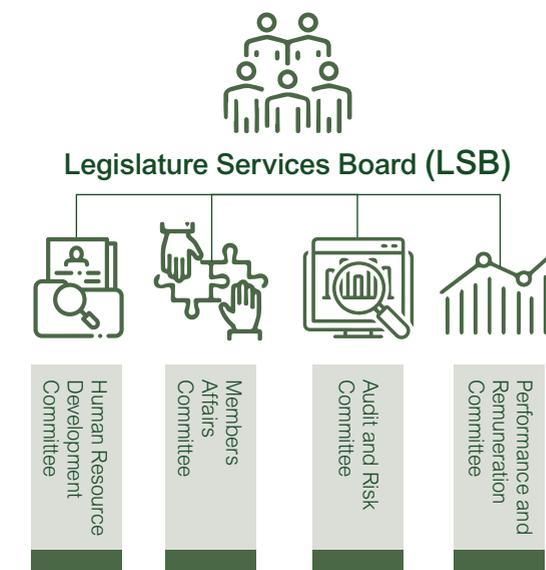
The LSB, as supported by management, is responsible for ensuring high governance standards in the GPL. The legislature continuously strives to deliver on its key mandates and strategic objectives by entrenching risk management and internal controls in its day-to-day operations. It is fully committed to integrity, transparency, fairness and accountability in all its operations.

2. Corporate governance statement: The Gauteng Legislature Services Board (LSB)

The LSB was established in terms of the Legislature Services Act (Act 5 of 1996), the Public Finance Management Act (Act 1 of 1999), the recommendations of King IV, and the Protocol on Corporate Governance for Public Entities. The members of the LSB are appointed in terms of Section 4 (1) of the Legislature Services Act and comprises the Speaker of the Legislature, who acts as Chairperson of the Board; the Deputy Speaker, the Chairperson of Committees, the Leader of the DA, the Leader of the IFP, the Leader of the ANC, two (2) 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 compliance with best practices and legislative requirements, the Board has four (4) committees as depicted below. Following the spirit of

good governance, the Board has appointed a Legislature Services Board Secretary (LSB Secretary), fitting the requirements of appointment as recommended by the King Committee, to assist the organisation in carrying out its mandate as far as it relates to the functioning of the Board.



Members of the Gauteng Legislature Services Board



Lentheng Ntombi Mckgwe

Designation: Non-Executive Member and Chairperson
Member in 5th Term: Meeting Attendance 4
Member in 6th Term: Meeting attendance 0



Nomvuyo Mhlakaza-Manamela

Designation: Non-Executive Member
Member in 6th Term: Meeting attendance 2



Sizakele Nkosi-Malobane

Designation: Non-Executive Member
Member in 6th Term: Meeting attendance 2



Mzi Khumalo

Designation: Non-Executive Member
Member in 6th Term: Meeting attendance 1



John Moody

Designation: Non-Executive Member
Member in 6th Term: Meeting attendance 2



Bonginkosi Dhlamini

Designation: Non-Executive Member
Member in 5th Term: Meeting Attendance 3
Member in 6th Term: Meeting attendance 0



Nandipha Madiba

Designation: Independent Non-Executive Member
Member in 5th Term: Meeting Attendance 3
Member in 6th Term: Meeting attendance 0



Sandile Luthuli

Designation: Independent Non-Executive Member
Member in 5th Term: Meeting Attendance 4
Member in 6th Term: Meeting attendance 0



Hlaleleni Dlepu

Designation: Independent Non-Executive Member
Member in 5th Term: Meeting Attendance 3
Member in 6th Term: Meeting attendance 0



Peter Skosana

Designation: Secretary to the Legislature
Member in 5th Term: Meeting Attendance 3
Member in 6th Term: Meeting attendance 0

2.1 Compliance to financial management of Parliament and Provincial Legislatures 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 on 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 their financial management; to promote efficient, economic and effective use of resources allocated to parliaments; and to ensure the transparent, accountable and sound management of the revenue, expenditure, assets and liabilities of parliaments and legislatures.

2.2 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 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

Committees and management. The functions of the LSB Committees are described comprehensively in the charters of these committees. Powers delegated to management are prescribed and controlled through delegations of authority to include only limited financial decision-making capacity without prior approval by the LSB.

2.3 Composition of the Legislature Services Board

The table below provides a list of Board members and their overall participation in the GPL business in the year under review:

Member in 5 th Term	Meeting Attendance	Names of replacement members in the 6 th term	Meeting Attendance	Designation	Total Meetings Attended
Hon Lentheng Mekgwe	4	N/A	0	Non-Executive Member and Chairperson	4
Hon Nomantu Nkomo-Ralehoko*	2	Hon Nomvuyo Mhlakaza-Manamela^	2	Non-Executive Member	4
Hon Sochayile Khanyile	2	Hon Elias Khumalo	1	Non-Executive Member	3
Hon Mike Madlala	2	Hon Sizakele Nkosi-Malobane	2	Non-Executive Member	4
Hon Jack Bloom	2	Hon John Moodey	2	Non-Executive Member	4
Hon Bonginkosi Dhlamini	3	N/A		Non-Executive Member	3
Mr Sandile Luthuli	4	N/A	0	Non-Executive Member - Independent	4
Ms Hlaleleni Dlepu	3	N/A	0	Non-Executive Member - Independent	3
Ms Nandipha Madiba	3	N/A	0	Non-Executive Member - Independent	3
Mr Peter Skosana	4	N/A	0	Secretary to the Legislature	4
Ms Shambala Ntanjana	4	N/A	0	Secretary to the Board	4

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 over 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 goals for each financial year. The Chairperson works closely with the office of the Board Secretary which provides both administrative and professional support from a legal and governance perspective.

2.4 Composition of the LSB Committees and meeting attendance

Committee	Names of members in the 5 th term	Attendance of meetings	Names of replacement members in the 6 th term	Attendance of meetings	Total attendance of meetings
 <p>Performance and Remuneration Committee</p> <p>10 members</p>	Mr Sandile Luthuli (Chairperson)	4/4	N/A	N/A	4/4
	Hon Lentheng Mekgwe	3/4	N/A	N/A	3/4
	Hon Nomantu Nkomo-Ralehoko	2/2	Hon Nomvuyo Mhlakaza-Manamela	2/2	4/4
	Hon Mike Madlala	2/2	Hon Sizakele Nkosi-Malobane	2/2	4/4
	N/A	N/A	Hon Ezra Letsoalo	0/2	0/4
	Hon Thokozile Magagula	4/4	N/A	N/A	4/4
	Hon Mpapa Kanyane	3/4	N/A	N/A	3/4
	Ms Given Sibiyi	4/4	N/A	N/A	4/4
	Mr Zola Fihlani	4/4	N/A	N/A	4/4
	Mr Peter Skosana	3/4	N/A	N/A	3/4

* Ceased at the end of the Fifth Administration;

^ commenced at the beginning of the Sixth Administration.

Committee	Names of members in the 5 th term	Attendance of meetings	Names of replacement members in the 6 th term	Attendance of meetings	Total attendance of meetings
 Human Resource Development Committee 08 members	Hon Nomantu Nkomo-Ralehoko (Chairperson)	2/2	Hon Nomvuyo Mhlakaza-Manamela	2/2	4/4
	Hon Mike Madlala	2/2	Hon Sizakele Nkosi-Malobane	2/2	4/4
	Hon Siphwe Mgcina	2/2	Hon Dumisani Dakile	2/2	4/4
	Hon Phillip van Staden	2/2	Hon Lesego Makhubela	2/2	4/4
	Hon Joyce Pekane	2/2	Hon Dulton Adams	2/2	4/4
	Dr Siphellele Zulu	3/4	N/A	N/A	3/4
	Mr Tshokolo Nong	4/4	N/A	N/A	4/4
	Mr Peter Skosana	4/4	N/A	N/A	4/4

NB: The Members Affairs Committee was not constituted in this financial year. Therefore, no report of meeting can be tabled in this regard. This committee will cease to exist as its work has been absorbed in the political oversight processes directed and controlled by Political Parties Whips in their respective parties.

2.5 Appointment and induction of LSB members

The Board requires individuals with the necessary competence to fulfil its strategic role as the custodian 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. This became more urgent with the new appointments to the Board and its committees as dictated by the business needs of the Sixth Administration. In addition, appointments to the Board reflect provincial and national demographics.

During the fourth quarter of the 2019/2020 financial year, the Office of the Board Secretary conducted its annual induction programme, which comprised various training and empowerment sessions. In these sessions the functioning of the Board and the risk management frameworks, including management of ethics, were probed to assess if the Board is responding in accordance with best practice and regulatory framework as prescribed by the GPL Governance Framework and King III recommendations.

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. The Executive Authority, who is also the Chairperson

of the Board, resolved to renew the contracts of all independent members who have served a single term within the Board and committees of the GPL.

In moving with the spirit and objects of good governance, the Performance and Remuneration Committee as well as the Audit and Risk Committee were led by independent chairpersons in line with the King IV recommendations.

2.6 Charters

Each committee is governed by its own charter which is its terms of reference. These charters flow from the LSB Charter and they determine the mandate of each committee. Meetings of the LSB and its committees are on an annual schedule and the LSB is required to conduct a minimum of four meetings per year. The committees make recommendations to the LSB. The LSB is the final decision-making authority responsible for the development of internal policies and monitoring of strategic decisions of the Board. All charters, apart from the Members Affairs Committee's, were reviewed in October 2019.

2.7 Statement of commitment to King IV

The Board recognises the need to conduct the organisation in accordance with the principles of the King IV Code on Corporate Practices and Conduct. 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 institution's internal controls and policy procedures governing corporate conduct. The Board is satisfied that every effort has been made in the financial year, which ended on 31 March 2020, to comply in all material respects with the requirements of King III and IV.

2.8 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 FMPPLA and King Reports 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.

2.9 Fees for Non-Executive Members

Only external members (Non-Executive Directors) receive a fee for their contribution as members of the LSB and its respective committees. The fees were reviewed, during the reporting period, in accordance with the requirements of FMPPPLA.

2.10 Delegation of authority

The Secretary to the Legislature (Accounting Officer) 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.

2.11 Technology governance

Information and Communications Technology (ICT) is regarded as a strategic enabler and plays an important role in the execution of the institutional mandates and achievement of strategic objectives of the GPL. Integrating good governance practices from the King Report, Department of Public Services and Administration Corporate Governance of ICT

(DPSACGICT) and COBIT (Control Objectives for Information and Related Technology) ensures that the institutional ICT business practices are sustainable and deliver value. The LSB, through the Audit and Risk Committee (ARC) and the Secretariat, proactively manages ICT risks and performance within the defined ICT governance framework and ICT strategy to improve business outcomes.

The Board has a direct responsibility for governance of technology, i.e. ethical use of ICT, approval of ICT policies and charters, setting the direction on technology, monitoring ICT investment, evaluating the strength of business continuity and disaster recovery plans, assessing the procedures and measures to protect data from cybersecurity threats, and obtaining independent assurance from internal and external auditors in relation to ICT risks.

3. Risk management

The GPL recognises risk management as an integral part of management's responsibility and has, therefore, continued to implement the adopted Enterprise Wide Risk Management Strategy and Policy during the period under review. The strategy is aligned to the COSO (Committee of Sponsoring Organisations of

the Treadway Commission) framework. The objective of this policy is to identify, manage, control and respond to business, strategic and operational risks that may adversely affect the performance of the GPL.

An annual strategic risk assessment, informed by the strategic objectives of the GPL, was conducted during April 2019 and the outcomes thereof were presented to the Audit and Risk Committee. The Risk Management Committee met on a quarterly basis to consider progress regarding the mitigation of the identified risks. The strategic risks and associated action plans were communicated, through the Chairperson of the Audit and Risk Committee, to the Legislature Services Board on a quarterly basis.

The operational risk assessments were also conducted at the subprogramme level during the reporting period. The identified risks and their mitigating controls were continuously tracked, and progress on the implementation of action plans in the risk registers were regularly monitored and reported to the oversight structures.

The strategic risks associated with the Sixth Term of the Legislature were identified, approved and included in the 2020-2025 Strategic Plan.

4. Fraud and corruption

The GPL continued to implement the adopted Fraud Risk Management Framework and Policy and has also developed a Fraud Risk Management Plan during the reporting period. Progress on the implementation of the Fraud Risk Management Plan was monitored throughout the period and reported, on a quarterly basis, to all oversight structures, which include the Risk Management Committee, Audit and Risk Committee and the Board. A fraud risk assessment was also conducted during the period and management has identified risk mitigation plans to reduce the risk of fraud and corruption at the legislature.

The Anti-Fraud and Corruption Hotline, which is administered by the Public Service Commission (PSC), remained operational during the period under review. 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, (Act 26 of 2000). There were no cases reported through the Anti-fraud and Corruption hotline. When such cases get reported, these are forwarded to the GPL's Accounting Officer for further investigation.

5. Minimising conflict of interest

The approved GPL Code of Conduct and Ethics Framework requires that senior managers and staff declare their financial interests and execute their duties in accordance with the ethical and professional standards of the GPL. The staff declared their financial interests electronically through the SAP ESS/MSS system (e-Disclosure). This system supports the completion of an electronic disclosure template which enhances the monitoring and evaluation of employee disclosures. In backing the e-disclosure process, awareness communication, technical support and training sessions for staff were implemented.

The framework is also used to maintain the independence of the GPL in all business matters and that decisions are not jeopardised because of unethical relationships with service providers and/or internal/external stakeholders.



