No.118 - 2022: Fourth Session, Sixth Legislature

**GAUTENG PROVINCIAL LEGISLATURE**

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**ANNOUNCEMENTS,**

**TABLINGS AND**

**COMMITTEE REPORTS**

**========================**

Thursday, 24 March 2022

**ANNOUNCEMENTS**

none

**TABLINGS**

none

**COMMITTEE REPORTS**

**1. The Chairperson of the Finance Portfolio Committee, Hon. J Mpisi, tabled the Committee’s Oversight Report on the Third Quarterly Performance Report of the Gauteng Provincial Treasury (GPT) for the 2021/2022 financial year, as attached:**

**COMMITTEES QUARTER OVERSIGHT REPORT ON DEPARTMENT / ENTITY PERFORMANCE**

**Portfolio Committee on [Finance Portfolio Committee] Oversight Report on the [3rd] Quarterly Report of the [Gauteng Provincial Treasury] for the [2021/22] Financial Year**

| **Committee Details** | | **Department / Entity Details** | |
| --- | --- | --- | --- |
| **Name of Committee** | **Finance Portfolio Committee** | **Name of Department / Entity** | **Gauteng Provincial Treasury** |
| **Which Financial Year** | **2021/22** | **Dept. Budget Vote Nr.** | **14** |
| **Which Quarter** | **Third** | **Hon. Minister / MEC** | **Nomantu Nkomo-Ralehoko** |
| **Committee Approvals** | | | |
|  | **Name** | | **Date Considered by Committee** |
| **Hon. Chairperson** | Joe Mpisi | | 09 March 2022 |
| **Adoption and Tabling** | | | |
| **Date of Final Adoption by Committee** | | | **Scheduled date of House Tabling** |
| 09 March 2022 | | | 25 March 2022 |

**NOTES:**

* When expressing monetary amounts, please use South African Rand only “R” and express the full Rand amount with no cents
* When expressing percentage, please use the “%” sign and round off to two (2) decimal places
* When analysing Department / Entity performance, please do NOT copy and paste the Department / Entity performance / budget tables. These need to be analyzed.
* In the Executive Summary, include just the strategic or high level “Snap-shots” of the required information. Details will be provided later in the report under “Programme Achievement”

*[Note: Please remember to “update” the table of contents just before printing or forwarding]*

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# ABBREVIATIONS

| **Abbreviation** | **Full Wording** |
| --- | --- |
| AFS | Annual Financial Statements |
| APP | Annual Performance Plan |
| GEYODI | Gender, Youth, Persons living with Disabilities |
| GGT-2030 | Growing Gauteng Together – Our Vision 2030 |
| GIFA | Gauteng Infrastructure Financing Agency |
| GPL | Gauteng Provincial Legislature |
| GPG | Gauteng Provincial Government |
| GPT | Gauteng Provincial Treasury |
| SOM | Sector Oversight Model |
| MTEF | Medium Term Expenditure Framework |
| MTSF | Medium Term Strategic Framework (in this case, relating to 2019-2024 Term of Office) |
| NDP | National Development Plan |
| PFMA | Public Finance Management Act |
| PGDP | Provincial Growth and Development Plan |
| PwDs | Persons living with Disabilities |
| RISDP | Regional Indicative Strategic Development Plan |
| SDGs | Sustainable Development Goals |
| … | … |

