

GAUTENG PROVINCIAL LEGISLATURE

ANNOUNCEMENTS, TABLINGS AND COMMITTEE REPORTS

Monday, 14 March 2022

ANNOUNCEMENTS

none

TABLINGS

none

COMMITTEE REPORTS

1. The Chairperson of the Oversight Committee on the Office of the Premier and the Legislature (OCPOL), Hon. B W Dhlamini, tabled the Committee's Oversight Report on the Detail of Vote 01 (Office of the Premier) of the Gauteng Provincial Adjustment Appropriation Bill [G004-2021] for the 2021/2022 financial year, as attached:



**COMMITTEE OVERSIGHT REPORT ON THE OFFICE OF THE PREMIER'S ADJUSTMENT
APPROPRIATION BILL FOR 2021/22 FINANCIAL YEAR**

In line with the Oversight Model of the South African Legislative Sector "SOM"

Committee Details		Department Details	
Name of Committee	Oversight Committee on Premier's Office and the Legislature	Name of Department	Office of the Premier
Financial Year	2021/2022	Quarterly Report Nr.	
Quarter	Special Adjustment Budget	Name of MEC/Executive Authority	Premier D.M Makhura
Committee Approvals			
	Name	Signed	Date
Hon. Chairperson	BW Dhlamini		
Adoption and Tabling			
Date of Final Adoption		Scheduled date of House Tabling	
Friday, 11 March 2022		Tuesday, 15 March 2022	

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1. EXECUTIVE SUMMARY

This oversight report provides the Committee's assessment of the Office of the Premier's Adjustment Appropriation for 2021/22 FY in relation to the reprioritization of the main appropriation of Vote 1. The OoP's 2021/22 FY Adjustment Budget reflects the redirection of resources to respond amongst others, to unforeseeable conditions brought about by natural disasters such as the Covid-19 pandemic, the unavoidable crisis of the Life Esidimeni tragedy and other emerging priorities emanating from the national and provincial government to boost economic growth and development.

In addressing unforeseeable conditions in the rapidly changing economic conditions, modification of the allocated budget became the alternative option for the OoP in prioritizing pressing matters that cannot be deferred. The Office of the Premier's total appropriation for the 2021/22 financial year amounted to R714 million for the implementation of delivery programmes. However, during the budget adjustment period in October 2021, an upward revision of R152.6 million was allocated to the OoP resulting to a total budget of R876 million.

In terms programme allocation, during the 2021/22 budget appropriation, Programme 1: Administration received the least budget of R136.9 million, due to the Life Esidimeni project pay-out that was expected to come to an end in this financial year. However, in the 3rd Quarter of 2021/22 FY, the OoP received and processed the Life Esidimeni claims that led to over-spending in this programme. During the adjustment period, Programme 1: Administration received additional R162.2 million which increased the allocation of R136.9 million to R299 million. This adjustment budget was to cover the payment of new claims for Life Esidimeni which were not anticipated in the 3rd Quarter of 2021/22 FY.

The budget for Programme 2: Institutional Development was readjusted and reduced from R257.5 million to R2.2 million during the adjustment period. Similarly, the budget for Programme 3: Policy and Governance, was re-adjusted and reduced by R7.3 million from its initial budget allocation of R319.9 million to R312.6 million. The amounts from Programme 2 and Programme 3 were repurposed for Covid-19 related matters.

2. INTRODUCTION

The Provincial Adjustment Appropriation provides for changes in the main appropriation owing to the categories of expenditure specified in Section 30(2) of the PFMA, by programme and economic classification.

South Africa became exposed to the Covid-19 pandemic while the country was already battling with weak economic growth and high unemployment rate. The Covid-19 lockdown restrictions exacerbated the country's challenges that resulted in further loss of employment and closing of businesses. Therefore, the Gauteng Province's 2021/2022 FY budget adjustment is in response to the effects of the pandemic and unavoidable urgent matters that cannot be overlooked.