6. Code of conduct

The Gauteng Provincial Legislature (GPL) continued to implement the Code of Conduct which outlines the minimum ethical standards of behaviour that South Africans expect of elected representatives, including upholding propriety, integrity and ethical values in their conduct. The Code of Conduct aims to foster a culture of a high degree of ethical conduct by Members of the Gauteng Provincial Legislature (MPLs) and to ensure that Members do not place themselves in positions that conflict with their responsibilities as public representatives. In terms of Part 4 (20)(3) of the Code, Members are required to disclose their registrable interests within 30 days after the Official Opening of the Legislature or after being appointed as Members. Accordingly, the deadline for submission was 18 March 2020.

On the other hand, the approved GPL Code of Conduct and Ethics Framework for employees is continuously used to ensure that senior managers and staff declare their financial interests and execute their duties in accordance with the ethical and professional standards of the GPL. The framework is also used to maintain the independence of the GPL in business matters and that decisions are not jeopardised because of unethical relationships with service providers and/or internal/external stakeholders. Likewise, the GPL staff submitted their declaration forms utilising the developed electronic system (e-Disclosure). This system supports the completion of an electronic disclosure template which enhances the monitoring and evaluation of employee disclosures. In backing the e-disclosure process, awareness communication, technical support and training sessions for staff were implemented.

7. Health, safety and environmental issues

Health and safety is a key priority for Members, employees, visitors and contractors due to the impact it has on the lives of the people. Health, safety and environmental issues can ultimately affect the reputation of the Gauteng Provincial Legislature if left unattended. The Occupational Health and Safety (OHS) Act (Act 85 of 1993) provides guidance on how to provide a conducive and safe working environment for the employees and people doing business with the Gauteng Provincial Legislature. Most of the

interventions implemented in this reporting period were aimed at increasing the minimum level of compliance with the provisions of the OHS Act and its regulations. This Act provides a legislative framework to promote, stimulate and encourage high standards of health and safety at work. This includes monitoring risks in the workplace, addressing reported incidents and raising awareness and responsibility among employees. Incidents and accidents are investigated as and when they happen, and mitigating strategies are communicated to the unit to ensure that remedial actions are implemented. A total of five (5) injuries on duty (with no fatalities) have been reported in the current financial year. All employees were treated as out-patients. The GPL provides a safe and secure working environment, with access control points to the buildings managed by both the South African Police Service and a private security company. Efforts have been made to ensure user-friendly access to the building for people living with disabilities.

In the year under review, the GPL elected and appointed a health and safety committee, which will assist in ensuring that the workplaces are safe, by monitoring compliance in their designated areas and making recommendations to the GPL, where necessary. The team continues to provide advice and guidance to managers and staff to create awareness and understanding of their responsibility in terms of this Act. Monthly and quarterly inspections were conducted to ensure that the GPL complies with the prescribed regulations. The GPL is 80% compliant with the Act, with shortcomings due to the age of the current building resulting in limitations on the latest building regulations.

In terms of fire compliance, the current system in place is sufficient for the first-time response in case of emergency; however, improvements in terms of installation of the latest fire detection systems are being considered. This will ensure that fire compliance is extended to the City Hall, which currently is not the case. The Emergency Committee continuously meets to plan for emergency response and ensures that identified emergencies are planned for and mitigated. Continuous risk assessments are undertaken to ensure that the GPL responds and mitigates the associated risks accordingly in both buildings.

In line with the Occupational Health and Safety Act, all relevant legal appointments are trained in ensuring that they are able to execute their responsibilities accordingly. The Health and Safety Representatives as well as First Aiders have been trained in health and safety responsibilities.



8. Oversight Committee on the Premier's Office and the Legislature (OCPOL)

During this reporting period, the GPL participated in all the meetings where it was invited to appear before OCPOL. The table below shows an overview of questions raised by the Chairperson and other Members. These were addressed at the meetings and, in some instances, written responses were provided to the committee.

Hon Bonginkosi Dhlamini

Chairperson of the Oversight Committee on the Premier's Office and Legislature (OCPOL)

Subject	Details	Responses by the GPL	Resolved
 <p>First Quarter Performance report presentation/briefing to the committee</p>	<p>Questions emanating from the analysis of the First Quarter Performance Report of the GPL for the 2019/2020 FY focused on:</p> <ul style="list-style-type: none"> » Corporate Support Services <ul style="list-style-type: none"> – provision of disaggregated performance information of subprogrammes within Corporate Support Services; Safety and Security, Information and Communication Technologies and Members Affairs; – disaggregated statistics of young people currently employed by the GPL; – timelines for filling of vacant posts. » Core Business <ul style="list-style-type: none"> – reasons that caused target on public participation not to be met and ways to mitigate this risk; – reasons for the observed inefficiencies in processing Order Papers – oral and written responses. » Office of the CFO <ul style="list-style-type: none"> – reasons for not reporting on the BBBEE targets during the quarter under review; – progress on the Organisational Development exercise milestones as the delay attributes to underspending in compensation of employees; – reasons for the non-implementation of salary increments for staff members and action taken to ensure that this is addressed; – concern about the non-implementation of the annual cost of living adjustment for staff due to delays in reaching agreement between the GPL and Labour and about the low morale of the staff within GPL. 	<p><i>The GPL responded to the questions posed and provided additional information requested by the committee.</i></p>	

Subject	Details	Responses by the GPL	Resolved
 <p>Second Quarter Performance Report presentation/briefing to the committee</p>	<p>Questions emanating from the analysis of the Second Quarter Report for the 2019/2020 FY focused on:</p> <ul style="list-style-type: none"> » reasons for overspending on compensation of employees and if the planning process did not take this matter into account; » provision of remedial action plan to avoid the delays in reaching agreement with Labour, the status update on the salary negotiations and on how it intends to improve staff morale; » information on the late submission of invoices by service providers that led to underspending during the second quarter and how this risk is to be mitigated; » number of vacancies within the GPL and plan to ensure that they are filled; and » whether non-achievement in processing petitions is due to capacity challenges or not. 	<p><i>The GPL responded to the committee Members' questions and provided plans on how to avoid delays in reaching agreement with Labour, filling of vacancies and capacity challenges identified.</i></p>	
<p><i>Responses to Questions emanating from the Annual Report Analysis.</i></p>	<p>Questions emanating from the analysis of the Annual Report Analysis focused on:</p> <ul style="list-style-type: none"> » reasons for achieving only 86% of its non-financial targets against a 99.4% budget spent » reasons for regressing from a clean audit to an unqualified audit opinion with matters of emphasis » breakdown of the current number of lawsuits faced including amounts of lawsuits and age analysis thereof and related financial implications as well as corrective action taken against officials who failed to monitor expiry of employment contracts; » corrective measures in place to minimise future lawsuits of this nature, where possible, to mitigate the damages; » reasons for submission of financial statements for auditing not prepared in accordance with the prescribed financial reporting framework as required by Section 56 (1) of the FMPPLA and reasons for failure to exercise oversight on the matter by the Accounting Officer as well as remedial action taken against respective officials; » reasons for failure to take effective steps to prevent irregular expenditure as required by Section 7 (e) of the FMPPLA; » provision of detailed transactions of each instance of irregular expenditure including the name of the service provider and the service provided; » status of a disciplinary hearing related to irregular expenditure listed in Note 30 of the financial statements. 	<p><i>Responses were provided to the committee on performance variance, details on the list of lawsuits and how to minimise such, and details on financial statements and irregular expenditure reported.</i></p>	
 <p>Third Quarter Performance Report</p>	<p>Questions emanating from the analysis of the 2019/2020 Third Quarter Performance Report focused on:</p> <ul style="list-style-type: none"> » reasons for the non-achievement of targets on percentage increase in the people of Gauteng who participate in the business of the legislature, percentage provision of records services to the committees; » signed performance agreement and consequence management for staff members that have not signed their contracts, as well as turnaround time for IPMS policy implementation; » incident/s of burglary/ies at the Main Building, a National Key Point and measures in place to ensure that building/s is/are safe for everybody; and » safety, security and insurance of GPL property/building and stolen vehicle; » list of all contracts that the GPL has entered into, business case if there is value add in all of them, criteria used to allocate business to local suppliers, especially in the townships as well as frequency of suppliers on the database to ensure legal compliance; » strengthening of the ICT resources in GPL buildings e.g. Wi-Fi. 	<p><i>Responses were provided to the committee on the timelines and compliance with IPMS Policy, safety and protocols relating to security of GPL movable and immovable property.</i></p>	
 <p>Fourth Quarter Performance Report</p>	<p>Questions emanating from the analysis of the 2019/2020 Fourth Quarter Performance Report focused on:</p> <ul style="list-style-type: none"> » reasons for underachievement of 4 of the 18 targets for 4th Quarter, including the Business Enhancement Project as well as BBBEE targets; » reason for not disaggregating performance targets that were undertaken during the quarter such as support to MPLs, ICT and safety and security; » reasons for submission of incomplete portfolio of evidence on petitions processed. 	<p><i>The GPL responded to the committee Members' questions on underperformance, lack of disaggregation of targets and incomplete PoE.</i></p>	

Subject	Details	Responses by the GPL	Resolved
Budget Vote	<p>Questions emanating from Budget Vote 2 focused on the following:</p> <ul style="list-style-type: none"> » The GPL underspent its budget by 3% (R3.4 million) under compensation of employees and this is attributed to unfilled vacant funded posts; » the reason for underspending 3% of the compensation of employees budget due to unfilled vacant posts, and measures put in place to expedite the filling of these posts; » reason for budget cuts and plans to ensure that the budget cuts do not affect services provided. 	<p>Responses were provided to committee Members' questions on underspending and impact of budget cuts on service provision.</p>	

9. Scopa Resolutions

The table below shows an overview of questions raised by the Chairperson and other Members of SCOPA. These were addressed at the meetings and, in some instances, written responses were provided to the committee.

Type of Resolution	Details	Responses by the GPL	Resolved
Resolutions for responses on SCOPA Oversight Report on the Report of Auditor-General of South Africa (AGSA) on the Financial Statements and Performance Information: Gauteng Provincial Legislature for the year ended 31 March 2019	In terms of Rule 179(4), the GPL must provide SCOPA and OCPOL with a plan aimed at intensifying performance and consequence management processes to mitigate instances of findings on lawsuits every quarter and continuing up until June 2020.	<i>The requested plan was submitted to the committee.</i>	
	In terms of Rule 179(4), the GPL must provide SCOPA and OCPOL with a progress report on measures put in place to monitor the adequacy of capacity training and that consequence management is implemented against responsible officials every quarter and continuing up until the end of June 2020.	<i>The requested reports on adequacy of capacity building and consequence management were provided to the committees.</i>	
	The GPL must intensify performance and consequence management processes to eliminate findings on irregular expenditure and provide the committee with a progress report detailing the effectiveness of measures every quarter and continuing up until the end of June 2020	<i>The GPL responded to the committee's resolutions, providing detailed information on eliminating findings on irregular findings.</i>	
	The GPL must provide the committee with the quarterly progress report on investigations related to irregular expenditure within 30 days of finalisation thereof.		
Focused Intervention Study (FIS) Questionnaire for the Gauteng Provincial Legislature	Provide the Gauteng Legislature's detailed trend analysis of the findings by the Auditor-General of South Africa (AGSA) on the listed expenditure management areas. The trend analysis must be based on audit outcomes of the legislature for the period of the Fifth Term, i.e. the % Financial years 2014/2015 to 2018/2019.	<i>An analysis was provided to the committee for the five years as requested.</i>	
	Provide the list of findings which are recurring as per the 2018/2019 audit, and proposed intervention plan the GPL has adopted in the current financial year (2019/2020).	<i>The list of recurring audit findings and plan were submitted to the committee.</i>	

10. Modifications to 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
N/A, Clean audit opinion achieved	2012/2013	N/A
N/A, Clean audit opinion achieved	2013/2014	N/A
N/A, Clean audit opinion achieved	2014/2015	N/A
N/A, Clean audit opinion achieved	2015/2016	N/A
N/A, Clean audit opinion achieved	2016/2017	N/A
N/A, Clean audit opinion achieved	2017/2018	N/A
Unqualified audit opinion with matters of non-compliance	2018/2019	<p>» Adjustments to Annual Financial Statements (AFS)</p> <ul style="list-style-type: none"> – Management has implemented the necessary controls to ensure completeness and accuracy of the AFS. – Deviation from the procurement processes. – Identified weaknesses were addressed through the SCM Policy, which was approved during the reporting period. – Management has analysed and investigated deviations from procurement processes in order to implement consequence management.



11. Internal audit and audit committee

In the period under review, the internal audit function was outsourced to an independent service provider, BDO PS Advisory Services, that was appointed for a three-year period. It continued to operate in line with the approved Terms of Reference and the associated service level agreement. The service is based on the requirements of the FMPPLA and the Standards for the Professional Practice of Internal Auditing 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 internal audit function provided an overall assessment of the control environment to the ARC as listed below.

#	Auditable Area	Status
1	Financial Management	Completed
2	Supply Chain Management	Completed
3	Asset Management	Completed
4	Human Resource Management	Completed
5	ICT reviews	Completed
6	Parliamentary Business	Completed
7	Risk & Governance process review	Completed
8	Follow-up review	Completed
9	Audit of Predetermined Objectives (quarterly)	Completed
10	Contract Management	Completed

The Audit and Risk Committee met six (6) times during the reporting period, i.e. four (4) standard meetings and two special meetings to consider the annual financial statements, the annual report and the audit report from the Auditor-General.