# SUMMARY

| **ii. [Summary of the report]** |
| --- |
| **[Note: Only snapshots or “One-Liners” or Bullet Points of the most important / strategic achievements. No details please]** |
| ***Strategic Priorities***  *High level summary of Committee’s overall assessment of the Department / Entity achievement of relevant strategic priorities for the period under Review* |
| [GPT responds to the following strategic priorities, that is, economic transformation and job creation and capable, ethical and developmental state in terms of the National Development Plan (NDP)/ Medium Term Strategic Framework (MSTF) and Growing Gauteng Together 2030 (GGT 2030), as well as economy, jobs and infrastructure with regards to GGT 2030. To this end, GPT achieved the following:  **Enhanced Sound Finances in the Province**   * An adjustment budget was tabled in Q3; * Submission were made of 3 IYM’s for departments and 1 submission for entities; * Cash disbursements to departments were maintained below provincial revenue streams; * In supporting payment of suppliers on time, the department ensured that 96% of supplier invoices are submitted electronically against the target of 80%; and * The department further monitored compliance to 30 days’ payment of suppliers in all departments.   **Sound Local Government Finances**   * In support of municipalities, the department held 4 IGR engagements with relevant stakeholders; * 8 assessments on MFMA compliance by the delegated municipalities were conducted; and * The gazette on grants allocated to Gauteng Municipalities was published   **Reduced Youth Unemployment**   * The department placed 64 youth in Internship programmes.   **Increased Compliance with legislated Prescripts**   * The department produced the 30% spend report on township suppliers and also produced the subcontracting report; and * Internal audit recommendations were tracked   **GIFA**  Bankable Projects Prepared for Alternative Financing Mechanisms:   * The feasibility study for Krugersdorp Game Reserve project was completed, quality assurance will ensue and the obtaining of approval processes by various stakeholders; * Through collaboration with National Treasury’s Government Technical Advisory Centre, GIFA submitted Treasury Views and Recommendations (TVR) I and TVR II (a) applications for Sedibeng Agro-processing Hub Project. The project will be released to the market in the 4th quarter. * The appointment of a technical advisor is underway for the Merafong Bio-energy Project, which is implemented as part of Bokamoso Ba Rona Initiative in partnership with the African Development bank, to undertake market sounding and fundraising, environmental and socio-economic impact analysis and finalize the establishment of the Special Purpose Vehicle (SPV). * The land environmental sensitivity analysis for Merafong Solar Farm Cluster was completed, thereby preparing the project for private investments; and * The Department of Education has resolved that the Gauteng Schools Programme will not be affordable to implement from the fiscus and GIFA has prepared an alternative turn-key solution of Design and Build. An Investment and a Funder Engagement plan has been developed to undertake fundraising process focusing on donor and grant funding.   Furthermore, GIFA recorded the following on bankable projects financed through capital investment raised from alternative sources of funding:   * The lease agreement between the private party and South African National Space Agency (SANSA) the for the Tshwane Innovation Hub (TIB) Enterprise Building 3 (EB) has been concluded and the signing by both parties is awaited, which will lead to financial close. In addition, technical processes by the municipality to prepare for construction has been concluded as well, including, sub-division of land, sewer line closure, title deed, etc. * The private party is finalizing the Public Private Partnership agreement and due diligence for the Rooftop Solar PV. ESKOM is also finalizing all the approval requirements. The National Treasury is expected to issue Treasury Approval (TA) III by the end of quarter 4, once all the requirements have been met including application to the national Energy Regulator of South Africa (NERSA), updates of the feasibility study and financial model for all clusters, etc.; and * The Kopanong Precinct Project bid evaluation process has been concluded and awaiting the probity auditors’ reports before submitting to the Bid Adjudication Committee to adjudicate on the selected preferred bidders. Then, an application for TA II (b) will be submitted to the National Treasury in the 4th quarter to approve the preferred bidders based on best value for money.] |
| ***Department / Entity APP Achievement***  *An overall Summary of whether the Committee thinks the Department / Entity Non-Financial Performance is sound and prudent* |
| **Gauteng Provincial Treasury**  **Program 1: Administration**  The Portfolio Committee is of a view that the GPT’s non-financial performance is sound and prudent as all performance targets were achieved, with pockets of over-achievement.   * 100% of invoices were paid within 30 days; * 2 workshops conducted as opposed to the planned 1, to compensate for non-achievement in the 2nd quarter; and * 50% of women appointed at SMS level.     **Program 2 Sustainable Fiscal Resource Management**  The Portfolio Committee is of a view that the GPT’s non-financial performance is sound and prudent as all performance targets were achieved.   * A spatially referenced adjustment budget was tabled; * 3 In-Year-Monitoring (IYM) reports and 1 IYM report for 3 departments and an entity respectively; * Cash disbursements GPG Departments equivalent to appropriated funds; * Unqualified audit opinion with no matters for the Provincial Revenue Fund (PRF); and * Medium Term Budget Policy Statement tabled in accordance with prescribed timeframes.]   **[Gauteng Infrastructure Financing Agency**  **Program 1: Administration**  The Portfolio Committee is of a view that the GIFA’s non-financial performance is sound and prudent as all performance targets under this programme were achieved.   * Implemented the risk management policy; * Developed and submitted Draft 2022/23 Annual Performance Plans (APPs); * Implemented the organization-wide Monitoring and Evaluation (M&E) Framework; * Action plan based on 2020/21 financial year audit findings implemented; * Internal audit plan implemented by completing all planned internal audits up to quarter 3; * Contracts managed in terms of deliverables versus payment; * All suppliers paid within 30 days; * Implemented the Human Resource Management and Development Strategy; * Implemented organization-wide Communication and Stakeholder Relations Strategy; and * Information, Communication and Technology (ICT) Strategy implemented through the review of ICT policies, conducting ICT awareness sessions, convening quarterly ICT Steering Committee Meetings, and implementing electronic file plan.   **Program 2: Project Development and Compliance**  The Portfolio Committee is of a view that the GIFA’s non-financial performance is not sound and prudent, as no performance target was achieved under this programme.   * Two identified projects, that is, Gauteng Schools Programme and Sedibeng Agro-processing Hub were not released to the market as planned; * Transactional Advisors were appointed for 2 feasibility studies associated with TIH:EB 4&5 and Gauteng Provincial legislature; * Two reports for feasibility studies produced of the Krugersdorp Game Reserve and Merafong Solar; and * Two projects identified to be released to the market i.e., Gauteng Schools Programme and Sedibeng Agro-processing Hub, were not released;   **Program 3: Structured Finance**  The Portfolio Committee is of a view that the GIFA’s non-financial performance is moderately sound and prudent as some performance targets were not achieved.   * One bankability report for the Krugersdorp Game Reserve was produced; and * The financial close for the TIH: EB 3 was not concluded.   **Gauteng Provincial Treasury Continued**  **Program 3: Financial Governance**  The Portfolio Committee is of a view that the GPT’s non-financial performance is sound and prudent, as it outstandingly achieved most of its performance targets and over-achieved on one.   * The performance target concerning the tabling of Consolidated Annual Financial Statements at Legislature in line with prescribed timelines was not achieved; * A departmental 30-day suppliers’ payment compliance report was produced; and * 96% of supplier invoices submitted electronically instead of the planned 80%.   **Program 4: Provincial Supply Chain Management**  The Portfolio Committee is of a view that the GPT’s non-financial performance is sound and prudent, as achieved all of its performance targets without deviations.   * A report was produced on 30% spend on township suppliers including those participating in the high value contracts; * A report was produced on subcontracted contracts captured on the SRM/ SAP system by GPG departments; and * A training workshop was provided to Gauteng township-based suppliers   **Program 5: Municipal Financial Governance**  The Portfolio Committee is of a view that the GPT’s non-financial performance is sound and prudent, as it remarkably achieved most of its performance targets and over-achieved on one.   * 4 Inter-governmental Government Relations engagements with stakeholders were conducted instead of the planned 3; * A planned training initiative for delegated municipalities in Gauteng was not achieved; * 100% of assessments of compliance on MFMA by delegated municipalities conducted; and * A publication on provincial grants allocated to Gauteng Municipalities was published.   **Program 6: Gauteng Audit Services**  The Portfolio Committee is of a view that the GIFA’s non-financial performance is sound and prudent as the only performance target under this programme was exceptionally achieved.   * 100% of internal audit recommendations tracked as implemented in both Departments and Entities against the planned 75%.] |
| *An analysis on whether (and if so, the extent to which) the Department / Entity Programmes / Projects are indeed achieving its Strategic Objectives / Service Delivery Outcomes for the period under review.* |