3. Summary of receipts

3.1 Departmental Payments / Payments per Programme

During the adjustment period, the Office of the Premier received an additional allocation of R152 600 000 which increased the main appropriation for 2021/22 FY from R714 423 000 to R867 023 000. A total of R132.7 million was pre-allocated for the payment of Life Esidimeni claims and R5 million for legal fees of the health care users.

However, a combined total amount of R9.5 million was deducted from Programme 2: Institutional Development and Programme 3: Policy and Governance's budgets. This amount was redirected to address Covid-19 related work, that includes amongst others securing and cleaning the Command Centre. The Committee is interested to know the reasons for the extension of the lease agreement for the Command Centre which was scheduled to be kept for 6 additional months from April 2021.

In terms of the micro analysis, the expenditure trends for 2021/22, shows that during the first six months of 2021/22 FY Programme 3: Policy and Governance recorded 13% (R18.3 million) expenditure higher than the amount expended in the same period in the previous year. The expenditure was in relation to the transfers to WITS and Harambe (for Tshepo 1- Million). Furthermore, expenditure trends for 2020/21 highlighted that the R147.8 million that was not spent by 31st March 2021 was for planned programmes/projects that were cancelled due to Covid-19 and due to delays in the implementation of skills development for Military Veterans. The OoP should provide the Committee with a progress report on the skills development of Military Veterans.

4. OVERALL ASSESSMENT

The Committee notes that the overall budget of the OoP for 2021/22 FY has increased to cater for the payments of the Life Esidimeni claims in Programme 1: Administration where half of the R162.2 million was allocated to payments for Life Esidimeni settlement. It is further noted that the effects of Covid-19 pandemic was the primary cause of budget adjustment. Furthermore, the allocated funds that were not

spend in Programme 2: Institutional Development and Programme 3: Policy and Governance were repurposed to address Covid-19 related issues.

5. COMMITTEE FINDINGS / CONCERNS & COMMITTEE RECOMMENDATIONS:

5.1 Committee Concerns/Findings

5.1.1 The Committee is concerned about the OoP's different perspective in reporting where it was stated in the previous quarters that the lease agreement for the Command Centre was scheduled to be kept for 6 additional months from April 2021. However, during the 2021/22 FY budget adjustment period, funds have been redirected to address Covid-19 related work, that includes amongst others, securing and cleaning the Command Centre.

5.1.2 The Committee is concerned about planned programmes/projects that were cancelled due to Covid-19 and the delays in the implementation of skills development of Military Veterans which led to the redirection of funds to Covid-19 related matters.

5.2 Committee Recommendations

Based on the information set out herein-above as well as the Committee Concerns, the Committee therefore recommends as follows:			
Ref Number	Recommendation	Type of response expected	Due Date
CHS/QXPR/001	4.2 The Premier should:	Provide progress update on the extension of the lease agreement for the Command Centre as it was scheduled for 6 additional months from April 2021.	31/04/2022
	4.2 The Premier should:	Provide a report on the planned programmes/projects that were cancelled due to Covid-19, including the impact on service delivery as a result of this cancellation. Furthermore, a progress update should be provided on the skills development of the Military Veterans.	

6. AKNOWLEDGEMENTS

The Committee hereby thanks and acknowledges the co-operation of the Office of the Premier and the role played by the Gauteng Premier, Hon. D.M Makhura, the Acting -Director-General, Mr T. Masebe and the team of Senior Officials.

I wish to thank the Honourable Members of OCPOL: ME Khumalo; F Hassan; LE Makhubela; ST Msimanga; I Mukwevho; C Mabala, DK Adams and A Alberts for their diligence and commitment during this process.

Furthermore, the Committee would like to thank the following Committee Support Staff for their dedication and support: Group Committee Co-ordinator, M Vaas; Senior Researcher, N Dlamini, Senior Committee Co-ordinators B Makgato and N Montisi; Researchers, K Mdakane and O Mogole; Committee Administrators, E Sass and X Sithole; Information Officer, A Netshivhuyu, Hansard Recorder, N Zondo, Service Officer, M. Katsi and Communication Officer, S. Simelane.

7. ADOPTION

After due deliberation, the Oversight Committee on the Premier's Office and the Legislature adopted the report unanimously. In accordance with Rule 164, the Committee presents