The table below discloses relevant information on the Audit Committee Members:

Nandipha Madiba (Chairperson)	<p>Qualifications: BCompt Hons, MSc Fin Mgmt Internal or external: External If internal, position in the GPL: N/A Date appointed: 10/10/2019 re-appointed Date resigned: N/A No. of meetings attended: 6/6</p>
Roy Mnisi	<p>Qualifications: LLB Degree Internal or external: External If internal, position in the GPL: N/A Date appointed: 1/04/2013 Date resigned: 30/08/2019 end of term No. of meetings attended: 4/6</p>
Victor Nondabula	<p>Qualifications: MBA - Finance & International Business Internal or external: External If internal, position in the GPL: N/A Date appointed: 2/6/2017 & 05/12/2019 re-appointed Date resigned: N/A No. of meetings attended: 6/6</p>





12. Transversal mainstreaming

The transversal mainstreaming support function has a mandate to provide strategic, operational and technical support to the political and administrative structures of the legislature on mainstreaming transversal issues of gender, race, disability and youth.

Hon Thokozile Magagula
Chairperson of the GPL Multi-Party Women's Caucus

The support function is operated through a Transversal Mainstreaming Focal Point (TMFP). The TMFP provides support to the GPL through various initiatives, which are aimed at increasing capacity for transversal mainstreaming in the GPL as well as advocacy and awareness raising. The following summarises some of the initiatives performed in the current reporting period:

12.1 Capacity development

The GPL adopted a comprehensive transversal approach to mainstreaming issues of gender, race, disability and youth. This approach was adopted to contribute towards addressing the socioeconomic inequalities as required by various transformation instruments, including the NDP 2030, the SDGs 2030 and the AU Agenda 2063. As such, the GPL is implementing the Blended Training on Transversal Mainstreaming and Gender-Responsive Budgeting Programme to build capacity within the institution in order to mainstream gender and human rights issues.

The blended training programme constitutes the GPL internal training on transversal mainstreaming (TM) and training on gender-responsive budgeting (GRB), with the latter being implemented in partnership with the International Training Centre of the International Labour Organisation (ITCILO). It is implemented annually, combining the internal two-day TM training, the three-week online training on GRB and the one-week face-to-face training on GRB.



12.2 Advocacy and stakeholder engagement

To promote ongoing dialogue, advocacy, awareness raising and information sharing internally, in the legislative sector and amongst private strategic partners, the GPL engaged stakeholders through various initiatives, including:

- » The Annual Vita Basadi Awards: the Multi-Party Women's Caucus (MPWC) women's empowerment initiative in which the institution recognises and celebrates women who empower their communities by providing services to those in need from their personal initiative and commitment. These awards are intended to encourage the spirit of self-empowerment within the communities of Gauteng. Furthermore, the MPWC hosts and/or attends fora such as public lectures, roundtables and conferences, to engage in public dialogue on issues of gender equality and gender mainstreaming.
- » To enhance public confidence in the leadership and governance of the institution, the work of the GPL MPWC is profiled annually in various public events. As such, it was nominated and subsequently recognised in national gender mainstreaming awards for three consecutive years since 2017. In 2019, the Honourable Speaker of the Gauteng Legislature won the Standard Bank Top Female Public Service Leader Award on behalf of the institution. The work of the institution on mainstreaming gender and human rights is also profiled annually in national publications and in the current reporting period, it was featured in the Standard Bank Top Women Leaders Magazine.

12.3 Measures taken to facilitate transversal mainstreaming in the GPL

In addition to the capacity development and advocacy efforts implemented to facilitate transversal mainstreaming in the work of the GPL, ongoing analyses of institutional reports are conducted to measure progress. Analyses of public engagement registers and committee oversight reports showed that the GPL needs to improve its reporting on the diverse groups of stakeholders engaged in its processes. Furthermore, analyses of committee oversight reports showed that improvement is required on the standardisation of oversight reports to include reporting on departments' performance on transformation priorities, particularly those pertaining to gender, race, disability and youth.

13. Report of the Audit and Risk Committee

13.1 Introduction

The Audit and Risk Committee (ARC) is pleased to present its report for the period ended 31 March 2020. The report has been prepared in line with the Financial Management of Parliament and Provincial Legislatures Act (FMPPLA).

13.2 Committee responsibility

The Audit and Risk Committee reports that it has complied with its responsibilities arising from Section 48 of FMPPLA.

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

13.3 The effectiveness of internal control

The system of internal control applied by the Gauteng Provincial Legislature (GPL) over financial systems and risk management is generally effective, efficient and transparent. The Internal Auditors provide the Audit and Risk Committee and Management with reasonable assurance as to whether the existing internal controls remain adequate, appropriate and effective, and where appropriate, the necessary improvements recommended. 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 ARC 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 (RMC), ARC and ultimately to the Legislature Services Board (LSB).

There were some areas highlighted in the various reports of the Auditor-General and by the Internal Auditors during the year, where internal controls were found to be requiring improvement and some corrective action. 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 influence GPL's compliance, risk and performance environment as well as responsibilities that GPL has to the external environment that it serves.

13.4 Effectiveness of Internal audit

The Internal Audit function was outsourced to an independent service provider, BDO PS Advisory Services, who was appointed during the 2018/2019 financial period. It operated in line with the approved Terms of Reference and associated service level agreement. The service is based on the requirements of the FMPPLA and Standards for the Professional Practice of Internal Audit of the Institute of Internal Auditors. The ARC approved the Internal Audit Plan for the year under the review. The adequacy and effectiveness reviews of the internal control environment, risk management and governance processes were conducted accordingly.

The Audit and Risk Committee is satisfied that the Internal Audit function is operating effectively and that it has addressed the risks pertinent to the Gauteng Provincial Legislature. From the various reports from Internal Audit, we conclude that the existing control environment provides reasonable assurance that the legislature's strategic goals and objectives are being achieved.

13.5 Performance management

The Audit and Risk Committee monitored implementation of the GPL's Annual Performance Plan in order to ultimately achieve the Institution's strategic objectives and delivering on its mandate.

13.6 Risk management

The Audit and Risk Committee considered quarterly Risk Management Committee Reports highlighting the risks identified throughout the institution and management's mitigation processes thereof. The Strategic Risk Register for the 2019/2020 period was considered and recommended to the LSB for adoption where after the ARC monitored the implementation of mitigating action plans on a quarterly basis.

13.7 In-year management and quarterly reports

The Audit and Risk Committee is satisfied with the content and quality of quarterly reports prepared and

issued by the Accounting Officer of the GPL during the year under review.

13.8 Evaluation of Annual Financial Statements

The Audit and Risk Committee has:

- » reviewed and discussed the 2019/2020 audited Annual Financial Statements to be included in the Annual Report, with the Auditor General and the Accounting Officer;
- » reviewed the Auditor-General of South Africa's management report and management's response thereto;
- » reviewed changes in accounting policies and practices; and
- » reviewed the entity's compliance with legal and regulatory provisions.

13.9 Auditor-General of South Africa

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

The Audit and 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 2019/2020 audited Annual Financial Statements should be accepted and read together with the report of the Auditor-General of South Africa.

13.10 Conclusion

The Audit and Risk Committee would like to thank the Legislature Services Board, the Secretary to the Legislature and management for their support, and also to acknowledge the assurance provided by the Internal Auditors. Even the disruption caused by the impact of Covid-19 and the demands placed by strict adherence to the Disaster Management Regulations could not deter GPL from leading by example in being a compliant institution.

N Madiba CD(SA)
Chairperson: Audit & Risk Committee
31 August 2020



PART - D -

“Following up on our commitments,
making your future work better”



LAW-MAKING



OVERSIGHT



COOPERATIVE
GOVERNANCE



PUBLIC
PARTICIPATION



HUMAN RESOURCE





HUMAN RESOURCE

This section will provide an overall view of human resource management within the legislature for the period under review.



1. Introduction

The Human Resource (HR) Unit is mandated to develop and maintain effective human resource management processes which, in turn, will ensure that the legislature is properly staffed as well as ensure that staff members are properly skilled. This will enable the GPL to provide the necessary support to the Members in discharging their constitutional mandate and achieve the institutional goal and strategic objectives. All staff members are expected to conduct themselves in a professional and ethical manner within the prescripts of the relevant laws and policies and in line with the values of the legislature. This section will provide an overall view of human resource management within the legislature for the period under review.

2. Legislation that governs the GPL Human Resource Management

The legislative framework takes into account, but not limited to, the following pieces of legislation:

- » Skills Development Act (Act 97 of 2008)
- » South African Qualifications Authority Act (Act 58 of 1995)
- » Employment Equity Act (Act 55 of 1998)
- » Basic Conditions of Employment Act (Act 75 of 1997)
- » Labour Relations Act (Act 66 of 1995)
- » Occupational Health and Safety Act (Act 85 of 1993)
- » Unemployment Contributions Act (Act 4 of 2002)
- » Compensation for Occupational Injuries and Diseases Act (Act 130 of 1993)
- » Remuneration of Public Office Bearers Act (Act 20 of 1998): Determination of the upper limit of salaries and allowances of Premiers, Members of the Executive Council and Members of the Provincial Legislature.

3. Overview of human resources

Human resources remain relevant in driving the strategic posture of the institution and contributes immensely towards delivery standards in line with the GPL's Five-Year Strategy. The following areas have been singled out as key drivers and are discussed in depth below:

3.1 The status of human resources in the GPL

In this reporting period, the GPL's staff complement remained stable with a vacancy rate of 6%. The institution is currently engaged in reforms, through the Organisational Development Project, to enhance the organisational structure to support the business of the legislature. This project serves as a catalyst in determining the institutional capacity required.

The review of the organogram will indicate the gaps, if there are any, that will form the basis for workforce planning moving forward. Employment equity at the management level remains above 50% in favour of women, and disability rate remains at 3%.



3.2 Human resource priorities for the year under review and the impact thereof

One of the key priorities, in the year under review, was the implementation of the Organisational Development exercise, to review the current organisational structure with the intention to increase effectiveness of the GPL towards successful achievement of organisational goals. Other priorities involved the delivery of training for the GPL staff. In this regard, budget was made available for training and development courses aimed at improving staff performance in their daily operations.

3.3 Employee performance management

Performance management in the institution is governed by the Integrated Performance Management System (IPMS) Policy, 2017, which came into operation on 1 April 2018. Performance is monitored through a balanced scorecard in line with this policy framework. All employees signed their performance agreements in the year under review. These agreements are aligned to the business and/or programme outputs as well as employees' individual job outputs as outlined in their job profiles.

Quarterly performance reviews were conducted and submitted to the Human Resource Unit, Programme Moderating Committee and Institutional Moderating Committee. The management ensures that performance outputs focus on tangible deliverables for each employee to ensure that the institution is geared towards the delivery of its goals.

3.4 Workforce Planning

The legislature's Workplace Skills Development Plan is reviewed periodically, and this happened at the beginning of this reporting period. In line with the approved plan, the Human Resource Unit drafted an annual training schedule and individual development plans, with corresponding budgets for staff as well as for each business unit.

3.5 Employee Wellness Programme

The legislature has a holistic Employee Wellness Plan and Programme in place, aimed at achieving a balance between work and personal life for Members and staff alike. A service provider was contracted to provide applicable services to the internal stakeholders.

In the year under review, the GPL participated in the annual 702 Walk the Talk event. The number of participants increased from 130 in the previous year to 139 in this current year. Members and employees continued to have access to the gym facilities and the equipment is fully operational. Furthermore, the GPL hosted an Employee Wellness Day, where participants had an opportunity to undertake health risk assessments. The participants received services from the chiropractors, dieticians, reflexologists, among others; and also received advice on financial health and emotional wellbeing.

4. Human Resource Statistics

4.1 Personnel-related expenditure

The following table summarises the final audited personnel-related expenditure by programme and salary bands.

In particular, it provides an indication of the following:

- » amount spent on personnel; and
- » amount spent on salaries, overtime, homeowners' allowances and medical aid.

Table 4.1.1 Personnel expenditure by programme

Programme	Total Expenditure	Personnel Expenditure	Training Expenditure	Professional and Special Services Expenditure	Personnel Expenditure as a % of total expenditure	Average personnel cost per employee
(R'000)						
Leadership and Governance	15,006	15,691	-	538.00	105%	625
Office of the Secretary to the Legislature	15,439	22,805	35	1,936.00	148%	1,103
Corporate Support Services	42,471	94,090	145	218.00	222%	306
Core Business	245,161	184,094	385	122.00	75%	1,094
Office of the CFO	42,073	42,677	363	422.00	101%	877
Total	360,150	359,357	928	3,236	100%	4,005

Table 4.1.2 Personnel costs by salary band

Salary band	Personnel Expenditure	% of total personnel cost	No. of employees	Average personnel cost per employee
(R'000)				
Leadership (P1 – P3)	2,443	0.68%	1	2,443
Senior Management (P4 – P5)	27,675	7.70%	26	1,064
Management (P6 – P7)	54,179	15.08%	87	623
Professionals and technical workers (P8 – P10)	173,064	48.16%	130	1,331
Support Workers (P8 – P10)	96,570	26.87%	191	506
Interns / Contractors	5,426	1.51%	14	388
Total	359,357	100.00%	449	6,355

Table 4.1.3 Salaries, Overtime, Homeowners' Allowances and Medical Aid by programme

Programme	Salaries		Overtime		Homeowners' Allowances		Medical Aid	
	Amount	Salaries as a % of personnel costs	Amount	Overtime as a % of personnel costs	Amount	HOA as a % of personnel costs	Amount	Medical aid as a % of personnel costs
(R'000)								
Leadership and Governance	19,922	6%	69	0.47%	0	0	0	0.00%
Office of the Secretary to the Legislature	13,968	4%	3	0.02%	0	0	0	0.00%
Corporate Support Services	78,588	22%	1,709	4.03%	0	0	0	0.00%
Core Business	150,732	42%	5,980	2.44%	0	0	0	0.00%
Office of the CFO	36,779	10%	31	0.07%	0	0	0	0.00%
Total	299,989	83%	7,792	2.17%	0	0	0	0.00%

Table 4.1.4 Salaries, Overtime, Homeowners' Allowances and Medical Aid by salary band

Salary Bands	Salaries		Overtime		Homeowners' Allowance		Medical Aid	
	Amount	Salaries as a % of personnel costs	Amount	Overtime as a % of personnel costs	Amount	HOA as a % of personnel costs	Amount	Medical aid as a % of personnel costs
(R'000)								
Leadership (P1 – P3)	2,443	0.7%	-	0.00%	-	-	-	-
Senior Management (P4 – P5)	25,459	7.1%	-	0.00%	-	-	-	-
Management (P6 – P7)	46,969	13.1%	-	0.00%	-	-	-	-
Professionals and technical workers (P8 – P10)	141,739	39.4%	4,245	1.18%	-	-	-	-
Support Workers (P11 – P16)	78,557	21.9%	3,519	0.98%	-	-	-	-
Interns / Contractors	4,811	1.3%	28	0.01%	-	-	-	-
Total	299,978	83.5%	7,792	2.17%	-	-	-	-



4.2 Employment and Vacancies

The following tables summarise the number of posts on the establishment, the number of employees, the vacancy rate, and whether there are any staff that are additional to the establishment. This information is presented in terms of three key variables:

- » programme
- » salary band
- » critical occupations

The institution has identified critical occupations that need to be monitored. In terms of the current regulations, it is possible to create a post on the establishment that can be occupied by more than one employee. The vacancy rate reflects the percentage of posts that are not filled.