| **[Program 1: Administration**  The aim of this programme is to provide effective leadership, management and administrative support to treasury programmes as well as to the Member of the Executive Council and the Accounting Officer. **The Portfolio Committee is of a view that this programme is meeting its strategic objectives, as all its performance targets were achieved without deviations.**    **Program 2 Sustainable Fiscal Resource Management**  This programme aims to ensure effective and efficient administration of provincial and fiscal resources to the benefit to Gauteng’s citizens. **The Portfolio Committee is of a view that this programme is meeting its strategic objectives, as all its performance targets were achieved.**  **Gauteng Infrastructure Financing Agency**  **Program 1: Administration**  The purpose of this programme is to provide leadership, strategic management, communications and stakeholder management and administrative support to the GIFA. **The Portfolio Committee is of a view that this programme is meeting its strategic objectives, as all its performance targets were achieved.**  **Program 2: Project Development and Compliance**  The purpose of this programme is to source infrastructure projects from sector departments, municipalities and provincial agencies through process and structures such as Gauteng Infrastructure Coordinating Council (GICC), MTEC, Premier Budget Council and engagements with accounting officers. **The Portfolio Committee is of a view that this programme is partially meeting its strategic objectives, as some of its performance targets were not achieved.**  **Program 3: Structured Finance**  The purpose of this programme is to structure finance for developed infrastructure projects and engage potential private and public funders with the aim of raising finance for the projects. **The Portfolio Committee is of a view that this programme is partially meeting its strategic objectives, as some of its performance targets were not achieved.**  **Gauteng Provincial Treasury Continued**  **Program 3: Financial Governance**  This programme seeks to promote accountability through substantive reflection of financial activities as well as compliance with financial norms and standards in PFMA compliant institutions. **The Portfolio Committee is of a view that this programme is partially meeting its strategic objectives, as not all its performance targets were achieved, albeit one performance target was exceeded.**  **Program 4: Provincial Supply Chain Management**  This programme aims to promote transparency and effective supply chain management in the province. **The Portfolio Committee is of a view that this programme is meeting its strategic objectives, as all its performance targets were achieved.**  **Program 5: Municipal** **Financial Governance**  The purpose of this programme is to oversee, assist and support all delegated municipalities with the implementation of Municipal Financial Management Act (MFMA). **The Portfolio Committee is of a view that this programme is meeting most of its strategic objectives, as all but one, performance targets were achieved with pockets of over-achievement.**  **Program 6: Gauteng Audit Services**  The programme’s objective is to enhance transparency, good governance, and clean government by strengthening the internal control and regulatory environment in GPG departments. **The Portfolio Committee is of a view that this programme achieved its strategic objectives, as the only performance target was achieved and the target was surpassed.]** |
| ***Department / Entity Project Management***  *Overall Summary on management and delivery of Department / Entity Projects* |
| [Not Applicable for both GPT and GIFA] |
| ***Financial Performance***  *An overall Summary of whether the Committee thinks the Department / Entity Financial Performance is sound and prudent* |
| [**GPT**  **The Portfolio Committee noted that GPT was able to realize its strategic achievements within budget, therefore its financial performance is sound and prudent.** Of the appropriated funds amounting to R675 545 000, GPT spent R457 144 000 or 68% and achieved 90% of its planned performance targets. The under expenditure was attributable to vacant posts on the new approved structure not yet filled, the scaling down of operational costs due to covid-19 and projects that are still to realise expenditure.  **GIFA**  The Portfolio Committee noted that GIFA was able to realize 83% of its APP targets and 64% of the budget allocated for the quarter was utilized. Under expenditure was due to **t**he delays in the conclusion of the organisational structure which led to budgeted vacancies not being appointed; the payment for the Krugersdorp Game Reserve feasibility study awaiting the completion of quality assurance in 4th Quarter; the payment for the Gauteng Provincial Legislature feasibility study awaiting the first deliverables of the feasibility study in the 4th Quarter; and GIFA awaiting the decision of the Department of Infrastructure Development (DID) to undertake the Land Enhancement Project. |
| ***Resolutions Management***  *An overall Summary of the Committee’s assessment of Department / Entity Resolutions Management* |
| [The Committee noted that the responses of both GPT and GIFA to House resolutions are of good quality.] |
| ***Petitions Management***  *An overall Summary of the Committee’s assessment of Department / Entity Petitions Management* |
| [Not Applicable for both GPT and GIFA] |
| ***Public Engagements***  *An overall Summary of the Committee’s assessment of Department / Entity Public Engagements* |
| [**GPT**  **EXCO Outreach and ICT Training 2021**  The aim of the programme is for Gauteng Treasury to support eGovernment in ensuring the success of their ICT Training of young people of all the regions of Gauteng. GPT exhibited, presented, and offered services such as CSD and e-Invoicing registration and raising awareness on Purchasing Card (P-card) to the abovementioned sector (women).  Evaton East, Sedibeng  12 October 2021,09:00 -15:00  Orient Hill Mogale City  19 October 2021,09:00 -15:00  Bolekwa Sports Ground, Atteridgeville, Tshwane  21- 22 October 2021,09:00 -15:00  City Hall, Johannesburg  26- 27 October 2021,09:00 -15:00  Methodist Church of South Africa Wattville  28- 29 October 2021,09:00 -15:00  Hammanskraal 554 Reaikaga Street  24- 25 November 2021,09:00 -15:00  Simunye Teachers Centre Westonaria  26 November 2021,09:00 -15:00  Sharpeville Exhibition Centre, Sedibeng  30 November 2021,09:00 -15:00  **Provincial Launch of 16 days of Activism Campaign**  The Department of Community Safety was coordinating the Provincial launch of 16 days of Activism Campaign. The department was invited to showcase and interact with members of the public on our services and programmes  **Date**: 25 November 2021  **Time**: 09:00-15:00  **Venue**: Temba Stadium, Temba, Pretoria  **Youth Convention and Exhibition 2021**  The Youth Convention and Exhibition was held at Evaton, Sedibeng, it was aimed at showcasing the services that the government of Gauteng targeted at the young people, including vacancies, bursaries and internships  **Date**: 02 December 2021  **Time**: 09:00-15:00  **Venue**: Zone 3 Stadium, Evaton  **Gauteng School Zone-Based Vaccination Programme Launch**  The programme was aimed at officially opening more Vaccination site using schools in order to encourage and make it easy for the public to vaccinate  **Date**:02 December 2021  **Time:** 10:00 -13:00  **Venue**: Madiba Drive, Tembisa & Algeria Road, Tswelopele, Tembisa  **GIFA**  Not Applicable] |
| ***International Agreements***  *Overall Summary on Department / Entity implementation of relevant Internal Agreements / Treaties [Only if applicable] [Applicable only to OCPOL / OoP]* |
| [Not Applicable for both GPT and GIFA] |
| ***GEYODI Empowerment***  *Overall Summary on Department / Entity achievement on actual GEYODI empowerment in communities* |
| [**GPT**  Female – 446/742, SMS Female – 50% (30/60);  Youth – 25.87% (192/742);  Disabled - 2,29% (17/742); and  Senior Citizens - 2.83% (21/742) age 60 and above.  **GIFA**  Not Applicable] |
| ***Fiduciary Compliance***  *Overall Summary on Department / Entity Compliance with fiduciary requirements* |
| The Portfolio Committee noted that both GPT and GIFA did not report on compliance with relevant fiduciary legislation like PFMA. |
| ***Capacitated Department / Entity***  *An overall Summary of whether the Committee thinks the Department / Entity is adequately capacitated and resourced to carry out its functions and discharge its mandates* |
| **[GPT**  The total number of posts in the organisational structure is 828 with 745 posts filled, 83 vacant posts, 2 acting positions, 3 terminations and nil appointments. The staff complement is constituted as follows:   * African – 88.54% (657/742) * Coloured - 5.39 (40/742) * Indian 2.56 (19/742)   **GIFA**  GIFA has a staff complement of 45 for the period under review, no vacant posts nor acting positions, one termination and no new appointments. The staff complement is constituted as follows:   * GIFA Females: 26 * GIFA Males: 21 * SMS Females: 5 * SMS Males: 10 * Youth: 17 * Employees with disabilities=0] |
| ***Any other Committee Focus Area (if relevant / applicable and Requirement)***  *High level summary of any other area of Department / Entity performance with respect to its Quarter Report that the Committee wishes to report on, which is not already included in any of the above Focus Areas.* |
| [Not applicable for both GPT and GIFA] |
| ***Summary of Committee Findings***  *High level summary of Committee findings. Broadly, which aspects do they relate to* |
| * + **The Portfolio Committee noted with concern that GPT’s vacancy rate stood at a staggering 230 vacancies;**   + **The Portfolio Committee is concern with the way GIFA accounts for the performance targets, whereby a performance target with two deliverables counts as two performance targets, as opposed, to one performance target.;**   + **The Portfolio Committee is concerned whether GIFA’s feasibility study on the Gauteng Schools Programme was comprehensive enough to take into consideration the project's funding potential and repayment terms, hence the failure of the PPP model;**   + **The Portfolio Committee noted with concerned that financial close for Tshwane Innovation Hub (TIH) Enterprise Building 3 was supposed to be concluded in the same period of the previous financial year and is yet to be concluded; and**   + **The Portfolio Committee is concerned that GPT did not report on the reporting tool to capture payment of sub-contractors, which it reported during the same period in previous financial year that it will be deployed from 1st of April 2021.**   + **The Portfolio Committee is concerned about non-compliance with financial standards, in the light of consolidated annual financial statements, which are helpful in gauging the overall financial position of the provinces, not being tabled according to timeframes.**] |
| ***Summary of Committee Recommendations***  *High level summary of Committee Recommendations. Broadly, which aspects do they relate to* |
| * + **That GPT should provide cogent reasons why its organizational structure has not been populated, two years after it has been approved;**   + **The GIFA should seeks advise and report to the Committee on whether one performance target with two deliverables count as two performance targets or one, as that distorts the performance outcome;**   + **GIFA should provide a report to the Portfolio highlighting why feasibility study on the Gauteng Schools Programme did not take into consideration the project's funding potential and repayment terms to circumvent the failure of the PPP model;**   + **That GIFA should submit a report to the Portfolio Committee accounting for failure of the Tshwane Innovation Hub (TIH) Enterprise Building 3 to conclude financial close as planned in the previous financial year;**   + **That GPT should provide a report highlighting the findings of the reporting tool to capture payment of sub-contractors and how negative findings are mitigated and positive one reinforced; and**   + **That GPT should provide a list of departments whose delayed audits led to consolidated annual financial statements not being tabled according to timeframes and evidence to the effect that the delay was as a result of the AG’s Office.**] |

INTRODUCTION

The constitutional powers given to Provincial Legislatures in Chapter 6, Section 114 (2) of *The* *Constitution of the Republic of South Africa* (1996) outlines that the provincial legislature must provide for mechanisms; to ensure that all provincial executive organs of state in the province are accountable to it; and also to exercise oversight over the provincial executive authority in the province[[1]](#footnote-2).

In line with the provisions of the Constitution, the Public Finance Management Act (PFMA), 1999 (*Amended by Act 29 of 1999*), is an important piece of legislation. The key objectives of this Act, among others, enable the public sector managers to be more accountable; provide quality information on time; and to eliminate corruption and waste of public funds and misuse of assets.

The Finance Portfolio Committee, through the Sector Oversight Model (SOM), assesses the overall performance of the Department i.e. financial and non-financial, against set targets and expenditure patterns. SOM states that In Year Monitoring (IYM) through quarterly reports provide a Committee with the information needed to monitor effective programme implementation[[2]](#footnote-3).

This report was developed in accordance with the Sector Oversight Model (SOM), the GPL Committees Oversight and Accountability Framework (COVAC) as part of the GPL Project on Standardization of Oversight, Accountability and Reporting in Gauteng (SOAR-GP).

# PROCESS FOLLOWED

The Speaker formally referred the 3rd Quarter Performance Report of the GPT and its component Gauteng Infrastructure Financing Agency for the 2021/22 financial year to the Finance Portfolio Committee for consideration and reporting.

On 11 February 2022, the Committee Researcher tabled an analysis of the quarterly performance report. On Tuesday, 15 February 2022, the GPT and GIFA, led by MEC N. Nkomo Ralehoko, presented their 3rd Quarter Performance Reports to the Portfolio Committee focusing on the departmental financial and non-financial performance.

Due to time lockdown restrictions, the Portfolio Committee could not invite stakeholders to their meetings mainly to observe Committee proceedings and later make verbal or written submissions in line with the GPL public participation mandate and the Constitution of the Republic of South Africa.

On 09 March 2022, the Portfolio Committee deliberated and adopted the draft oversight report on the 3rd quarter performance of GPT (inclusive of GIFA). Subsequently, the report was submitted to the Proceedings Unit for tabling and consideration by the House.

# OVERSIGHT ON DEPARTMENT / ENTITY ACHIEVEMENT OF STRATEGIC PRIORITIES

| **1.1 THE DETAILS ON Department / Entity achievement on relevant Strategic Priorities for the period under review]** |
| --- |
| [**Program 1: Administration**  The aim of this programme is to provide effective leadership, management and administrative support to treasury programmes as well as to the Member of the Executive Council and the Accounting Officer.  Of the three performance targets under this programme, all performance targets were achieved with pockets of over performance. **The Portfolio Committee noted with appreciation that GPT paid all (135) its suppliers within 30 days after receipt of correct invoice. The Portfolio Committee further noted that although not legislated, GPT did not report on the payment of suppliers within fifteen days, as announced by the Premier that SMMEs and township businesses should be paid within 15 days to enhance their sustainability.** In an endeavour to promote awareness on Gender Based Violence, Femicide and LGBTQ, GPT conducted 2 workshops, as opposed to the planned one. The overachievement was to compensate for the non-achievement in the 2nd quarter. Furthermore, in the quest to promote women in leadership positions, GPT appointed 50% of women at SMS level.  As at the end of the quarter, GPT had 972 posts on its approved structure and 742 positions were filled. **The Portfolio Committee noted with concern that the vacancy rate stood at a staggering 230 vacancies.** The Portfolio Committee urges GPT to fill the funded vacant posts in view of the unemployment rate which stood at 34.9% in the 3rd quarter of 2021 and to circumvent the surrender of funds to the Provincial Revenue Fund.  **Program 2 Sustainable Fiscal Resource Management**  This programme aims to ensure effective and efficient administration of provincial and fiscal resources to the benefit to Gauteng’s citizens.  Under this program, the Portfolio Committee noted with appreciation that all 6 performance targets earmarked for this quarter were achieved. The performance targets pertain to the tabling of a credible spatially reference Medium-Term Expenditure Budget as per prescribed timeframes; the number of in-year monitoring reports produced in line with National Treasury timelines for departments and entities; the disbursement of cash to Gauteng Provincial Government (GPG) Departments in line with appropriation; the attainment of an unqualified audit opinion with no other matters for the Provincial Revenue Fund; and the tabling of the Medium Term Budget Policy Statement (MTBPS) in line with prescribed timeframes.  This programme lends credence to the following outcomes as per GPT’s strategic planning, that is, enhanced sound finances in the province and increased compliance with legislated prescripts. **In order to enhance sound finances in the province, the Portfolio Committee commended GPT for tabling a credible spatially referenced adjustment budget in line with the prescribed timeframes.** Connected to this, GPT also tabled the MTBPS as regulated by the timelines. **Over and above, the Portfolio Committee commended GPT for achieving unqualified audit outcome for the PRF with no other matters.** Furthermore, GPT disbursed R107 171 823 000 to GPG Departments, which does not exceed provincial appropriated funds. **Thereby ensuring liquidity within the province so that the province can meet its obligations of providing service delivery.**  **Gauteng Infrastructure Financing Agency**  This agency falls within the Sustainable Fiscal Resource Management Programme, however it is presented as a separate quarter performance report.  The Gauteng Infrastructure Financing Agency (GIFA) endeavours to be a centre of excellence in the public sector in strategic infrastructure financing solutions. It also places emphasis on sound corporate governance in the Gauteng Fund Project Office (GFPO) in respect of effective and efficient resource management services. It also secures alternative finance sources, such as the creation of new revenue streams, thereby ensuring cost efficiencies and consolidating resources for economies of scale. This follows section 40 of the Public Finance Management Act, Act of 1999 (as amended by Act 29 of 1999).  **Program 1: Administration**  The objective of this programme is to provide leadership, strategic management, communications and stakeholder management and administrative support to the GIFA. The key business unit activities involve developing the strategic plan of the GIFA and monitoring its implementation, implementation of the communication strategy and ensuring strengthened relations with key stakeholders, building the capacity of GIFA and ensuring that GIFA becomes a centre of excellence through research and knowledge management. The programme consists of seven sub-programmes which are: Office of the Head of the GIFA; Marketing, Communications and Stakeholder Engagement; Financial Management; Information and Communication Technology; Facilities Management; and Human Resource Management.  Of the 10 planned performance targets under this programme, GIFA achieved all performance targets. The performance targets include, review and implementation of Risk Management Strategy; the development and submission of the 2022/02/23 Annual Performance Plans; and the implementation of the organization-wide M&E Framework. **The Portfolio Committee noted with appreciation that GIFA achieved an unqualified audit outcome for the 2020/21 financial year.** Linked to good governance and prudent financial management practices, all planned Internal Audits up to Quarter 3 have been completed; and contracts managed in terms of deliverables versus payment. Furthermore, 100% of suppliers were paid within 30 days; the Human Resource Development Strategy was implemented; the organization-wide Communication and Stakeholder Relations Strategy was implemented; and the ICT Strategy implemented**. The Portfolio Committee commended GIFA for achieving all its performance targets under this programme, thereby providing leadership, strategic management, communications and stakeholder management and administrative support to it operations.**  **Program 2: Project Development and Compliance**  The GIFA reported that the purpose of this programme is to develop infrastructure projects from sector departments, municipalities and provincial agencies through process and structures such as Gauteng Infrastructure Coordinating Council (GICC), Premier Budget Council and engagements with accounting officers. The business unit is responsible for developing the projects into comprehensive business plans that are ready for funding and implementation. The key activities of the business unit involve identification of appropriate projects, pre-feasibility and feasibility assessments, risk assessment, development of business plans, commercial and operational due diligence.  