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
Programme 1	26	22	15%	3
Programme 2	18	14	22%	0
Programme 3	144	135	6%	4
Programme 4	231	218	6%	2
Programme 5	60	48	20%	-4
Total	479	437	9%	5



The following table provides a summary of the number of employees whose positions were upgraded due to their post being upgraded. The number of employees might differ from the number of posts upgraded since not all employees are automatically absorbed into the new posts and some of the posts upgraded could also be vacant.

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	0				

The table below summarises the number of cases where remuneration bands exceeded the grade determined by job evaluation. Reasons for the deviation are provided in each case.

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

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

The following table summarises the beneficiaries of the above in terms of race, gender, and disability.

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 2019/2020					0

4.4 Employment Changes

This section provides information on changes in employment over the financial year. Turnover rates provide an indication of trends in the employment profile of the legislature. The following tables provide a summary of turnover rates by salary band and critical occupations.

Table 4.4.1 Annual turnover rates by salary band

Salary Band	Number of employees at the beginning of the period: 1 April 2019–31 March 2020	Appointments and transfers into the legislature	Terminations and transfers out of the legislature	Turnover rate
Leadership (P1 – P3)	1	0	0	0%
Senior Management (P4 – P5)	17	1	1	6%
Management (P6 – P7)	38	1	0	0%
Professionals and technical workers (P8 – P10)	197	7	7	4%
Support Workers (P11 – P16)	190	13	3	2%
Contractors/ Interns	41	7	2	5%
Total	484	29	13	8%

Table 4.4.2 Annual turnover rates by critical occupations

Critical Occupation	Number of employees at the beginning of the period: 1 April 2019–31 March 2020	Appointments and transfers into the legislature	Terminations and transfers out of the legislature	Turnover rate
Total	0	0	0	0



The table below identifies the major reasons why staff left the legislature.

Table 4.4.3 Reasons why staff left the legislature

Termination Type	Number	% of Total Resignations
Death	1	6.25
Resignation	5	31.25
Expiry of contract	9	56.25
Dismissal – operational changes	0	0
Dismissal – misconduct	0	0
Dismissal – inefficiency	0	0
Discharged due to ill-health	0	0
Retirement	1	6.25
Transfer to other Public Service Departments/Legislatures	0	0
Other	0	0
Total	16	100
Total number of employees who left as a % of total employment	16	3%

Table 4.4.4 Promotions by critical occupation

Occupation	Employees on 1 April 2019	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
Total	0	0	0	0	0



Table 4.4.5 Promotions by salary band

Salary Band	Employees on 1 April 2019	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)	1	0	0	0	0
Senior Management (P4 – P5)	17	0	0	0	0
Management (P6 – P7)	38	0	0	0	0
Professionals and technical workers (P8 – P10)	197	0	0	0	0
Support Workers (P11 – P16)	190	0	0	0	0
Contractors/ Interns	41	0	0	0	0
Total	484	0	0	0	0
Employees with disabilities	12	0	0	0	0

4.5 Employment Equity

Table 4.5.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as at 31 March 2019

Occupational category	Male					Female					Total
	African	Coloured	Indian	White	No. with Disability	African	Coloured	Indian	White	No. with Disability	
Leadership (P1 – P3)	1	0	0	0	1	0	0	0	0	0	1
Senior Management (P4 – P5)	8	0	0	0	0	6	0	3	0	0	17
Management (P6 – P7)	19	3	0	1	2	12	1	1	0	0	37
Professionals and technical workers (P8 – P10)	83	1	2	3	2	81	4	4	4	0	182
Support Workers (P11 – P16)	69	1	0	0	2	105	4	3	6	5	188
Contractors and Interns	5	0	0	0	0	7	0	0	0	0	12
Total	185	5	2	4		211	9	11	10		437
Employees with disabilities	7	0	0	0	7	2	0	2	1	5	12
Age	18 – 34	35 – 49	50 – 59	60 – 69							70+
Leadership (P1 – P3)	0	0	1	0	0						
Senior Management (P4 – P5)	0	13	4	0	0						
Management (P6 – P7)	1	22	13	1	0						
Professionals and technical workers (P8 – P10)	26	129	22	5	0						
Support Workers (P11 – P16)	35	111	38	4	0						
Contractors/ Interns	9	2		1	0						
Total	71	277	78	11	0						
Employees with disabilities	0	6	4	2	0						

Table 4.5.2 Recruitment in 2019/2020

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Leadership (P1 – P3)	0	0	0	0	0	0	0	0	0
Senior Management (P4 – P5)	2	0	1	0	0	0	0	0	3
Management (P6 – P7)	1	0	0	0	1	0	0	0	2
Professionals and technical workers (P8 – P10)	4	0	0	0	8	0	0	0	12
Support Workers (P11 – P16)	7	0	0	1	8	0	0	0	16
Total	14	0	1	1	17	0	0	0	33
Employees with disabilities	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 – P5)	0	2	1	0	0				
Management (P6 – P7)	1	1	0	0	0				
Professionals and technical workers (P8 – P10)	7	4	1	0	0				
Support Workers (P11 – P16)	11	5	0	0	0				
Employees with disabilities	19	12	2	0	0				
Total	0	0	0	0	0				



Table 4.5.5 Disciplinary action

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
	3	0	0	0	1	0	0	0	4

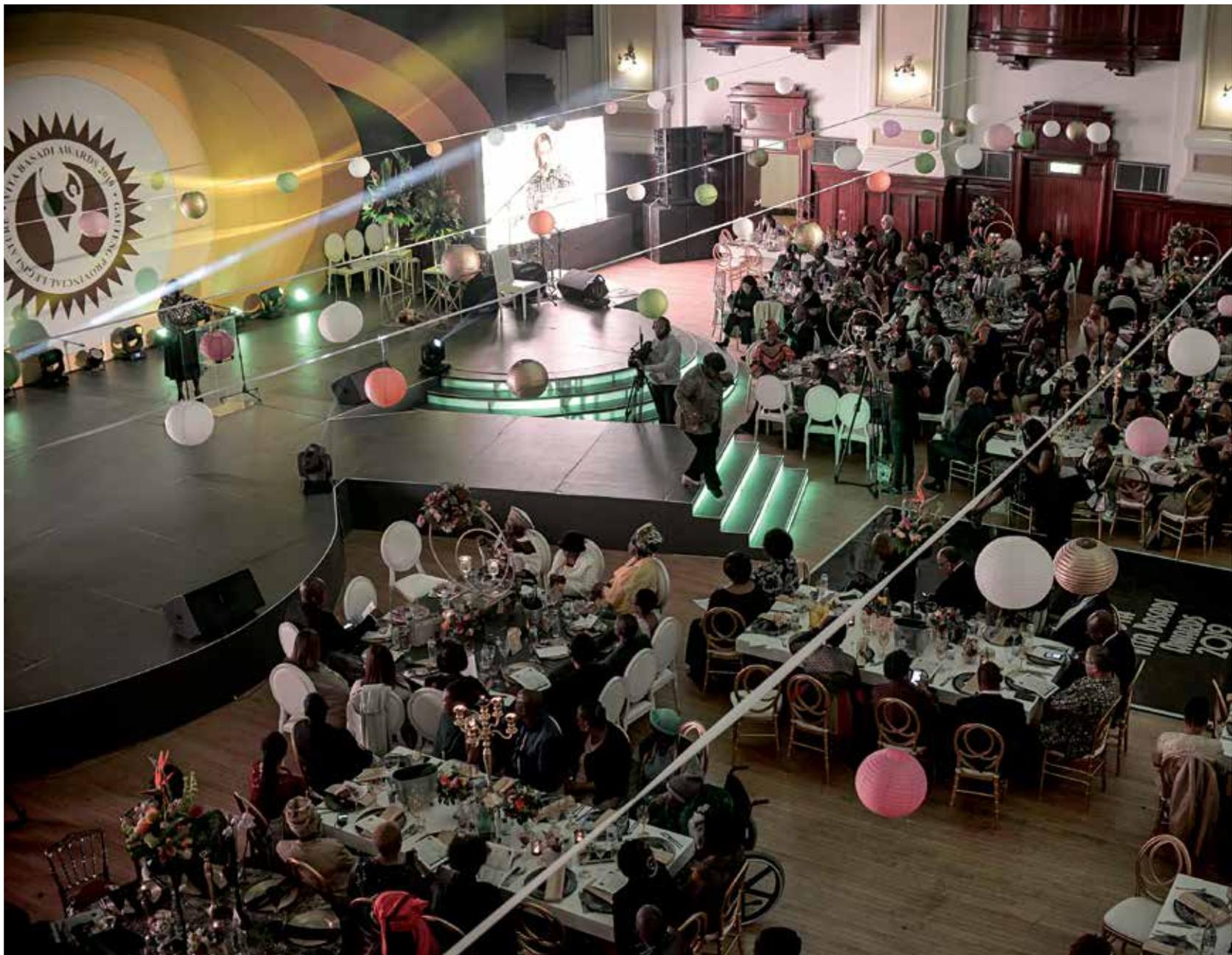


Table 4.5.6 Skills Development: Training provided (Including Members)

Occupational Category	Number of employees as at 1 April 2019	Training provided within the reporting period			
		Tertiary qualifications	Learnerships	Skills Programmes & other short courses	Total
Leadership (P1 – P3)	1	0	0	0	0
Senior Management (P4 – P5)	17	4	0	5	9
Management (P6 – P7)	38	4	0	17	21
Professionals and technical workers (P8 – P10)	197	35	0	98	133
Support Workers (P11 – P16)	190	12	0	136	148
Total	41	0	0	0	0
Employees with disabilities	484	55	0	256	311
Members	12	0	0	4	4

Trained Employees

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Leadership (P1 – P3)	0	0	0	0	0	0	0	0	0
Senior Management (P4 – P5)	1	0	2	0	2	0	0	0	5
Management (P6 – P7)	7	2	0	1	6	1	0	0	17
Professionals and technical workers (P8 – P10)	44	0	1	2	44	0	3	4	98
Support Workers (P11 – P16)	52	1	0	0	74	3	2	4	136
Total	104	3	3	3	126	4	5	8	256
Employees with disabilities	2	0	0	0	0	0	2	0	4
Members	18	1	0	1	17	1	2	1	41
Age	18 – 34	35 – 49	50 – 59	60 – 69					70+
Leadership (P1 – P3)	0	0	0	0	0				
Senior Management (P4 – P5)	0	0	5	0	0				
Management (P6 – P7)	1	10	6	0	0				
Professionals and technical workers (P8 – P10)	18	64	16	0	0				
Support Workers (P11 – P16)	33	78	23	2	0				
Total	52	152	50	2	0				
Employees with disabilities	0	2	1	1	0				
Members	3	16	18	4	0				

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
Total	0	0	0	0	0

Notes: The CORE classification, as prescribed by the DPSA, should be used for completion of this table.

Table 4.6.4 Performance-related rewards (cash bonus) by salary band for 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	Total cost as a % of the total personnel expenditure
Band A	0	0	0%	0	0	0%
Band B	21	21	100%	2438	116	0%
Band C	4	4	100%	534	134	2%
Band D	0	1	0%	0	0	0%
Total	25	26	96%	2972	250	2%

4.7 Foreign Workers

The tables below summarise the employment of foreign nationals in the legislature in terms of salary band and major occupation.

Table 4.7.1 Foreign workers by salary band

Salary Band	01 April 2019		31 March 2020		Change	
	Number	% of total	Number	% of total	Number	% Change
Leadership (P1 – P3)	0	0%	0	0%	0	0%
Senior Management (P4 – P5)	1	1%	1	33%	0	32%
Management (P6 – P7)	0	2%	0	0%	0	-2%
Professionals and technical workers (P8 – P10)	2	1%	2	67%	0	66%
Total	4	100%	3	75%	-1	-25%
Employees with disabilities	1	0%	0	0%	-1	0%

Table 4.7.2 Foreign workers by major occupation

Major Occupation	01 April 2019		31 March 2020		Change	
	Number	% of total	Number	% of total	Number	% Change
N/A	0	0	0	0	0	0
N/A	0	0	0	0	0	0

4.8 Leave utilisation

The Public Service Commission identified the need for careful monitoring of sick leave within the public service. The following tables provide an indication of the use of sick leave and disability leave. In both cases, the estimated cost of the leave is also provided.