Of the 5 planned performance targets applicable to this programme for the period under review, GIFA achieved most of its performance targets, albeit it achieved one performance target partially. The performance targets concern appointing the Transactional Advisors for two feasibility studies and commence with the feasibility studies; and producing two reports of the feasibility studies. To this effect, Transactional Advisors were appointed for TIH:EB 4&5 and Gauteng Provincial Legislature, however feasibility study only commenced for the former. With regards to producing reports for feasibility studies, a feasibility study was completed, and a report was produced for the Krugersdorp Game Reserve and a report on land environmental sensitivity analysis was produced for Merafong Solar. **The Portfolio Committee is concern with the way GIFA accounts for the performance targets, whereby a performance target with two deliverables counts as two performance targets, as opposed, to one performance target.**  Under performance was registered under the following targets and releasing two identified projects to the market. Like the same period in the previous financial year, GIFA did not source a project for inclusion in the GIFA project pipeline as per the APP in the quarter under review. Under performance was ascribed to Project Screening and Selection of identified projects not being completed by end of 3rd Quarter 3, hence the sourcing process was not concluded. To mitigate under performance, **The portfolio Committee noted that GIFA was in consultation with Department of Sports, Arts, Culture and Recreation and Automotive Industrial Development Centre (AIDC) and five projects have been identified for sourcing in the 4th quarter, that is, HM Pitje Stadium, AIDC CoT TAC Inland Port Project, AIDC Microgrid Solar PV and Storage, AIDC Hydrogen Generation Installation, and TA Special Economic Zone, Renewable Energy project.** Pertaining to releasing two identified projects to the market, namely, Gauteng Schools Programme and Sedibeng Agro-processing Hub. GIFA reported that the Gauteng Schools Programme could not be financed through PPP model because of lack of funding from the Department of Education and that National Treasury approvals of TVRI and TVRII(a) were awaited to release the Sedibeng Agro- processing Hub to the market. **The Portfolio Committee is concerned whether GIFA’s feasibility study on the Gauteng Schools Programme was comprehensive enough to take into consideration the project's funding potential and repayment terms, hence the failure of the PPP model.**  **Program 3: Structured Finance**  The Portfolio Committee notes that the purpose of this programme is to structure finance for developed infrastructure projects and engage potential private and public funders with the aim of raising finance for the projects. The key activities in this programme involve ensuring that the project is bankable. With strategic objectives such as, to analyse and structure projects to bankability and funding and to fund projects through alternative sources of funding.  The performance output for this programme was two performance targets, and only one performance target was realized. The performance target refers to producing a bankability report for an identified project. The Portfolio Committee noted with appreciation that GIFA produced a bankability report for the Krugersdorp Game Reserve. GIFA also intended insuring that Tshwane Innovation Hub (TIH) Enterprise Building 3 (EB3) concluded financial close, but it was not to be realised. Underperformance was due to protracted lease agreement between anchor tenant SANSA and the private party. To remediate underperformance, GIFA indicated that the private party has completed mark-ups on the lease agreement and the approval sign-off was awaited from SANSA board. The conclusion of financial close is expected by the end of 4th Quarter. **The Portfolio Committee noted with concerned that financial close for Tshwane Innovation Hub (TIH) Enterprise Building 3 was supposed to be concluded in the same period of the previous financial year and is yet to be concluded.]**  **Program 3: Financial Governance**  This programme seeks to promote accountability through substantive reflection of financial activities as well as compliance with financial norms and standards in PFMA compliant institutions.  The Portfolio Committee noted that only two of the three performance targets planned under this programme were achieved, albeit with some pockets of over achievement. The performance targets relate to, producing a departmental 30-day suppliers’ payment compliance report; and ensuring that supplier invoices are submitted electronically. **The Portfolio Committee commended GPT for ensuring that 96% of supplier invoices were submitted electronically, instead of the planned 80%. The surpassing of the performance target was credited to Covid-19 enforcing electronic submission preference. However, the Portfolio Committee is concerned that GPT did not report on the reporting tool to capture payment of sub-contractors, which it reported during the same period in previous financial year that it will be deployed from 1st of April 2021.** GPT planned to consolidate the 2020/21 financial year Annual Financial Statements and tabled at Legislature in line with prescribed timelines, on the contrary, it was reported that the target was not achieved due to AGSA not finalising the audit on time. **The Portfolio Committee is concerned about non-compliance with financial standards, in the light of consolidated annual financial statements, which are helpful in gauging the overall financial position of the provinces, not being tabled according to timeframes.**  **Program 4: Provincial Supply Chain Management**  This programme aims to promote transparency and effective supply chain management in the province.  **The Portfolio Committee noted with appreciation that GPT achieved all three performance targets under this programme.** The performance targets are associated with, producing a report on 30% spend on township suppliers including those participating in the high value contracts; producing a report on subcontracted contracts captured on the SRM/ SAP system by GPG departments; and providing training workshops to Gauteng township-based suppliers. **The Portfolio Committee acknowledges the importance of reports, it however urges GPT to highlight salient points contained in such reports.**  **Program 5: Municipal** **Financial Governance**  This programme monitors the effective, efficient, sustainable financial management and financial reporting of all municipal fiscal resources for municipalities and municipal entities and it coordinates the provisioning of capacity building.  The purpose of this programme is to oversee, assist and support all delegated municipalities with the implementation of Municipal Financial Management Act (MFMA). **To this extent, the Portfolio Committee noted that most performance targets for this programme were achieved with pockets of excellence.** The performance targets include, conducting 3 IGR engagements with relevant stakeholders; conducting assessments on MFMA compliance by 8 delegated municipalities in Gauteng; and publishing provincial grants allocated to Gauteng municipalities. **The Portfolio Committee commended GPT for conducting 4 IGR engagements with relevant stakeholders as opposed to the planned 3.** Over-achievement was ascribed to the requirement for more engagements. The area of under achievement relate to the number of training initiatives conducted during the quarter under review. GPT intended conducting 1 training initiative and no training was conducted due to the local government elections and Councillor term of office coming to an end, all scheduled training was postponed to the next quarter.  **Program 6: Gauteng Audit Services**  The programme’s objective is to enhance transparency, good governance and clean government by strengthening the internal control and regulatory environment in GPG departments.  The only performance target under this programme was achieved. The performance target is associated with the tracking of internal audit recommendations at departments and entities. **The Portfolio Committee noted that GPT planned to track 75% of the implementation of internal audit recommendations by departments and entities. To the contrary, GPT tracked 100% of the implementation of internal audit recommendation for departments and entities.** Over achievement was attributed to monthly follow ups with Departments and Entities assisting to ensure implementation. **The Portfolio Committee commended GPT for tracking the implementation of all audit recommendation for clean audits which are premised on strong internal controls**.] |

# 2 OVERSIGHT ON DEPARTMENT / ENTITY ACHIEVEMENT OF APP TARGETS

| **2 [THE DETAILS ON DEPARTMENT / ENTITY APP PERFORMANCE]** |
| --- |
| **Number of APP targets relevant for this Quarter** |
| [20 for GPT  18 for GIFA] |
| **Number of APP targets for this Quarter that have been achieved during this Quarter** |
| [18 for GPT  15 for GIFA] |
| **Percentage of APP targets for this Quarter that have been achieved during this Quarter** |
| [GPT - 90%  GIFA - 83%] |
| **Percentage of APP achievement for the previous Quarter (for Comparison)** |
| [GPT - 94%  GIFA - 87%] |
| **Main areas in the APP that have experienced non-achievement or over achievement during this Quarter** |
| **[GPT**   * The 20/21 FY Consolidated Annual Financial Statements was not tabled at Legislature in line with prescribed timelines; and * Training initiatives for delegated municipalities in Gauteng were not conducted.   **GIFA**   * One infrastructure project not sourced; * Two projects not released to the market; and * One project could not conclude financial close.] |
| **Main reasons provided by the Department / Entity for non-achievement or over achievement of its APP during this Quarter** |
| **[GPT**   * Due to delays in finalising AGSA audit, the consolidated AFS could not be tabled in Q3; and * Due to the local government elections and Councillor term of office coming to an end all scheduled training was postponed.   **GIFA**   * The Project Screening and Selection of identified projects was not completed by end of Quarter 3, therefore the sourcing process was not concluded; * The Gauteng Schools Programme could not be financed through PPP model because of lack of funding from the Department of Education; * Awaiting National Treasury approval of TVRI and TVRII(a) in order to release the Sedibeng Agro- processing Hub to the market; and * Financial close for EB 3 was not concluded due to protracted lease agreement between anchor tenant SANSA and the private party.] |
| **Measures in place (with timeframes) to correct the deviation in targets for this Quarter and to prevent recurrence of such or similar deviation** |
| **[GPT**   * The follow up of AG audit findings will be conducted in 4th quarter.   **GIFA**   * The screening and selection is in progress and the whole sourcing process will be concluded in Quarter 4. * GIFA is exploring a turn-key solution of Design and build. GIFA will also undertake a fundraising process with the focus on donor and grant funding; * GIFA is constantly engaging National Treasury to address any key issues for approvals; and * The private party has completed mark-ups on the lease agreement. SANSA board to approve for sign-off. Conclusion of financial close is expected by the end of Quarter 4.] |
| **A summarized analysis on the Department / Entity performance per Programme for the period under review** |
| [Refer to section ii] |
| **Summarized information on any unplanned / emerging priorities reported on by the Department / Entity during the period under review** |
| [Not Applicable for both GPT and GIFA] |
| **Summarized information on how the Department / Entity maintains portfolios of evidence to verify its reported performance information** |
| **[GPT**   * The purpose of verification of portfolio of evidence (POE) is to determine the existence of evidence for reported performance and to highlight the adequacy of evidence submitted by Programmes. Verification of POE is applicable for Quarterly Performance Reports. * The department’s policy on management of performance information requires that evidence for reported evidence be submitted to support the reported performance. The developed Technical Indicator Definitions lists all possible source documents that can be used as evidence for each performance indicator hence the evidence submitted by Programmes should be in line with the Technical Indicator Definitions. * The process of verification will where relevant, identify opportunities for improvement and make recommendations which require implementation by management. Addressing the identified gaps as per the comments made will ensure improvement in the management of performance information and that evidence for reported performance is available and adequate. This will also ensure that the requirements of the Auditor General are met.   **GIFA**   * GIFA has developed and implemented the Organizational-wide M&E Framework which provides guidelines for collecting and verifying performance information. * The framework has tools and systems to assist with management of performance information and these are:   + - Performance Evidence Criteria     - Share Point (Electronic System)] |

# 3 OVERSIGHT ON DEPARTMENT / ENTITY PROJECT MANAGEMENT

| **3 THE DETAILS ON [DEPARTMENT / ENTITY PROJECT MANAGEMENT]** |
| --- |
| [Not Applicable for both GPT and GIFA] |

# 4 OVERSIGHT ON DEPARTMENT / ENTITY FINANCIAL PERFORMANCE

| **4 THE DETAILS ON DEPARTMENT / ENTITY FINANCIAL PERFORMANCE** |
| --- |
| **Actual amount (in Rands) allocated to the Department / Entity as budget for this entire Financial Year** |
| GPT - [R675 545 000]  GIFA - [R64 044 000] |
| **Actual amount projected by the Department / Entity to be spent only during the Q under review** |
| GPT - [R205 063 000]  GIFA - [R14 891 000] |
| **Actual amount (in Rands) spent by the Department / Entity only during the Q under review** |
| GPT - [R164 429 000]  GIFA - [R13 787 000] |
| **Total actual amount (in Rands) spent by the Department / Entity (Year to Date), i.e. from the beginning of this FY to the end of this Q under review** |
| GPT - [R457 144 000]  GIFA - [R41 185 000] |
| **Percentage (% of total budget allocation) of budget expenditure for this Q under Review only** |
| GPT - [80%]  GIFA - [93%] |
| **Percentage (% of total budget allocation) of budget expenditure (Year to Date), i.e. from the beginning of this FY to the end of this Q under review** |
| GPT - [68%]  GIFA - [64%] |
| **An analysis of how the % budget expenditure compares with the % APP achievement** |
| [**GPT**  Cumulatively, GPT expended 68% of the total budget allocation at the end of the third quarter, which is lower than the ideal benchmark of 75%, however expenditure compares satisfactorily with the 90% Annual Performance Plan (APP) achievement for the period under review. **The Portfolio Committee noted that the reported over expenditure under capital expenditure was due to vacant posts on the new approved structure not yet filled, the scaling down of operational costs due to covid-19 and projects that are still to realise expenditure.**  **GIFA**  As at the end of the third quarter, GIFA spent 64% of its total appropriation for the quarter, thereby underspending by 11 %, expenditure seems misaligned with the 83% Annual Performance Plan (APP) achievement for the period under review.] |
| **If there was over / under spending of greater than 3% of projection, what were the main challenges that led to the over / under spending** |
| **[GPT**  **Program 1: Administration**  During the quarter under review, the programme appropriated R39 150 000 and managed to spend R29 788 000 or 76%. The 24% underspending is due to vacant posts on the new approved structure not yet filled, the reduced operational cost such as travel and accommodation, utility costs and fleet management costs and printing costs.  **Program 2: Sustainable Fiscal Resource Management**  For the current quarter, this programme was allocated R58 913 000 and R52 442 000 or 89% was expended. The 11% underspending is due to vacant posts on the new approved structure not yet filled and MTPBS tabling costs that will be paid in the 4th Quarter.  **Program 3: Financial Governance**  Of the R31 486 000 allocated to this programme, R27 044 000 or 86% was spent. The 14% under expenditure was attributed to vacant posts on the new approved structure not yet filled and the below the norm spending of the financial statement automation project which is now projecting to commence spending in the 4th Quarter.  **Program 3: Provincial Supply Chain Management**  The budget for this programme for the current quarter amounts top R25 009 000 and R21 664 000 or 87% of allocated funds were utilized. The 13 % under expenditure was ascribed to vacant post on the new approved structure not yet filled  **Program 5: Municipal Financial Governance**  This programme received R18 777 000 in the quarter under review. As at the end of the quarter, R 9 550 000 or 51% of the appropriated funds was spent. The 49% under expenditure is due vacant posts on the new approved structure not yet filled and key project such as Infrastructure Asset Management for Municipalities being cancelled and the slow-moving expenditure on other goods and services related items due to covid 19 restrictions.  **Program 6: Gauteng Audit Services**  The projected budget for the quarter for this programme is R31 728 000 and R23 941 000 or 75% was expended. The reasons provided for underspending equivalent to 25% is due to vacant posts on the new approved structure not yet filled and current outsourced audits that are still to realise expenditure.  **GIFA**  **Program 1: Administration**  The quarterly budget for this programme amounted to R10 350 000 and R9 395 000 or 91% was expended. The 9% under expenditure was assigned to the delays in the conclusion of the organisational structure led to budgeted vacancies not being appointed.  **Program 2: Project Development and Compliance**  This programme appropriated a total of R3 210 000 for the current quarter and 98% of the appropriated amount was spent. The reported 2% under expenditure was associated with:   * The Krugersdorp Game Reserve feasibility study was completed, and payment will be effected once quality assurance has been completed in Quarter 4. * Gauteng Provincial Legislature feasibility study started in Quarter 3, as a result payment for the first deliverables of the feasibility study will be affected in Quarter 4.   **Program 3: Structured Finance**  Programme 3 was allocated an amount of R1 331 000 in the period under review. Total expenditure at the end of the quarter amounted to R1 250 000 or 93%. The rationale cited for underspending of 6% was due to the Land Enhancement Project that was not undertaken, as GIFA is awaiting the decision of the Department of Infrastructure Development on the project.**]** |
| **Mitigating measures by the Department / Entity to remedy over / under expenditure** |
| **[GPT**  For under expenditure on items such as compensation of employees and goods and services, spending will increase as posts are being advertised and the lockdown restrictions are being eased on items for goods and services.  **GIFA**  **Program 1: Administration**  The organisational structure is at an advanced stage of approval.  **Program 2: Project Development and Compliance**  The Krugersdorp Game Reserve Feasibility Study payment will be processed in 4th Quarter following the completion of quality assurance.  **Program 3: Structured Finance**  Funds will be reallocated to other projects should the DID not finalise the position on the land enhancement process.] |
| **The Department / Entity’s achievement with respect to GEYODI responsive budgeting / procurement for the period under review** |
| **[GPT**  The total procurement spend for the quarter under review was R 26.1 million. The department spent R 6.8 million (26%) on woman owned companies, R1.8 million (6.9%) on Youth owned companies and R 5 thousand (0.02%) on People with disabilities.  **GIFA**  Not Applicable] |
| **The Department / Entity’s achievement with respect to township economy / SMME / local procurement for the period under review** |
| **[GPT**  The total procurement spend for the quarter under review was R 26.1 million. The department managed to spend R 3.15 million (13,41%) on Township suppliers. GPT spend most of the funds on consultants and it is not easy to direct the spending to township suppliers because most of them are hired through a tender process.  **GIFA**  GIFA mainly procures Advisory Services.] |
| **A summary for the period under review with respect to payment of service providers within 15-30 days** |
| **[GPT**   * 100% of suppliers paid within 30 days and 99% within 15 days.   **GIFA**   * 100% of suppliers paid within 30 days] |
| **A summary for the period under review with respect to fruitless, wasteful and irregular expenditure** |
| **[GPT**  There was no fruitless, wasteful, and irregular expenditure during Q3.  **GIFA**  There was no fruitless, wasteful, and irregular expenditure during Q3.] |
| **A summary for the period under review with respect to efficiency / value for money in all SCM / procurement processes** |
| [The Portfolio Committee noted that both GPT and GIFA did not report on efficiency/value for money in procurement processes.] |
| **A summary for the period under review with respect to reduction of fraud and corruption in all SCM / procurement processes** |
| [The Portfolio Committee noted that both GPT and GIFA did not report on reduction of fraud and corruption in procurement processes.] |
| **A summary for the period under review with respect to ongoing clean audits** |
| [The Portfolio Committee noted that both GPT and GIFA received clean audits outcomes] |
| **A summary for the period under review with respect to spending on conditional grants (where applicable)** |
| [Not Applicable for both GPT and GIFA] |
| **Program / Sub Programme level financial performance** |
| [Covered above] |