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)
Leadership (P1 – P3)	0	0%	0	0%	0	0
Senior Management (P4 – P5)	104	80%	11	4%	9	688
Management (P6 – P7)	608	35%	26	10%	23	1319
Professionals and technical workers (P8 – P10)	705	59%	115	44%	6	2205
Support Workers (P11 – P16)	1046	79%	102	39%	10	1699
Contractors/ Interns	39	64%	6	2.31%	7	52
Total	2502	62%	260	100%	55	5963
Employees with disabilities	41	0%	6	2.3%	7	106



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 – P5)	0	0	0	0	0	0
Management (P6 – P7)	0	0	0	0	0	0
Professionals and technical workers (P8 – P10)	0	0	0	0	0	0
Support Workers (P11 – P16)	0	0	0	0	0	0
Total	0	0	0	0	0	0

The table below summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the Public Service Coordinating Bargaining Council (PSCBC) in 2000 requires management of annual leave to prevent high levels of accrued leave being paid at the time of termination of service.

Table 4.8.3 Annual Leave

Salary Band	Total days taken	Number of Employees using annual leave	Average per employee
Leadership (P1 – P3)	18	1	18.00
Senior Management (P4 – P5)	630	17	37.06
Management (P6 – P7)	1250	34	36.76
Professionals and technical workers (P8 – P10)	5814	186	31.26
Support Workers (P11 – P16)	5958	187	31.86
Total	187	12	15.58
Employees with disabilities	13857	437	31.71

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 – P5)	0	0	0	0
Management (P6 – P7)	0	0	0	0
Professionals and technical workers (P8 – 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

The following table summarises payments made to employees as a result of leave that was not taken.

Table 4.8.5 Leave pay-outs

Reason	Total Amount (R'000)	Number of Employees	Average per employee (R'000)
Leadership (P1 – P3)	0	0	0
Senior Management (P4 – P5)	415	3	138
Management (P6 – P7)	0	0	0
Professionals and technical workers (P8-P10)	459	6	77
Support Workers (P11 – P16)	22	2	11
Total	174	5	35
Employees with disabilities	1070	16	67

4.9 HIV/AIDS and 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
Support workers	HIV/AIDS service desks available to employees through the EAP and medical aid services

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

Question	Yes	No	Details, if yes
1. Has the legislature 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	
2. Does the legislature have a dedicated unit or has it designated specific staff members to promote the health and wellbeing of its 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 (2) employees with R1.98 million budget
3. Has the legislature introduced an Employee Assistance or Health Promotion Programme for its employees? If so, indicate the key elements/services of this Programme.	X		Psychosocial support, i.e financial, legal, emotional and physical wellbeing. Executive Assessments.
4. Has the legislature 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 legislature 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.	X		Policies in HR developed and approved upholding the tenets of the Constitution and related legislation.

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

Question	Yes	No	Details, if yes
6. Has the legislature 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.		X	
7. Does the legislature encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	X		
8. Has the legislature developed measures/indicators to monitor and evaluate the impact of its health promotion programme? If so, list these measures/indicators.		X	

4.10 Labour Relations

Table 4.10.1 Collective agreements

Subject Matter	Date
Recognition Agreement	March 2017
Salary Agreement for the 2019/2020 financial year	October 2019

The following table summarises the outcome of disciplinary hearings conducted within the legislature for the year under review.

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
Fraud Allegations	2	8,7%
Alleged insubordination, dereliction of duty & unauthorised absence	2	8,7%
Total	4	17,4%

Table 4.10.4 Grievances lodged

	Number	% of Total
Number of grievances resolved	2	0,45%
Number of grievances not resolved	3	0,68%
Total number of grievances lodged	5	1,13%

Table 4.10.5 Disputes lodged

	Number	% of Total
Number of disputes upheld	0	0%
Number of disputes dismissed	0	0%
Total number of disputes lodged	3	0,68%

Table 4.10.6 Strike actions

Total number of working days lost	0
Total costs working days lost	R0
Amount (R'000) recovered as a result of no work no pay	R0

Table 4.10.7 Precautionary suspensions

Number of people suspended	3
Number of people whose suspension exceeded 30 days	3
Average number of days suspended	134
Cost (R'000) of suspension	R2 999 360,74

4.11 Injury on duty

The table below provides basic information on injury on duty.

Table 4.11.1 Injury on duty

Nature of injury on duty	Number	% of total
Required basic medical attention only	5	100%
Temporary Total Disablement	0	
Permanent Disablement	0	
Fatal	0	
Total	5	100%

4.12 Budget Allocation to Transformation Programmes

Table 4.12.1 Institutional HDI Targets

Target	Actual Performance
HDI: 60%	71.56%
Women: 30%	39.34%
Youths: 10%	14.57%
Persons with Disabilities: 2%	1.28%



PART - E -

“Following up on our commitments,
making your future work better”



LAW-MAKING



COOPERATIVE
GOVERNANCE



OVERSIGHT



PUBLIC
PARTICIPATION



FINANCIAL INFORMATION



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

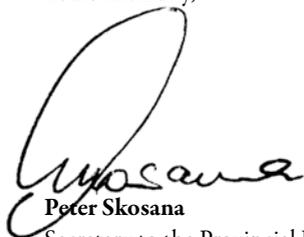
Financial Statements for the 2019/20 Financial Year Ending 31 March 2020

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 Provincial Legislature (Accounting Officer)
31ST May 2020

Legal form of entity
Provincial Legislature

Registered office
Cnr President and Loveday
Street Johannesburg
2001

Business address
Cnr President and Loveday Street
Johannesburg,
2001

Postal address
Private Bag X52
Johannesburg 2000

Bankers
Standard Bank of SA

Auditors
Auditor General South Africa (AGSA)
Registered Auditors

Secretary to the Legislature
Peter Skosana



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 ... to ..., which comprise the statement of financial position as at 31 March 2020, statement of financial performance, statement of changes in net assets and 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 2020, and its financial performance and cash flows for the year then ended in accordance with the 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, of South Africa, 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 this auditor's report.
4. I am independent of the provincial legislature in accordance with sections 290 and 291 of the Code of ethics for professional accountants and parts 1 and 3 of the International Code of

Ethics for Professional Accountants (including International Independence Standards) of the International Ethics Standards Board for Accountants (IESBA codes) as well as 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 codes.

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 relating to contingent liabilities

7. With reference to note 26 to the financial statements, the provincial legislature is the defendant in a number of labour matters relating to the expiry of employment contracts. The provincial legislature is opposing these claims. The ultimate outcomes of the matters could not be determined and no provision for any liability that may result was made in the financial statements.

Restatement of corresponding figures

8. As disclosed in note 35 to the financial statements, the corresponding figures for 31 March 2019 were restated as a result of an error in the financial statements of the provincial legislature at, and for the year ended, 31 March 2020.

Subsequent events

9. I draw attention to note 33 in the financial statements, which deals with events after the reporting date and specifically the possible

effects of the future implications of Covid-19 on legislature's future prospects, performance and cash flows. Management have also described how they plan to deal with these events and circumstances. My opinion is not modified in respect of this matter.

Responsibilities of the accounting officer for the financial statements

10. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with 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 financial statements that are free from material misstatement, whether due to fraud or error.
11. In preparing the financial statements, the accounting officer is responsible for assessing the 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 the appropriate governance structure either intends to liquidate the provincial legislature or to cease operations, or has no realistic alternative but to do so.

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

12. 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 the 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Report on the audit of the annual performance report

Introduction and scope

14. 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 on the usefulness and reliability of the reported performance information against predetermined objectives for selected programme presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
15. My procedures address the usefulness and reliability of the reported performance information, which must be based on the approved performance planning documents of the provincial legislature. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the provincial legislature enabled service delivery. My procedures also do 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.
16. 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 programme presented in the annual performance report of the provincial legislature for the year ended 31 March 2020:

Other information

Programme	Pages in the annual performance report
Programme 4 Core Business	36–45

17. I performed procedures to determine whether the reported performance information was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
18. I did not identify any material findings on the usefulness and reliability of the reported performance information for this programme:

Programme 4 - Core Business

Other matters

19. I draw attention to the matter below.

Achievement of planned targets

20. Refer to the annual performance report on pages 25 to 49 for information on the achievement of planned targets for the year.

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 provincial legislature's compliance 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 material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.

Other information

23. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report which includes the foreword by the Speaker, the accounting officer's executive summary and the audit committee's report. The other information does not include the financial statements, the auditor's report and that selected programme presented in the annual performance report that has been specifically reported in this 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 programme presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.



26. If, based on the work I have performed on the other information that I 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. The identified material inconsistencies from the foreword by the Speaker and the accounting officer's executive summary were subsequently corrected.
27. When I do receive and read the audit committee's report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

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 on it. I did not identify any significant deficiencies in internal control.

Auditor-General

Johannesburg
31 August 2020



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence





ANNEXURE – AUDITOR-GENERAL'S RESPONSIBILITY FOR THE AUDIT

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for the selected programme and on the provincial legislature's compliance with respect to the selected subject matters.

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:
 - » identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
 - » obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the provincial legislature's internal control
 - » evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer
 - » conclude on the appropriateness of the accounting officer's use of the going concern

basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the Gauteng Provincial Legislature to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a provincial legislature to cease operating as a going concern

- » evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.



STATEMENT OF FINANCIAL POSITION

as at March 31, 2020

Figures in Rand	Note(s)	2020	Restated 2019
Assets			
Current Assets			
Inventories	8	882,488	698,607
Receivables from exchange transactions	9	1,814,687	2,203,351
Statutory Receivables	9	2,060,045	-
Prepayments	7	3,680,810	3,088,249
Cash and cash equivalents	10	334,748,759	263,707,119
		343,186,789	269,697,326
Non-Current Assets			
Heritage assets	3	1,920,264	1,920,264
Property, plant and equipment	4	107,960,867	111,809,328
Intangible assets	5	2,612,050	3,156,384
		112,493,181	116,885,976
Total Assets		455,679,970	386,583,302
Liabilities			
Current Liabilities			
Finance lease obligation	11	937,221	3,446,611
Operating lease liability	6	472,274	1,964,187
Payables from exchange transactions	14	16,585,692	29,748,403
Provisions	12	18,923,776	19,433,082
Staff payables	13	964,074	795,438
		37,883,037	55,387,722
Non-Current Liabilities			
Finance lease obligation	11	233,963	471,563
Provisions	12	5,766,200	5,494,646
		6,000,163	5,966,209
Total Liabilities		43,883,200	61,353,930
Net Assets		411,796,769	325,229,372
Accumulated surplus		411,796,769	325,229,372

STATEMENT OF FINANCIAL PERFORMANCE

for the year ended March 31, 2020

Figures in Rand	Note(s)	2020	Restated 2019
Revenue from non-exchange transactions	15	859,074,594	789,575,848
Revenue from exchange transactions	16	1,768,686	2,137,129
Operating expenses	19	-790,885,277	-761,086,256
Operating surplus		69,958,003	30,626,721
Interest Income	17	16,848,296	15,746,028
Finance costs	21	-238,903	-573,062
Surplus		86,567,397	45,799,687

STATEMENT OF CHANGES IN NET ASSETS

for the period ended March 31, 2020

Figures in Rand	Note(s)	Accumulated surplus	Total net assets
Balance at April 1, 2018		279,429,685	279,429,685
Changes in net assets			
Surplus		34,912,945	34,912,945
Prior period error	35	10,886,743	10,886,743
Restated Surplus		45,799,687	45,799,687
Balance at April 1, 2019		325,229,372	325,229,372
Changes in net assets			
Surplus		86,567,397	86,567,397
Balance at March 31, 2020		411,796,769	411,796,769

CASH FLOW STATEMENT

for the period ended March 31, 2020

Figures in Rand	Note(s)	2020	2019
Cash flows from operating activities			
Receipts			
Revenue		857 014 550	789,575,848
Interest income		15,392,684	14,346,620
Other receipts		3 612 963	4,308,485
		876,020,197	808,230,953
Payments			
Employee costs		- 468,019,579	- 413,625,028
Suppliers		- 322,718,752	- 346,836,985
		- 790,738,331	- 760,462,012
Net cash flows from operating activities	23	85,281,866	47,768,941
Cash flows from investing activities			
Purchase of property, plant and equipment	4	-10,840,470	-19,768,013
Proceeds from sale of property, plant and equipment		515,087	259,678
Net cash flows from investing activities		-10,325,382	-19,508,334
Cash flows from financing activities			
Finance lease payments		- 3,914,845	- 1,852,462
Net cash flows from financing activities		-3,914,845	- 1,852,462
Net increase/(decrease) in cash and cash equivalents		71,041,639	26,408,145
Cash and cash equivalents at the beginning of the year		263,707,120	237,298,976
Cash and cash equivalents at the end of the year	10	334,748,759	263,707,120

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

as at 31 March 2020, Budget on Cash Basis

Figures in Rand	Note(s)	Approved Budget	Shifting of Funds	Budget at end of Period	Actual amounts on comparable basis	Difference between budget and actual
Transfer revenue						
Appropriation		761,430,000	-	761,430,000	761,430,000	-
Economic Class						
Personnel		385,723,000	-	385,723,000	-367,625,452	18,097,548
Political party funding and Constituency allowance		126,420,000	-	126,420,000	-126,040,698	379,302
Goods and services		235,061,000	- 451,000	234,610,000	-187,593,764	47,016,236
Assets		14,226,000	451,000	14,677,000	-10,676,894	4,000,106
Total	32	761,430,000	-	761,430,000	-691,936,807	69,493,193
Surplus					69,493,193	

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

as at 31 March 2019, Budget on Cash Basis

Figures in Rand	Note(s)	Approved Budget	Shifting of Funds	Budget at end of Period	Actual amounts on comparable basis	Difference between budget and actual
Transfer revenue						
Appropriation		715,824,000	-	715,824,000	715,824,000	-
Economic Class						
Personnel		356,885,000	-14,719,000	342,166,000	-339,222,058	2,943,942
Political party funding and Constituency allowance		121,572,000		121,572,000	-121,572,428	-428
Goods and services		232,924,000	5,977,000	238,901,000	-238,625,803	275,197
Assets		4,443,000	8,742,000	13,185,000	-12,164,534	1,020,466
Total		715,824,000	-	715,824,000	-711,584,823	4,239,177
Surplus						4,239,177

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 Financial Management of Parliament and Legislatures Act.