# 5 OVERSIGHT ON DEPARTMENT / ENTITY RESOLUTIONS AND PETITIONS MANAGEMENT

|  |  |
| --- | --- |
| **5.1 THE DETAILS ON DEPARTMENT / ENTITY RESOLUTIONS MANAGEMENT** | |
| **How many Responses / Actions to Resolutions were due by the Department / Entity during the Quarter under review** | **With respect to any and all Resolutions that were due in the Quarter under review, how many Resolutions have been successfully responded to by the Department / Entity** |
| GPT- 4  GIFA - 0 | 0 |
| **What is the Committees perception of the Quality and Timeliness of Department / Entity responses to Committee Resolutions** | |
| GPT responded timeously to the resolution | |
| **[With respect to the Resolutions / Action due during the Quarter under review but still overdue, what reasons have been provided by the Department / Entity [with mitigating measures to submission]** | |
| [Not Applicable] | |

|  |  |
| --- | --- |
| **5.2 THE DETAILS ON DEPARTMENT / ENTITY PETITIONS MANAGEMENT** | |
| **How many Responses / Actions to Petitions due by the Department / Entity during the Quarter under review** | **With respect to any and all Petitions that were due in the Quarter under review, how many Petitions have been successfully responded to by the Department / Entity** |
| Not Applicable for Both GPT and GIFA | Not Applicable for Both GPT and GIFA |
| **What is the Committees perception of the Quality and Timeliness of Department / Entity responses to referred Petitions** | |
| Not Applicable for Both GPT and GIFA | |
| **With respect to the Petitions / Action due during the Quarter under review but not yet responded to by the Department / Entity, what reasons have been provided by the Department / Entity [with mitigating measures to submission]** | |
| Not Applicable for Both GPT and GIFA | |

# 6 OVERSIGHT ON DEPARTMENT / ENTITY PUBLIC ENGAGEMENT

|  |
| --- |
| **6. THE DETAILS ON DEPARTMENT / ENTITY PUBLIC ENGAGEMENTS** |
| **The steps / measures the Department / Entity has taken to meaningfully involve the public / stakeholders in the course of its work / service delivery, during the period under review** |
| [None for GIFA. Listed below for GPT] |
| **Summary of Public Education programmes of the Department / Entity during the period under review** |
| **[GPT**  **EXCO Outreach and ICT Training 2021**  The aim of the programme is for Gauteng Treasury to support eGovernment in ensuring the success of their ICT Training of young people of all the regions of Gauteng. GPT exhibited, presented, and offered services such as CSD and e-Invoicing registration and raising awareness on Purchasing Card (P-card) to the abovementioned sector (women).  Evaton East, Sedibeng  12 October 2021,09:00 -15:00  Orient Hill Mogale City  19 October 2021,09:00 -15:00  Bolekwa Sports Ground, Atteridgeville, Tshwane  21- 22 October 2021,09:00 -15:00  City Hall, Johannesburg  26- 27 October 2021,09:00 -15:00  Methodist Church of South Africa Wattville  28- 29 October 2021,09:00 -15:00  Hammanskraal 554 Reaikaga Street  24- 25 November 2021,09:00 -15:00  Simunye Teachers Centre Westonaria  26 November 2021,09:00 -15:00  Sharpeville Exhibition Centre, Sedibeng  30 November 2021,09:00 -15:00  **Provincial Launch of 16 days of Activism Campaign**  The Department of Community Safety was coordinating the Provincial launch of 16 days of Activism Campaign. The department was invited to showcase and interact with members of the public on our services and programmes  **Date**: 25 November 2021  **Time**: 09:00-15:00  **Venue**: Temba Stadium, Temba, Pretoria  **Youth Convention and Exhibition 2021**  The Youth Convention and Exhibition was held at Evaton, Sedibeng, it was aimed at showcasing the services that the government of Gauteng targeted at the young people, including vacancies, bursaries and internships  **Date**: 02 December 2021  **Time**: 09:00-15:00  **Venue**: Zone 3 Stadium, Evaton  **Gauteng School Zone-Based Vaccination Programme Launch**  The programme was aimed at officially opening more Vaccination site using schools in order to encourage and make it easy for the public to vaccinate  **Date**:02 December 2021  **Time:** 10:00 -13:00  **Venue**: Madiba Drive, Tembisa & Algeria Road, Tswelopele, Tembisa  **GIFA**  None.] |
| **Feedback sessions conducted by the Department / Entity** **during the period under review** |
| [Not Applicable for both GPT and GIFA] |

# 7 OVERSIGHT ON INTERNATIONAL TREATISE / AGREEMENTS

| **7. DETAILS ON IMPLEMENTATION OF INTERNATIONAL AGREEMENTS / TREATIES [Applicable only to OCPOL / OoP]** |
| --- |
| [Not Applicable for both GPT and GIFA] |

# 8 OVERSIGHT ON DEPARTMENT / ENTITY GEYODI EMPOWERMENT

| **8. DETAILS ON DEPARTMENT / ENTITY GEYODI EMPOWERMENT** |
| --- |
| [**GPT**   * 26% procurement from female-owned businesses; * 6.9% procurement from youth-owned businesses; and * 0.02% procurement from people with disabilities.   **GIFA**   * Not Applicable] |