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.

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

The GPL 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 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 GPL's 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	Average useful life
Land	Straight line	Infinite
Buildings	Straight line	50
Leasehold property	Straight line	over the lease period
Plant and machinery	Straight line	5-15 years
Furniture and fixtures	Straight line	9 to 21 years
Motor vehicles	Straight line	5 to 9 year
Office equipment	Straight line	13 years
IT equipment	Straight line	5 to 15 years
Leasehold improvements	Straight line	over the lease period
Library books	Straight line	20-25 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 GPL to amend the previous estimates unless expectations differ from previous estimates. The residual value of motor vehicles is estimated at 20% of the cost.

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.

1.3 Intangible assets

An asset is identifiable if it either:

- » is separable, i.e. is capable of being separated or divided from an GPL and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the
- » 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 - 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. Average useful life of

software – The LIMS program was internally generated and has been estimated to be in use for approximately 10 to 12 years.

1.4 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 GPL, 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 assets.

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.

1.5 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one GPL 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 GPL 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:

Class	Category
Cash and cash equivalents	Financial asset measured at amortised cost
Other receivables from non-exchange transaction	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:

Class	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 GPL 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, a constitutional institution 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 uncollectible 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 entity, 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 GPL has retained substantially all the risks and rewards of ownership of the transferred asset, the GPL continue to recognise the transferred asset in its entirety and recognise a financial liability for the consideration received. In subsequent periods, the GPL 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 GPL 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 GPL 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 GPL 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 fulfilment 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 recognised as a reduction of rental expenses over the lease term on the straight line basis over the lease term. Any contingent rent is recognised 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 GPL 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.

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 GPL 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 oversized or overcapacity asset. Oversized 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:

- » 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 cell phones) for current employees.
- » When an employee has rendered service to the GPL during a reporting period, the GPL 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 GPL expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The GPL 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 GPL 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.

1.11 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 GPL 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.

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, and 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 GPL 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-cancellable or only cancellable 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 GPL- 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.

Interest, royalties and dividends

Revenue arising from the use by others of GPL 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

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.

Gifts and donations

Except for financial guarantee contracts, the GPL recognises services in-kind that are significant to its operations and/or service delivery objectives as assets and recognise the related revenue when it is probable that the future economic benefits or service potential will flow to the Legislature and the fair value of the

assets can be measured reliably. Where services in-kind are not significant to the Legislature's operations and/or service delivery objectives and/or do not satisfy the criteria for recognition, the Legislature discloses the nature and type of services in-kind received during the reporting period.

1.15 Borrowing costs

Borrowing costs are interest and other expenses incurred by an GPL 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 comparable 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 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 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 Financial Management of Parliament and Provincial Legislatures Act as expenditure incurred in other than unauthorised expenditure, 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.

1.22 Statutory Receivables

Identification

Statutory receivables are receivables that:

- » arise from legislation, supporting regulations, or similar means; and
- » require settlement by another entity in cash or another financial asset.

Recognition

GPL recognise statutory receivables as follows:

- » if the transaction is an exchange transaction, using GRAP 9;
- » if the transaction is a non-exchange transaction, using GRAP 23; or if the transaction is not within the scope of the Standards of GRAP listed in (a) or (b) or another Standard of GRAP, the receivable is recognised when the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the transaction amount can be measured reliably.

Initial Measurement

GPL initially measure statutory receivables at their transaction amount. The statutory receivables is measured initially in accordance with the applicable Standard of GRAP.

Subsequent Measurement

GPL measure statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:

- » interest or other charges that may have accrued on the receivable (where applicable);
- » impairment losses; and
- » amounts derecognised.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended March 31, 2020

2. Standards Approved and effective/not yet Effective

2.1 Standards and interpretations effective, relevant, and adopted in the current reporting period.

The following standards and interpretations have been published and are relevant for the GPL's accounting periods beginning on or after April 1, 2019 or later periods but are not yet effective:

Standard/ Interpretation: Years beginning on or after	Effective date:	Expected impact:
GRAP 108: Statutory Receivables	Effective from - 1 April 2019	no material impact
GRAP 20: Related Party Disclosures	Effective from - 1 April 2019	no material impact

2.2 Standards and interpretations effective but not relevant

The following standards and interpretations have been published and effective but not relevant for the GPL's accounting periods beginning on or after April 1, 2019 or later periods:

Standard/ Interpretation: Years beginning on or after	Effective date:	Expected impact:
GRAP 109: Accounting by Principals and Agent	Effective from - 1 April 2019	No impact
GRAP 18: Segment Reporting	Effective from - 1 April 2019	No impact
GRAP 32: Service Concessions Arrangements: Grantor	Effective from - 1 April 2019	No impact
GRAP 105: Transfer of Functions Between Entities Under Common Control	Effective from - 1 April 2019	No impact
GRAP 106: Transfer of Functions Between Entities Not Under Common Control	Effective from - 1 April 2019	No impact
GRAP 107: Mergers	Effective from - 1 April 2019	No impact
GRAP 110: Living and Non-living Resources	Effective from - 1 April 2019	No impact

2.3 Standards and interpretations approved but not effective

The following standards and interpretations have been published and will be mandatory for the accounting period beginning on or after April 1, 2020 or later periods but are not yet effective:

Standard/ Interpretation: Years beginning on or after	Effective date:	Expected impact:
GRAP 104: Financial Instruments	Effective from - 1 April 2020	No material impact

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended March 31, 2020

3. Heritage assets

	2020			2019		
	Cost	Accumulated depreciation and impairment	Carrying value	Cost	Accumulated depreciation and impairment	Carrying value
Art work	1,920,264	-	1,920,264	1,920,264	-	1,920,264
Reconciliation of heritage assets - 2020				Opening balance	Disposals	Total
				1,920,264	-	1,920,264
Reconciliation of heritage assets - 2019				Opening balance	Disposals	Total
Art work				1,920,264	-	1,920,264

4. Property, plant and equipment

	2020			2019		
	Cost	Accumulated depreciation and impairment	Carrying value	Cost	Accumulated depreciation and impairment	Carrying value
Land	9,111,028	-	9,111,028.00	9,111,028	-	9,111,028
Buildings	60,653,049	-12,719,312	47,933,737.73	60,653,049	-11,263,026	49,390,023
Leasehold property	9,144,347	-7,950,021	1,194,326.10	15,421,748	-11,818,348	3,603,400
Plant and machinery	18,548,943	-7,946,077	10,602,866.42	17,595,420	-6,020,095	11,575,325
Furniture and fixtures	17,394,646	-9,083,597	8,311,049.36	16,498,402	-7,945,907	8,552,496
Motor vehicles	4,689,820	-3,474,043	1,215,776.98	5,111,117	-3,061,857	2,049,260
Office equipment	875,292	-375,703	499,588.83	875,292	-312,255	563,037
IT equipment	37,187,719	-12,700,782	24,486,936.95	28,814,198	-9,447,553	19,366,645
Leasehold improvements	14,222,742	-11,635,810	2,586,932.51	14,222,742	-8,550,089	5,672,653
Library books	4,119,343	-2,100,719	2,018,624.25	3,703,429	-1,777,968	1,925,461
Total	175,946,930	-67,986,063	107,960,867	172,006,426	-60,197,098	111,809,328

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended March 31, 2020

4. Property, plant and equipment ^{continued}

Reconciliation of property, plant and equipment - 2020

	Opening balance	Additions	Disposals	Depreciation	Impairment loss	Total
Land	9,111,028					9,111,028
Buildings	49,390,023			-1,456,286		47,933,738
Leasehold assets	3,603,401	928,952		-3,338,027		1,194,327
Plant and machinery	11,575,326	954,771	-814	-1,926,415		10,602,868
Furniture and fixtures	8,552,496	903,800	-4,650	-1,140,596		8,311,049
Motor vehicles	2,049,260	-	-174,007	-659,477		1,215,777
Office equipment	563,037	-	-	-63,448		499,589
IT equipment	19,366,645	8,565,985	-153,020	-3,292,673		24,486,937
Leasehold improvements	5,672,653		-	-3,085,721		2,586,932
Library books	1,925,461	415,914		-322,751		2,018,624
	111,809,329	11,769,422	-332,491	-15,285,392	-	107,960,867

Reconciliation of property, plant and equipment - 2019

	Opening balance	Additions	Disposals	Depreciation	Impairment loss	Total
Land	9,111,028	-	-	-	-	9,111,028
Buildings	50,846,438	-	-	-1,456,414	-	49,390,023
Leasehold assets	4,787,735	3,363,532	-	-4,547,866	-	3,603,401
Plant and machinery	6,550,594	5,913,774	-150,740	-738,301	-	11,575,326
Furniture and fixtures	9,015,687	1,349,520	-366,201	-1,134,882	-311,629	8,552,496
Motor vehicles	2,918,137	-	-97,679	-771,198	-	2,049,260
Office equipment	415,588	208,454	-3,144	-57,862	-	563,037
IT equipment	12,341,257	8,932,732	-20,597	-1,504,454	-382,294	19,366,645
Leasehold improvements	8,758,746		-	-3,086,093	-	5,672,653
Library books	2,009,107	-	-	-83,647	-	1,925,461
	106,754,317	19,768,013	-638,361	-13,380,717	-693,923	111,809,329

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended March 31, 2020

Figures in Rand	2020	2019
Classes of Work in Progress		
IT equipment	-	6,980,522
	-	6,980,522
The 2018/19 work in progress is in respect of the ECM project, which the installation was only completed during 2019/20 financial year.		
Disclosure on Repairs and Maintenance of Property, Plant and Equipment		
Buildings	3,083,069	3,112,256
IT equipment	564,514	
	3,647,582	3,112,256

5. Intangible assets

Figures in Rand	2020			2019		
	Cost	Accumulated amortisation and accumulated impairment	Carrying value	Cost	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, other	20,955,601	- 18,343,551	2,612,050	20,955,601	-17,799,217	3,156,384

Reconciliation of intangible assets - 2020

	Opening balance	Additions	Disposals	Amortisation	Impairment loss	Total
Computer software, other	3,156,383		-	-544,334	-	2,612,050

Reconciliation of intangible assets - 2019

	Opening balance	Additions	Disposals	Amortisation	Impairment loss	Total
Computer software, other	3,870,056		-	- 616,381	-97,292	3,156,383

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended March 31, 2020

Figures in Rand	2020	2019
6. Operating lease liabilities		
Current liabilities	472,274	1,964,187
	472,274	1,964,187
<p>The operating lease liabilities is as a result of straight lining of rental payments over the lease term.</p>		
7. Prepayments		
Insurance	-	991,625
Software Licences	3,680,810	2,096,624
	3,680,810	3,088,249
<p>Licences and Insurance are usually paid annually in advance. Amounts applicable to period after financial year end are recognised as prepayments at the end of March 2020</p>		
8. Inventories		
Memorabilia for sale	51,292	101,278
Consumable stores	731,779	597,329
Maintenance materials	99,416	-
	882,488	698,607

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended March 31, 2020

Figures in Rand	2020	2019
9. Receivables		
9.1 Receivables from exchange transactions		
Interest receivable	1,455,612	1,399,408
Staff receivables	54,398	283,043
Trade debtors	304,677	520,901
Debtors Impairment	-	-
Current assets	1,814,687	2,203,351
Fair value of trade and other receivables		
Trade and other receivables	1,814,687	2,203,351
No trade and other receivables were used as collateral.		
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 payment 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, 2020, R1 814 687 (2019, R 2 203 351) were past due but not impaired.		
The ageing of amounts past due but not impaired is as follows:		
0 to 30 days	1,814,687	2,057,793
31 to 60 days	-	145,558
61 days and over	-	-
	1,814,687	2,203,351
Trade and other receivables impaired		
As at March 31, 2020, No trade and other receivables were impaired and provided for.		
The ageing of these debtors is as follows:		
Over 6 months	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended March 31, 2020

Figures in Rand	2020	2019
9.2 Statutory Receivables		
Debtor- Gauteng Provincial Treasury	2,060,045	-
	2,060,045	-
<p>The Statutory receivable is a result of Members back pay paid on the last day of March 2020 which Treasury still need to pay GPL as part of the Direct charges.</p> <p>Members are entitled to remuneration in line with the Remuneration of Public Office Bearers Act. During the year the members increase of R2 060 045 was incurred/ paid to members. The money should be received from Gauteng Provincial treasury as part of the Direct charges which by the 31st March 2020 was not yet received.</p> <p>No receivables were used as collateral.</p> <p>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.</p> <p>Management adopted the Payment 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.</p> <p>Statutory receivables which are less than 12 months past due are not considered to be impaired. At March 31 , 2020, R2 060 045 (2019, R0) were past due but not impaired.</p> <p>The ageing of amounts past due but not impaired is as follows:</p>		
0 to 30 days	2,060,045	
31 to 60 days	-	
61 days and over	-	
	2,060,045	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended March 31, 2020