# 9 OVERSIGHT ON DEPARTMENT / ENTITY COMPLIANCE WITH FIDUCIARY REQUIREMENTS

| **9. [DETAILS ON DEPARTMENT / ENTITY COMPLIANCE WITH FIDUCIARY REQUIREMENTS]** | |
| --- | --- |
| **GPL** | [GPT and GIFA complied with the legislated requirements with regard to the GPL] |
| **Auditor General (AGSA)** | [**GPT**  One request for information was received from the AGSA and responded to]  GIFA  No requests for information were received from the AGSA] |
| **Public Service Commission (PSC)** | [**GPT**  Only one request for information was received from the PSC and responded to  **GIFA**  None] |
| **Compliance with relevant fiduciary Legislation [e.g. PFMA]** | [The Portfolio Committee noted that both GPT and GIFA did not report on compliance with relevant fiduciary legislation like PFMA.] |

# 10 OVERSIGHT ON A CAPACITATED PUBLIC SERVICE

| **10. THE DETAILS ON A CAPACITATED DEPARTMENT / ENTITY** |
| --- |
| **Detailed information on the current vacancies (at all staff levels)** |
| GPT - [83]  GIFA - [0] |
| **Current vacancy rate** |
| GPT - [9.5%]  GIFA - [0%] |
| **Current acting positions (at all Staff levels)** |
| GPT - [9]  GIFA - [0] |
| **Terminations during the period under review** |
| GPT - [2]  GIFA [1] |
| **New appointments during the period under review** |
| GPT - [13]  GIFA [3] |
| **Detailed information on the GEYODI / HDI empowerment for the period under review** |
| [GPT   * **African** - 88.54% (657/742) * **Coloured** - 5.396 (43/742) * **Indian** 2.56% (21/742)   **GIFA**   * GIFA: Females 26 * GIFA: Males:21 * SMS: Female Employees: 5 * SMS: Males Employees: 10 * Youth employees: 17 * Employees with disabilities: 0] |
| **Detailed information on any suspensions for the period under review** |
| GPT - [0]  GIFA [0] |

# 11 OVERSIGHT ON ANY OTHER COMMITTEE FOCUS AREA

|  |
| --- |
| **11. THE DETAILS ON ANY OTHER COMMITTEE FOCUS AREA [Only if relevant and applicable]** |
| *Any other area of Department / Entity performance with respect to its Quarter Report that the Committee wishes to report on, which is not already included in any of the above Focus Areas.* |
| [Not Applicable for both GPT and GIFA] |

# 12 COMMITTEE FINDINGS / CONCERNS

| **12. DETAILED COMMITTEE FINDINGS / CONCERNS (on each specific Focus Area analysed above)** |
| --- |
| With respect to [Administration], is concerned that **that GPT’s vacancy rate stood at a staggering 230 vacancies.** |
| With respect to [Project Development and Compliance], the committee is concerned **with the way GIFA accounts for the performance targets, whereby a performance target with two deliverables counts as two performance targets, as opposed, to one performance target.** |
| With respect to [Project Development and Compliance], the committee is concerned **whether GIFA’s feasibility study on the Gauteng Schools Programme was comprehensive enough to take into consideration the project's funding potential and repayment terms, hence the failure of the PPP model.** |
| With respect to [Structured Finance], the committee is concerned that **financial close for Tshwane Innovation Hub (TIH) Enterprise Building 3 was supposed to be concluded in the same period of the previous financial year and is yet to be concluded.** |
| With respect to [Financial Governance], the committee is concerned that: **GPT did not report on the reporting tool to capture payment of sub-contractors, which it reported during the same period in previous financial year that it will be deployed from 1st of April 2021.** |
| With respect to [Financial Governance], the committee is concerned **non-compliance with financial standards, in the light of consolidated annual financial statements, which are helpful in gauging the overall financial position of the provinces, not being tabled according to timeframes.** |
| With respect to [which Focus Area above], the committee has found that / is concerned that: … |
| With respect to [which Focus Area above], the committee has found that / is concerned that: … |
| With respect to [which Focus Area above], the committee has found that / is concerned that: … |
| With respect to [which Focus Area above], the committee has found that / is concerned that: … |

# 13 COMMITTEE RECOMMENDATIONS

| **13 [DETAILED 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** |
| FIN /Q3PR / 001 | **That GPT should provide cogent reasons why its organizational structure has not been populated, two years after it has been approved;** | Written Response | 29/04/2022 |
| FIN/Q3PR / 002 | **The GIFA should seeks advise and report to the Committee on whether one performance target with two deliverables count as two performance targets or one, as that distorts the performance outcome;** | Written Response | 29/04/2022 |
| FIN/Q3PR / 003 | **GIFA should provide a report to the Portfolio highlighting why feasibility study on the Gauteng Schools Programme did not take into consideration the project's funding potential and repayment terms to circumvent the failure of the PPP model;** | Written Response | 29/04/2022 |
| FIN/Q3PR / 004 | **That GIFA should submit a report to the Portfolio Committee accounting for failure of the Tshwane Innovation Hub (TIH) Enterprise Building 3 to conclude financial close as planned in the previous financial year;** | Written Response | 29/04/2022 |
| FIN/Q3PR / 005 | **That GPT should provide a report highlighting the findings of the reporting tool to capture payment of sub-contractors and how negative findings are mitigated and positive one reinforced; and** | Written Response | 29/04/2022 |
| FIN/Q3PR / 006 | **That GPT should provide a list of departments whose delayed audits led to consolidated annual financial statements not being tabled according to timeframes and evidence to the effect that the delay was as a result of the AG’s Office** | Written Response | 29/04/2022 |
| *Add as many rows as required.*  *Each Recommendation on a separate row* |  |  |  |
|  | | | |
| **Explanatory note on the reference numbers for Recommendations (ultimately Resolutions)**   * Reference number is in the format : [A] / [B] / [C] * [A] = The 3 letter Committee identifier. E.g. COGTA/HS can be “CHS”, SRAC can be “SRA” * [B] = The 4 digit identifier for the SOM Imperative [e.g. Q1PR or Q2PR or FIS1 or APR, or BV. In this case, since this is a Q-Report template, it will either be Q1PR or Q2PR or Q3PR or Q4PR] * [C] = The 3 digit number of the recommendation in this report [001,002,003 …, 00n] | | | |

# 14 ACKNOWLEDGEMENTS

The Portfolio Committee extends gratitude to the Honourable MEC N. Nkomo Ralehoko, the Head of Department Ms. N. Mnyani, CEO of GIFA Mr. O. Seabi and officials of the Gauteng Provincial Treasury for their cooperation during the consideration of the report.

Appreciation for diligence, dedication and commitment shown during deliberations on the 2nd Quarter Performance Report process goes to all Members of the Finance Portfolio Mr. D. Malema; Dr. M.R. Phaladi-Digamela; Mr. W. Matsheke; Dr. B. Masuku; Mr. P. Atkinson; Ms. A. Randall;, Mr. K. Mazwi and Mr. I. Mukwevho.

The Committee’s gratitude is extended to the following support staff: Group Committee Coordinator Mr. T. Bodibe, Senior Committee Coordinator Mr. J. Ntsane; Acting Senior Committee Coordinator; Researchers Mr. M. Tshehla and Ms. L. Chiloane; Senior Information Officer Mr. W. Nsibande; Media Officer Mr. A. Dikola; Committee Administrators Ms. C. De Beer and Mr. Z. Mabuza, Service Officer Ms. R. Msimanga, Catering Assistant Ms. E. Nthene and Hansard Recorder Ms. R. Singh.

# 15 ADOPTION

After due consideration, the Finance Portfolio Committee unanimously adopted the 3rd Quarter Performance Report on the Gauteng Provincial Treasury for the 2021/22 financial year.

In terms of Rule 117 (2)(c) read with Rule 164, the Finance Portfolio Committee presents to this House and recommends the adoption of the Committee’s Oversight Report on the 3rd Quarter Performance Report on the Gauteng Provincial Treasury for the 2021/22 financial year.

1. The Constitution of the RSA (1996) Act 108 of 1996 [↑](#footnote-ref-2)
2. Sector Oversight Model [↑](#footnote-ref-3)