Figures in Rand	2020	2019
10. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Bank balances	334,748,759	263,707,119
	334,748,759	263,707,119
Below is the description in terms of Section 56 of Financial Management of Parliament and Provincial Legislatures Act		
Standard Bank		
Standard Bank Main	137,076,386	84,755,515
Standard Bank Revenue	197,647,670	178,214,650
Standard Bank Salaries	5,311	731,190
Standard Bank Petty cash	19,391	5,765
Cash on hand	-	-
	334,748,759	263,707,119
The exposure to credit risk is the carrying amount of each class of cash and cash equivalents. Cash and cash equivalents are placed with high credit quality rated financial institution, therefore the carrying values were not impaired. The Global ratings has affirmed international scale rating assigned to Standard Bank of South Africa Limited of BB+, with the outlook accorded as Stable. Accordingly the risk associated with SBSA is considered negligible or within the acceptable tolerance threshold.		
11. Finance lease obligation		
Minimum lease payments due		
Not later than one year	994,908	3,642,400
Later than one year and not later than five years	241,930	480,533
	1,236,838	4,122,933
less: future finance charges	-65,653	-204,759
Present value of minimum lease payments	1,171,184	3,918,174
Present value of minimum lease payments due		
Not later than one year	937,221	3,446,611
Later than one year and not later than five years	233,963	471,563
	1,171,184	3,918,174
Non-current liabilities	233,963	471,563
Current liabilities	937,221	3,446,611
	1,171,184	3,918,174

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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended March 31, 2020

Figures in Rand	Opening Balance	Additions	Utilised during the year	Total
12. Provisions				
Reconciliation of provisions - 2020				
Bonus	8,761,986	2,689,786	-3,001,246	8,450,526
Legal obligation	1,737,664		-1,737,664	-
Leave	8,300,607	4,544,747	-3,216,005	9,629,349
Long service award	6,127,471	1,240,129	-757,500	6,610,100
	24,927,728	8,474,662.97	-8,712,415	24,689,976
Reconciliation of provisions - 2019				
Bonus	15,142,420	7,840,790	-14,221,224	8,761,986
Legal obligation		1,737,664		1,737,664
Leave	23,480,196	8,300,607	-23,480,196	8,300,607
Long service award	5,853,490	1,067,981	-794,000	6,127,471
	44,476,105	18,947,043	-38,495,420	24,927,729
Non-current liabilities			5,766,200	5,494,646
Current liabilities			18,923,776	19,433,082
			24,689,976	24,927,729
<p>The bonus provision includes outstanding bonuses for senior management for 2018/2019 and 2019/2020 financial year. Leave Utilised is the leave paid out to employees who resigned or whose employment contract ended during the year.</p>				
13. Staff payables				
Staff Members			891,398	756,235
Political staff			22,600	39,203
MPL			50,076	-
			964,074	795,438

The amount relate to optional savings made by employees during the financial year as deductions from their salaries .The money is paid back to employees upon request but ordinarily paid out in December of each year. The amount of R964 074 is therefore funds held in custody on behalf of employees of the GPL as at 31 March 2020 and payable immediately upon request.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended March 31, 2020

Figures in Rand	2020	2019
14. Payables from exchange transactions		
Goods Received (GRIR)	3,483,225	7,401,525
Uncleared EFT	1,377,182	6,244,489
Trade payables	11,725,285	16,102,391
	16,585,692	29,748,404
15. Revenue from non-exchange transactions		
Voted funds	761,430,000	715,824,000
Direct charges	97,644,594	73,373,848
Aid assistance	-	378,000
	859,074,594	789,575,848
16. Revenue from exchange transactions		
Interest on debtors	12,540	33,486
Parking income	1,539,436	1,817,613
Sundry income	3,481	13,100
Hall bookings	213,230	272,930
	1,768,686	2,137,129
17. Interest Revenue		
Interest revenue	16,848,296	15,746,028
	16,848,296	15,746,028
Interest revenue includes an amount of R1,455 million accrued bank interest.		
18. Appropriation and Direct Charges		
Voted funds	761,430,000	715,824,000
Direct charges	97,644,594	73,373,848
	859,074,594	789,197,848

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended March 31, 2020

Figures in Rand	2020	2019
19. Operating expenses		
Asset related expenses *	15,794,288	13,799,569
Auditors fees (Internal and External)	6,680,155	5,721,194
Consulting and professional fees**	21,761,022	29,169,549
Consumables ***	5,521,116	6,144,014
Employee Cost *****	370,305,869	320,774,183
Members Remuneration	97,644,594	73,373,848
Licence fees	8,178,589	5,406,781
Municipal service	5,675,912	4,252,704
Operating expenditure ****	39,288,311	56,935,473
Political party funding and Constituency allowances	126,040,698	121,572,428
Repairs & maintenance	3,647,582	4,142,856
Subscriptions	3,660,318	2,855,750
Telephone and fax	8,638,303	6,824,164
Travel & Accommodation	48,211,310	69,094,418
Workshop and functions	29,837,211	41,019,325
	790,885,277	761,086,256
* Asset related expenses - expenditure relating to depreciation and amortisation.		
**Consulting and professional fees - expenditure relating the outsourcing of professional services relating to IT, Security, Hansard, independent members serving on LSB structures and other general consultants.		
***Consumables - expenditure relating to cleaning materials, stationery and general printing.		
****Operating expenditure - expenditure relating to Bank charges, Advertising, Rent, Cleaning and Insurance and general		
*****Employee costs - expenditure relates to remuneration of Staff		
20. Employee related costs		
Salary*	425,489,722	351,517,450
UIF	863,526	851,577
Overtime payments	7,791,940	7,686,092
Political allowances	7,506,057	7,430,828
Car allowance	26,299,218	26,662,083
Less: Members remuneration**	-97,644,594	-73,373,848
	370,305,869	320,774,183

* Salary includes Basic salary, IPMS, Other fringe benefit (Funeral contribution), Relocation cost and 13th cheque.

** The details of Members remuneration is in note 36.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended March 31, 2020

Figures in Rand		2020	2019
21.	Finance costs		
	Finance leases	238,903	573,062
		238,903	573,062
22.	Auditors' remuneration		
	Fees	5,532,674	4,509,687
		5,532,674	4,509,687
23.	Cash generated from operations		
	Surplus	86,567,397	45,799,687
	Adjustments for:		
	Depreciation and amortisation	15,829,726	13,997,098
	Impairment	-	791,215
	Finance costs - Finance leases	238,903	573,062
	Movements in operating lease assets	-1,491,913	-418,445
	Movements in provisions	-237,752	-19,548,377
	Asset Disposals	-182,596	378,683
	Staff payables	168,636	71,381
	Changes in working capital:		
	Inventories	-183,881	1,178,237
	Prepayments	-592,561	626,667
	Receivables from exchange transactions	388,665	771,948
	Other receivables from non-exchange transactions	-2,060,045	-
	Payables from exchange transactions	-13,162,712	3,547,785
		85,281,866	47,768,941

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended March 31, 2020

Figures in Rand	Note	At fair value	Total
24. Financial instruments disclosure			
Categories of financial instruments			
March 2020			
Financial assets			
Trade and other receivables from exchange transactions	9	1,814,687	1,814,687
Cash and cash equivalents	10	334,748,759	334,748,759
		336,563,445	336,563,445
Financial liabilities			
Trade and other payables from exchange transactions	14	16,585,692	16,585,692
Staff payables	13	964,074	964,074
Finance lease	11	1,171,184	1,171,184
		18,720,950	18,720,950
March 2019			
Financial assets			
Trade and other receivables from exchange transactions	9	2,203,351	2,203,351
Cash and cash equivalents	10	263,707,119	263,707,119
		265,910,471	265,910,471
Financial liabilities			
Trade and other payables from exchange transactions	14	29,748,403	29,748,403
Staff payables	13	795,438	795,438
Finance lease	11	3,918,174	3,918,174
		34,462,016	34,462,016

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended March 31, 2020

Figures in Rand	2020	2019
25. Commitments		
Authorised expenditure		
Already contracted for but not provided for		
Goods and services	26,954,924	18,984,257
Total commitments	26,954,924	18,984,257
Committed and not contracted		
Goods and Services	-	7,032,088
	26,954,924	26,016,345
Authorised operational expenditure		
The commitments will be funded through Grants received from Provincial treasury		
Operating leases - as lessee		
Minimum lease payments due		
- within one year	3,564,616	11,874,784
- in second to fifth year inclusive	-	3,564,616
	3,564,616	15,439,401

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.

26. Contingent liabilities

Malefane and three others v GPL

Four Senior Managers vs GPL - Challenge in respect of expired contracts of employment with the GPL effective 30th June 2016.

An arbitration was awarded against the GPL for the applicants to be reinstated on a permanent basis from 1st February 2017 and paid monthly salaries from 1st July 2016 to the end of January 2017. An application for review of the arbitration award was subsequently lodged by the GPL at the Labour Court. The present value of the expected cash flow is estimated at R 61 045 212

Hlungwani vs GPL

The applicant challenged GPL in respect of his expired contract of employment which he had with the GPL.

The applicant has legitimate expectation of renewal of contract on similar terms.

Awaiting directives from court in relation to papers submitted by both parties. The present value of the expected cash flow is estimated at R13 371 687 .

Tafane vs GPL

The Applicant has lodged a claim for 5 years contract of employment or remuneration for 5 years at the Labour Court based on an allegation that he was discriminated against during the process of the appointment of the Director Knowledge Management.

Notice to oppose and statement of response served and filled. The present value of the expected cash flow is estimated at R 6 148 725.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended March 31, 2020

Figures in Rand	2020	2019
27. Related parties		
Related party relationship exists with all Provincial Government Departments, Provincial Public Entities due to Legislature 's oversight of these entities, and with Political Parties due to them having seats in the Gauteng Provincial Legislature. Transactions with these entities are within the normal operating parameters established by Gauteng Provincial Legislature.		
27.1 Related Party transactions		
Amount received from Provincial Treasury		
Voted funds	761,430,000	715,824,000
Direct charge	97,644,594	73,373,848
	859,074,594	789,197,848
Amount paid to Political parties		
Political Party funding and constituency allowances	126,040,698	121,572,428
	126,040,698	121,572,428
Amount included on Receivables balance		
Provincial Treasury	2,060,045	-
Office of the Premier	175,763	158,995
Political Party	-30,767	14,106
Social Development	159,678	159,678
	2,364,719	332,780
Amount included on Trade and Other Payables balance		
Political Parties	414,413	-
G-Fleet	203,086	10,345
	617,499	10,345
Amount included on Revenue		
Premier Office	451,024	832,664
Political Parties	362,792	329,811
Social Development	725,620	655,138
	1,539,436	1,817,613

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended March 31, 2020

Figures in Rand	2020	2019
Amount included on Expenditure		
G-Fleet	1,886,879	702,906
	1,886,879	702,906
Compensation to Members		
Annual Remuneration	59,929,395	55,559,611
Car allowances	8,300,519	10,383,409
Political allowances	7,506,056	7,430,828
Members Gratuity	21,908,617	-
	97,644,587	73,373,848

27.2 Remuneration of Senior Management

Legislature is governed by the Executive Authority, comprising the Speaker and Deputy Speaker of the Gauteng Legislature.

The Executive Authority, the Secretariat and Senior Management are responsible for the planning, directing, and controlling of the activities of the Institution.

During the period under review, the following remuneration was paid to the members of management for the services rendered to the Gauteng Provincial Legislature.

27.2.1 Remuneration of Executive Authority

2020			Total
Speaker	1,857,795	120,000	1,977,795
Deputy Speaker	1,330,275	107,826	1,438,101
	3,188,070	227,826	3,415,896
2019			Total
Speaker	1,857,795	120,000	1,977,795
Deputy Speaker	1,447,937	120,000	1,567,937
	3,305,732	240,000	3,545,732

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended March 31, 2020

Figures in Rand	Package	Performance Bonus & Leave Encashment	Fringe Benefit	Total Remuneration
27.2.2 Remuneration of Executive Directors				
2020				
Position				
Secretary to the Legislature	2,442,652	-	480	2,443,132
Chief Financial Officer	2,183,755	193,817	480	2,378,052
Executive Director: Corporate support	1,910,241	127,156	480	2,037,878
Executive Director: Leadership and Governance	1,910,241	84,771	480	1,995,492
Executive Director: Core business	1,932,654	128,648	480	2,061,782
	10,379,544	534,392	2,400	10,916,336
2019				
Position				
Secretary to the Legislature	2,319,708	186,454	440	2,506,602
Chief Financial Officer	2,073,842	520,254	440	2,594,536
Executive Director: Corporate support	1,814,094	137,884	440	1,952,418
Executive Director: Leadership and Governance	1,814,094	118,186	440	1,932,720
Executive Director: Core business	1,835,379	93,001	440	1,928,820
	9,857,117	1,055,779	2,200	10,915,096

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended March 31, 2020

Figures in Rand	Package	Performance Bonus & Leave Encashment	Fringe Benefit	Total Remuneration
27.2.3 Remuneration of Directors				
2020				
Position				
Director: Information Technology	1,752,197	332,295	480	2,084,973
Director: Operational Support	233,634	245,297	80	479,010
Director: Oversight and Strategy	1,579,426	140,180	480	1,720,086
Director : Supply Chain Management	1,428,044	105,135	480	1,533,659
Director: Finance	1,579,426	140,180	480	1,720,086
Director: Parliamentary Business	1,403,612	259,542	480	1,663,634
Director: Members Affairs	1,579,426	140,180	480	1,720,086
Director: Administration	1,579,426	105,135	480	1,685,041
Director: Inter-Legislative Relations	1,379,147	64,537	480	1,444,163
Director: Communications and PPP	1,705,780	151,395	480	1,857,654
Director: Institutional Support	1,579,426	140,180	480	1,720,086
Director : Intsitutional Knowledge Management	1,448,776	88,738	480	1,537,994
Director: Audit, Risk and Governance	507,365	-	200	507,565
	17,755,682	1,912,795	5,560	19,674,038
2019				
Position				
Director: Information Technology	1,664,005	350,565	440	2,015,010
Director: Operational Support	1,499,929	284,416	440	1,784,785
Director: Oversight and Strategy	1,499,929	284,416	440	1,784,785
Director : Supply Chain Management	1,499,929	97,718	440	1,598,088
Director: Finance	1,499,929	65,146	440	1,565,515
Director: Parliamentary Business	1,332,965	280,823	440	1,614,228
Director: Members Affairs	1,499,929	81,432	440	1,581,801
Director: Administration	1,499,929	-	440	1,500,369
Director: Inter-Legislative Relations	1,381,087	-	440	1,381,527
Director: Communications and PPP	1,619,924	58,361	440	1,678,725
Director: Institutional Support	1,499,929	97,718	440	1,598,088
Director : Intsitutional Knowledge Management	1,381,087	-	440	1,381,527
Acting Director: Audit, Risk and Governance	1,188,997	152,054	440	1,341,491
	19,067,571	1,752,650	5,720	20,825,941

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended March 31, 2020

Figures in Rand	Package	Performance Bonus & Leave Encashment	Fringe Benefit	Total Remuneration
27.2.4 Remuneration of Senior Managers				
2020				
Position				
Senior Manager: Integrity Office	1,251,616	69,429	480	1,321,524
Senior Manager: Human Capital	1,251,616	111,086	480	1,363,182
Office Manager: Corporate support	1,359,317	120,645	480	1,480,442
Senior Manager: Planning, Monitoring and Evaluation	1,251,616	101,829	480	1,353,924
Office Manager: Core Business	1,218,670	108,162	480	1,327,312
Board secreteriat LSB	1,359,317	120,645	480	1,480,442
Senior Manager: Communication	1,359,317	60,322	480	1,420,120
Senior Manager: Transversal & Mainstreaming	1,435,050	127,366	480	1,562,896
Senior Manager Budget & Reporting	1,359,317	120,645	480	1,480,442
Senior Manager: Performance Management	1,359,317	60,322	480	1,420,119
	13,205,152	1,000,451	4,800	14,210,403
2019				
Position				
Senior Manager: Integrity Office	1,188,619	149,563	440	1,338,622
Senior Manager: Human Capital	1,188,619	-	440	1,189,059
Office Manager: Corporate support	1,290,899	230,760	440	1,522,099
Senior Manager: Planning, Monitoring and Evaluation	1,188,619	-	440	1,189,059
Office Manager: Core Business	1,157,331	150,797	440	1,308,568
Board secreteriat LSB	1,290,899	222,453	440	1,513,792
Senior Manager: Communication	966,718	123,628	440	1,090,787
Senior Manager: Transversal & Mainstreaming	1,362,820	341,884	440	1,705,144
Senior Manager Budget & Reporting	1,290,899	181,194	440	1,472,533
Senior Manager: Performance Management	1,290,899	180,547	440	1,471,886
	12,216,324	1,580,826	4,400	13,801,551

27.3 Service in Kind

During the financial year, the SAPS variably deployed personnel at the GPL to implement its own responsibility in terms of the National Key Point Act. These services in-kind are not significant to the operations of the Legislature and cannot be reliably measured hence not recognised. The GPL has outsourced security services to meet the requirements of the GPL and its operations.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended March 31, 2020

28. 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 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.

	Note	Less than 1 year	Between 1 and 2 years and 5 years	Between 2 Over 5 years	Total
At March 31 , 2020					
Trade and other payables	14	16,585,692	-	-	16,585,692
Finance lease	11	937,221	233,963	-	1,171,184
		17,522,913	233,963	-	17,756,876
At March 31 , 2019					
Trade and other payables	14	29,748,403	-	-	29,748,403
Finance lease	11	3,446,611	471,563	-	3,918,174
		33,195,015	471,563	-	33,666,577

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 end were as follows:

Figures in Rand		2020	2019
Financial instrument			
Receivables from exchange transactions	9	1,814,687	2,203,351
Cash and cash equivalent	10	334,748,759	263,707,119
		336,563,445	265,910,471

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended March 31, 2020

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:

Cash flow interest rate risk

Financial instrument	Current interest rate	Due in less than a year	Due in less than two years
2020			
Cash in current banking institutions	6%	334,748,759	-
2019			
Cash in current banking institutions	6%	263,707,119	

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. Interest rate exposure at statement of financial position date

March 2020		
Surplus for the year	1% effect	3,347,488
Surplus for the year	-2% effect	-6,694,975
March 2019		
Surplus for the year	1% effect	2,637,071
Surplus for the year	-2% effect	-5,274,142

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended March 31, 2020

Figures in Rand	2020	2019
29. Fruitless and wasteful expenditure		
Opening balance	-	-
Fruitless and wasteful expenditure - current	206,729	-
Less: Amounts condoned	-206,729	-
	-	-
Fruitless expenditure was mainly incurred as a result of cancellation of service and disruptions by violent protest		
30. Irregular expenditure		
Opening balance	3,266,016	9,547,606
Add: Irregular Expenditure - relating to current year	426,404	4,067,947
Add: Irregular Expenditure - introduced in the current year relating to prior years		
Less: Amounts condoned	- 3,692,419	-10,349,537
	-	3,266,016
Analysis of expenditure condoned		
Current year	426,404	801,931
Prior years	3,266,016	9,547,606
	3,692,420	10,349,537

The Irregular expenditure for 2019/20 was incurred as a result of the following transgressions:

1. Non-compliance in relation to GPL's SCM Policy.
2. Procurement of goods or services by means other than through the quotations process.
3. Where reasons for deviating from complying with normal procurement processes were not approved by the Accounting Officer prior to the ' transaction being processed or actioned.
4. Extension of the contract after expiry date.

There is currently a disciplinary hearing relating to Irregular Expenditure amounting of R9 547 606 .

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended March 31, 2020

Figures in Rand	2020	2019
31. Reconciliation between budget and statement of the financial position		
Reconciliation of budget surplus/deficit with the surplus/deficit in the statement of financial performance		
Net surplus per the statement of financial performance	86,567,397	45,799,687
Adjusted for:		
Capitalization of Assets	-10,840,470	-16,404,481
Depreciation and Amortisation recognised	15,829,726	14,094,390
Impairment and Disposal of Assets	-182,596	1,332,284
Provisions	2,511,781	-12,576,549
Inventory	-183,881	1,178,237
Movements in Leases	-5,167,856	-5,061,377
Prepayments	-592,561	-5,030,773
Staff Payables	168,636	71,380
Receivables	-12,540	- 655,585
Other revenue	-18,604,443	-18,508,037
Net surplus per approved budget	69,493,193	4,239,177

32. Budget differences

The overall underspending on the budget is as a result of the following

Unfilled funded vacancies.

Delays in implementation of some planned activities due to disestablishment of the 5th Legislature and establishment of the 6th Legislature

Non implementation of certain activities due to outbreak of COVID- 19 pandemic

Savings realised on certain activities

Differences between budget and actual amounts of preparations and presentation

The budget and the accounting bases differ. The Annual Financial Statements for the GPL are prepared on the accrual basis using a classification based on the nature of expenditure 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 the difference in the GPL were to express the actual amount on a comparable basis to the final approved budget.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended March 31, 2020

2020

2019

33. Events after Reporting date.

33.1 National Lockdown as a result of COVID 19

During the month of March 2020 the President of South Africa declared a national lockdown due to COVID-19 pandemic. The lockdown was extended after the initial lockdown period during the Month of April 2020, and later moved to Stage 4 lockdown. It is not clear as to when the Lockdown will end.

The GPL business activities that are significantly affected by the lockdown include but not limited to, Committees and House Business. In order to respond to the lockdown implications, GPL had considered options to conduct its business through digital platforms which can even be utilised beyond the lockdown.

In responding to the COVID-19 pandemic, the GPL embarked on a process of reviewing the current 2020/21 performance plans and budgets in order to identify activities that have been disrupted by the COVID-19 pandemic and to reallocate funds to the COVID-19 expenditure. A total amount of R12.5 million has been reprioritised from activities affected by COVID-19 pandemic and reallocated to GPL Digital Parliament project at R7.5 million as well as Disaster Management and procurement of Personal Protective equipment at R5 million. The GPL Digital Parliament project aims to support the new normal in the business of the legislature by streamlining and migrating GPL businesses to online and virtual platforms in response to the COVID-19 pandemic and in line with the Fourth Industrial Revolution. This include House sittings, sector parliaments and committee activities as well as administration support functions.

As at the end of 31 July 2020, the GPL has spent a total amount of R345 thousand on Disaster Management and procurement of Personal Protective Equipment and continues to conduct House sittings, sector parliaments and committee activities virtually.

	Before Assesment	After Assessment	Impact
34. Change in Accounting Estimates.			
The remaining useful lifes of assets were assesed on the 1st April 2019; the impact of assessment on Depreciation is as follows			
Computer Equipment	2,196	1,107	-1,089
Furniture & Office Equipment	916	3,734	2,818
Machinery & Equipment	215	1,022	807
Transport Assets	600,564	534,004	-66,560
			-64,024

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended March 31, 2020

Figures in Rand	2020	2019
35. Prior period error		
During the year, employee leave records were analysed and recalculated from the 1st April 2015 to the 31st March 2020. The recalculation resulted in over-provision leave balances for the financial year 2018/2019 to be adjusted. Adjustments have been made on the financial statements to correct the error. The effect of the correction of error has been is as follows:		
The effect of the correction is as follows:		
Decrease in Operating expenditure		-10,886,743
Increase in profit		10,886,743
Decrease in Provision		-10,886,743
Increase in Accumulated Surplus		10,886,743
36. Compensation to Members		
Annual Remuneration	59,929,395	55,559,611
Car allowances	8,300,519	10,383,409
Political allowances	7,506,056	7,430,828
Members Gratuity	21,908,617	-
	97,644,587	73,373,848



DETAILED INCOME STATEMENT

for the year ended March 31, 2020

Figures in Rand	Notes	2020	2019
Revenue			
Aid assistance		-	378,000
Appropriation	18	859,074,594	789,197,848
		859,074,594	789,575,848
Other income		18,616,983	17,883,157
Expenses		-790,885,277	-761,086,256
Operating surplus		86,806,300	46,372,749
Finance costs	22	-238,903	-573,062
Surplus for the year		86,567,397	45,799,687

The supplementary information presented does not form part of the Annual Financial Statements and is unaudited

Operating expenses			
Access control consumables		14,565	102,512
Accommodation		12,713,139	15,798,207
Advertising		5,314,586	9,384,231
Air travel		11,438,362	19,326,469
Asset disposal		-182,596	1,169,898
Assets expenses		252,338	952,527
Auditors remuneration	22	5,532,674	4,509,687
Bad debts		-	12,922
Bank charges		67,554	114,506
Catering contract		1,723,353	1,508,596
Cleaning		1,612,755	1,279,299
Cleaning materials		1,280,880	892,371
Computer consumables		430,451	509,554
Conferences		2,246,595	2,732,284
Consulting and professional fees		1,688,764	4,037,313
Depreciation, amortisation and impairments		15,829,726	13,997,098
Employee Assistance Programme expenses		755,837	677,309
Employee costs	20	370,305,869	320,774,183
Voter Education		786,946	6,854,625
Fuel & Lubricants		676,063	978,731
General stationery		625,093	746,464
Gifts		1,926,831	3,682,180

DETAILED INCOME STATEMENT

for the year ended March 31, 2020

Figures in Rand	Notes	2020	2019
Hansard outsourcing		4,221,980	9,697,255
Electoral Act		1,950	100,276
IT outsourcing		3,612,492	3,116,757
Insurance		844,994	2,156,161
Internal audit fees		1,147,482	1,211,507
Rent		14,536,698	14,781,284
Library reference books		72,710	329,073
Licence fees		8,178,589	5,406,781
Members remuneration	20	97,644,594	73,373,848
Municipal service		5,675,912	4,252,704
Photocopy consumables		815,870	770,590
Placement fees		601,881	270,231
Plant services		-3,256	75,358
Postages		2,397	22,700
Print room rentals		2,059,860	3,107,001
Printing general		2,071,733	2,837,094
Professional fees		1,956,501	1,590,010
Public hearing venue		12,820,633	20,188,350
Refreshments		1,678,078	2,821,648
Repairs & maintenance		3,083,069	3,474,744
Repairs of IT equipment		564,514	668,112
Security maintenance		12,237,785	12,318,224
Opening of the Legislature		5,203,604	2,593,562
Staff bursaries		3,013,654	2,487,311
Staff training		2,820,669	2,977,009
Storage Consumables		-	35,000
Subscriptions		3,660,318	2,855,750
Telephone and fax		8,638,303	6,824,164
Special operational project		1,718,704	6,861,301
Political party funding and Constituency allowances		126,040,698	121,572,428
Transport services		10,110,406	16,591,835
Travel & subsistence		10,633,022	10,591,158
Travel & subsistence Overseas		2,640,318	5,808,017
Uniforms		282,524	250,430
Workshop and functions		7,256,807	9,027,617
		790,885,277	761,086,256

A large, diverse crowd of people, mostly men, looking towards the camera with various expressions. The image is a high-angle shot of a dense group of individuals, likely at a public event or conference. The people are of various ethnicities and ages, and many are wearing dark clothing. The overall tone is professional and focused.

**“Following up on our commitments,
making your future work better”**





GAUTENG
LEGISLATURE
Your View — Our Vision

ANNUAL REPORT 2019/20

ISBN978-0-621-48979-8



9 780621 489798

Gauteng Provincial Legislature
Private Bag X52
Johannesburg
2000, South Africa

Contacts:

Tel: +27 (11) 498 5555
Fax: +27 (11) 498 5999
www.gpl.gov.za

Follow us on    

Gauteng Legislature condemns violence
against Women & Children



Accountability by the
Executive